



DIS FRAMEWORK DOCUMENT 2

PROCUREMENT FRAMEWORK AND GOVERNANCE POLICY

Department for Innovation and Skills

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Government
of South Australia

Department for
Innovation and Skills

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1 Purpose and Application

1.1 Purpose

This policy has been developed to enable officers involved in any capacity of the procurement function to access information on authorities, accountabilities and relationships that have been established to ensure a high performing procurement function.

It also summarises aspects of the Procurement Services SA (PSSA) Procurement Governance Policy.

1.2 Application and Scope

This framework applies to all Procurement Operations for the acquisition of goods and services.

It does not currently apply to;

- construction work above \$165,000 (incl. GST)¹, or
- expenditure that is classified under Treasurer's Instruction 15: Grant Funding.

The Department's Grants, Subsidies and Sponsorship Policy and Grants and Subsidies Procedure governs the expenditure of funds attributed to industry assistance, subsidies and grants.

The Framework applies to all public officials including all employees and contractors within the Department for Innovation and Skills and all public officials including all employees and contractors of any Aligned Public Authority (i.e. another Public Authority who has by agreement, aligned with the Department to use this Framework).

DIS Aligned Public Authorities include:

- Adelaide Film Festival,
- SA Skills Commission,
- South Australian Film Corporation

All values in this Framework are inclusive of GST.

¹ The purchase of construction services greater than \$165,000 (GST inclusive) will be referred to the Department for Infrastructure and Transport (DIT). TI 18 will apply to DIT for all construction-related procurements from 1 July 2022.

1.3 Document Details

Document Name	Department for Innovation and Skills Procurement and Contract Management Framework
Document Owner	Chief Executive
Version	V1.2
Approval Date	July 2021
Review Date	July 2022
Review Process	This Framework, and any associated documents (including delegations) will be reviewed every 12 months to ensure they are fit-for-purpose.
Related Documents	This Procurement Framework is to be read in conjunction with the following documents: Treasurer's Instruction 18 PSSA Procurement Governance Policy PSSA Contract Management Policy PSSA Contract Management General Requirements Schedule DIS Framework Document 1 - Procurement Overview & Strategy DIS Framework Document 3 - Procurement Policy DIS Framework Document 4 - Procurement Procedure DIS Framework Document 5 - Contract Management Policy DIS Framework Document 6 - Contract Management Procedure DIS Framework Document 7 - Complaints Procedure DIS Framework Document 8 - Transition Requirement and Timeframe
Document Manager	Martin Smith Director, Financial and Business Services Performance and Business Operations
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2 Key Principles

All procurement activities undertaken must seek to uphold the following key principles:

- Achieving Value for Money
- Supporting and strengthening collaborative relationships
- Maximising the opportunity for South Australian business participation (through application of the South Australian Industry Participation Policy)
- Promoting Innovation Through Outcomes-Based Procurement
- Maintaining Probity, Accountability and Transparency

3 Procurement Governance

Procurements must adhere to all applicable legislation and government policies, including requirements under, but not limited to:

- Treasurer's Instructions
 - TI8: Financial Authorisations
 - TI17: Evaluation of and Approvals to Proceed with Public Sector Initiatives
 - TI18: Procurement
- Premier and Cabinet Circulars
 - DPC027 – Disclosure of Government Contracts
 - DPC038 – Unsolicited Proposals
 - DPC039 – Complaint Management
 - DPC044 – South Australian Funding Policy for the Not-for-Profit Sector
- Procurement Services SA Policies
- Across Government Contracts
- International Free Trade Agreements (FTAS)
- South Australian Industry Participation Policy (SAIPP)

4 Procurement Framework

The Department must have a fit for purpose procurement framework and governance in place to satisfy requirements of PSSA's policies (including the Procurement Governance, Procurement Planning, Sourcing and Contract Management Policies).

All staff will be responsible and accountable to the Chief Executive for the governance and approval of procurement operations they undertake as detailed below. The procurement team will support the business units operationally in the development and execution of procurement activities.

4.1 Roles and Responsibilities

4.1.1 The Treasurer

The Treasurer is responsible for setting the rules and policy direction for government procurement. This includes Treasurer's Instruction 18 Procurement and the approval of any new policies and future policy updates issued by PSSA.

Refer to DTF's Procurement Governance Policy for further information on governance and support arrangements that have been established to complement the roles of Procurement Services SA, including;

- Procurement Review Committee (providing strategic oversight of and reviews high risk and/or high value acquisitions on request from CEs, Ministers, Treasurer or Cabinet).
- Heads of Procurement (providing general whole of government strategic support).
- Communities of Practice (providing support to agencies to improve procurement capability and practice).
- Procurement Industry Advisory Group (improving government's engagement with industry to drive innovation and reduce complexity and costs of tendering for government work).

4.1.2 Chief Executive

The Chief Executive (CE) is ultimately responsible for the efficient and effective management of all procurement activities undertaken by the Department regardless of the value.

The Chief Executive is responsible for ensuring:

- an appropriate internal Procurement Framework and governance is in place to satisfy the requirements of the South Australian Government Procurement Framework including policies, schedules, required reporting and registers;
- an internal biennial review is undertaken to assess compliance and effectiveness of the procurement framework; and
- an external biennial review is undertaken to identify good practice and opportunities for improvement.

The Chief Executive approves:

- the DIS Procurement Activity Plan for submission to PARS, by 1 July each calendar year (1 August in the case of 2021);
- Acquisition plans and purchase recommendations for procurement activities with an estimated value greater above \$1.5M;
- Acquisition plans and purchase recommendations for procurement activities classified as strategic or complex (any value);
- any limited, including single source market approaches with a value greater than \$550,000;
- Liability cap limits outside the approved default; and
- Withholding of sensitive procurements from public disclosure on PARS.

Only the Chief Executive can approve a direct negotiation for the reason listed below, for any value.

- a limited number of suppliers with the capability, experience, and suitability to meet the public authority's needs and no alternative or substitute exists or for other reasons justified by the Chief Executive of the authority.

The CE is supported by the Procurement Team and the Project, Procurement and Governance Committee (PPGC).

The Chief Executive has established a system of authorisations within the Department for the approval of acquisition plans, purchase recommendations and contract execution.

4.1.3 Aligned Authorities

The Department's Service Level Agreements with aligned public authorities defines the respective responsibilities (Appendix 1) of each public authority in relation to the procurement process and governance for each aligned authority, the alignment mechanism includes the following responsibilities:

- Complexity assessment and approvals of acquisition plans and procurements;
- Maintaining the authorisation;
- Keeping and maintaining the departures register;
- Reporting and forward procurement planning; and
- Contract management.

The Chief Executive (or equivalent) of an Aligned Authority approves:

- alignment to DIS (Host Agency);
- their organisation's Procurement Activity Plan;
- Acquisition plans and purchase recommendations for procurement activities as determined by their authorisation register;
- any limited, including single source, market approaches with a value greater than \$550,000; and
**must meet acceptable reasons for limiting the market as outlined in the DTF Procurement Planning Policy.*
- liability cap limits outside the approved default

4.1.4 Project, Procurement and Governance Committee

The Project, Procurement and Governance Committee (PPGC), established by the Chief Executive, is to consider proposals for projects, procurement, and associated governance structures/practices (including for investing capital funds) to ensure alignment to the department's strategic agenda, *Treasurer's Instruction 18 SA Procurement Framework* and associated policies, Project Management Framework, Governance Framework and Enterprise Approach.

For the purposes of procurement, the committee provides governance oversight of the procurement function, to ensure procurement and contract management activities are driven by business needs, utilise best practice, manage risk exposure and are aligned to the Departments strategic priorities and SA Government strategic direction.

The PPGC approves:

- Dependent on value/risk, approves or endorses (refer below) deviations from approved Acquisition Plans.

The PPGC endorses:

- acquisition plans for activities with an expected value of greater than or equal to \$1.5 million prior to approval by the Chief Executive
- all acquisition plans classified as complex or strategic prior to approval by the Chief Executive
- the Procurement Activity Plan (including subsequent amendments) prior to approval by the Chief Executive
- complex and strategic contracts including variations and extensions with cumulative value above \$550,000 for delegate approval and annual reporting to the Chief Executive

Submissions to the PPGC must be endorsed by the relevant Executive Director.

The membership of the PPGC is determined by the Chief Executive and comprises of Executive and Senior Officers. Membership details and the terms of reference for the PPGC are detailed in the *Project, Procurement and Governance Committee Terms of Reference*.

4.1.5 Executive Directors and Directors

Executive Directors (EDs) and Directors are responsible for the procurement and contracting activities within their portfolio.

The ED is responsible for ensuring:

- staff undertaking procurement activities within their portfolio are sufficiently informed about relevant procurement policies and guidelines;
- any future procurement activities or contract renewals are reported to the DIS Procurement team in a timely manner to meet reporting requirements;
- procurement activities align to the objectives of the Department; and
- contracts are actively managed by a contract manager appropriate to the complexity, risk and value of the procurement.

An Executive Director approves:

- Acquisition plans and purchase recommendations for procurement activities with an estimated value up to \$1.5 million and classified as Transactional or Routine; and
- Any limited, including direct, market approaches with a value of between \$55,000 and \$550,000 and classified as routine.
**must meet acceptable reasons for limiting the market as outlined in the DTF Procurement Planning Policy.*

A Director approves:

- Acquisition plans and purchase recommendations for procurement activities with a value up to \$220,000 and classified as Transactional or Routine (excluding limited/direct market approaches which are to be approved by EDs).

4.1.6 Procurement Team

The DIS Procurement team provides:

- supports the broader strategic objectives and purpose of DIS and Aligned Authorities by delivering efficient and effective procurement services within a culture that supports best practice
- operational and strategic procurement support to stakeholders in procurement activities and is supported by the Procurement Services SA, Client Services team within the Department of Treasury and Finance
- oversight for all procurement processes assessed as routine, complex or strategic. Training is provided to other business units to deliver the procurement function for procurements assessed as transactional.
- regular and ongoing training to staff on how to use the Department's procurement policies, procedures, processes, and templates.
- endorsement and check for completeness for procurement documentations as per the DIS Compliance Checklist items
- management of all procurement activity that has been recorded and updated in PARS throughout the stages of the procurement
- review for all extension and acceptance of late tender offers (approval to accept a late offer must be authorised by the Director, Finance and Procurement)

4.1.7 Managers and all other DIS Staff

Managers and all other DIS staff are responsible for:

- understanding their responsibilities and complying with procurement Policies and Procedures;
- acting professionally and complying with the Code of Ethics for the South Australian Public Sector and associated Policy and Procedure requirements when undertaking business activities; and
- retaining and maintaining access to records pertaining to the procurement and contracting activity including the relevant authorisations.

Managers and all other DIS staff can approve:

- any procurement process classified as transactional or routine within their financial authorisation.

4.1.8 Aligned Authority Staff

Aligned Authority Staff must seek approvals in line with their organisational governance arrangements and authorisation schedule.

5 Office of the Industry Advocate (OIA)

The Office of the Industry Advocate (OIA) has been established to further the objectives of the South Australian Industry Participation Policy and to perform its function in accordance with the Industry Advocate Act 2017.

Industry Participation Policy requirements are reflected within all applicable procurement documentation in accordance the South Australian Industry Participation Policy (SAIPP).

Refer to Attachment 2 for Mandatory Requirements of the Industry Advocate on Responsible Government Agencies (RGAs).

6 Procurement Systems

6.1 Procurement and Contract Management System (PaCMan)

The Department's Procurement and Contract and Manage System (PaCMan) allows DIS and Aligned Authorities to effectively manage procurement processes and contract management activities.

It also facilitates compliance with SA Government and DIS procurement policy and reporting requirements and other procurement related procedures.

All staff are responsible for ensuring data entered into PaCMan is up to date and accurate.

6.2 Procurement Activity and Reporting System (PARS)

The Procurement Activity Reporting System (PARS) is the government's platform for the collection, analysis and disclosure of data relating to procurement.

DIS uses PARS for the following:

- Departures register;
- Activity and Forward Procurement plans;
- To meet the requirements outlined in the PSSA Reporting Schedule Guideline;
- Industry Participation Policy (SAIPP) requirements; and
- Supplier Complaints register

DIS uses PARS through integration with its Procurement and Contract Management System (PaCMan) and through direct access to PARS.

The Business Unit Procurement Leads, in liaison with the Procurement Team is responsible for ensuring information entered into PARS is accurate and up to date throughout the procurement process. This includes ensuring that all procurements above \$55,000 are recorded in the Forward Procurement Plan (through PARS) prior to approaching the market.

7 Reviews

The following reviews will be undertaken by the Department:

- Internal biennial review
- External biennial review
- Internal suitability review

The outcomes of the reviews will contribute to continuous improvement and capability development plan and may contribute to the overall strategic plan.

7.1 Internal biennial review

Commencing in 31 October 2022, and every two years thereafter, the Chief Executive will undertake an internal review to assess the extent to which procurement and contract management processes have been undertaken in line with its internal procurement framework.

Details of the internal review will be provided to Procurement Services SA via the Procurement Activity Reporting System.

The internal review will be conducted by the Risk and Assurance team and will consider whether procurement policies, procedures and operational practice are effectively implemented and followed by the Department and its Aligned Authorities.

Internal review will consider a sample of procurements, of differentiating complexity, across all divisions within DIS, DEM and aligned authorities.

A separate review is completed for DIS and each of the Aligned Authorities.

7.2 External biennial review

In the alternate year to the internal review, the external review is to be completed by 31 October 2023 (commencing 2023 and every two years thereafter), the Chief Executive will initiate an external review of its procurement and contract management processes.

This review will be outcomes-focused and will identify good practice and opportunities for improvement. The external review will be undertaken by a supplier from the across government panel established for the purposes of this review by Procurement Services SA.

The review will be initiated by the Director, Financial and Business Services and the report will be submitted via PARS within 30 calendar days of the report being provided.

7.3 Internal suitability review

The DIS Procurement team will undertake an internal review of the suitability of the procurement framework once a year prior to 1 December. It will consider the biennial review findings, lessons learnt and stakeholder feedback. The outcomes of this review will be submitted to the PGC who will provide advice and if appropriate suggest amendments to the Chief Executive for consideration.

8 Record Keeping

Accurate records are to be kept for all stages of the procurement process including planning, sourcing and contract management. Decision making needs to be documented, including the

process followed to arrive at that decision. Such documentation serves to provide enough information for audit or other review.

DIS staff will pay attention to documenting all relevant communication with prospective suppliers. This includes both written communications, along with appropriate records of relevant verbal discussions throughout the whole process (e.g. minutes of a meeting, file notes of telephone discussions).

All registered procurements are assigned with a procurement reference number generated by PACMAN and a SharePoint folder is created with sub-folders containing selected templates according to the procurement strategy and its complexity. The SharePoint site serves as a central repository for the Business Unit Procurement Leads to collaborate with the DIS Procurement Team thus ensuring the latest and appropriate procurement documentations are used throughout the procurement process and approvals are captured at each milestones as per the DIS Compliance Checklist.

DIS Procurement Team export all SharePoint folders at the end of each financial year into the Department's approved Electronic Document and Record Management System (i.e. Content Manager).

9 Complaints Management

The timely investigation and management of supplier complaints is essential for maintaining good relationships between the Department and suppliers.

Any supplier complaint received at any stage of the procurement process must be managed in accordance with the Department's supplier complaints management procedure and the appropriate records must be maintained.

All complaints will be referred to the Director, Financial and Business Services and will be maintained within PARS through the complaints form. The detail and resolution of all formal complaints will be documented within PARS. All formal complaints will also be reported to the PPGC.

The Chief Executive will inform DTF's Procurement Review Committee (PRC) within seven calendar days of any complaint that could not be resolved to the satisfaction of both parties. DIS will provide all relevant documentation to the PRC, via Procurement Services SA.

For guidance for handling supplier complaints, refer to the PSSA Supplier Complaints Guideline and the DIS Supplier Complaints Management Procedure.

10 Contract Management Framework

Refer to the DIS Contract Management Policy document which is consistent with the requirements of the PSSA Contract Management Policy.

11 Registers

The following registers are maintained by the Procurement team:

- Contract register

- Departures register
- Authorisations register

All contracts meeting the registration criteria executed on behalf of the DIS or Aligned Authority regardless of value including secondary procurement contracts under any internal or external (to DIS) established panel contracts must be recorded in PaCMan (the Central Contract Register).

The nominated or assigned contract manager from the Business Unit or Aligned Authority is responsible for maintaining the Contract Register in PacMan with support and training to be provided by DIS Procurement Team. The information retained within the register will be in accordance with the Procurement Services SA Reporting Guideline.

All Departures from the PSSA Procurement Planning and Sourcing Policies, including deviations from any approved plans, will be documented in the Acquisition Plan and/or Purchase Recommendation. The Departures are entered into PARS by the DIS Procurement Team. Departures are reported to the PGC at the next meeting.

Procurement authority levels are maintained in the Department's Authorisations Register (and linked to authority levels detailed within the DIS Procurement Framework). Authorities are reviewed annually. Aligned Authorities are accountable for their own authorisation register.

12 Risk Management Framework

The DIS Risk & Performance Committee (joint with the Department for Energy and Mining, and the Department for Trade and Investment) is responsible to the DIS Chief Executive, for the oversight of strategic risks. Strategic risks are those where the effect of an event or change in circumstances impacts the Department's ability to achieve its strategic direction. Internal audit reviews focus on the effectiveness of controls in place to mitigate these strategic risks.

Please liaise with the *Risk and Assurance Team* for further guidance on the DIS Risk Management Framework.

13 Activity Planning and Reporting

In accordance with Treasurer's Instruction 18, by 1 July of each calendar year (1 August in the case of 2021), DIS will provide PSSA with a description of:

- all existing contacted expenditure as a result of a previous procurement above \$55,000;
- all known anticipated procurements above \$55,000 for the next 24-month period (Forward Procurement Plan); and
- all known procurements above \$550,000 for the next 12-month period.

13.1 Forward Procurement Plan

A Forward Procurement Plan (FPP) is published by DTF Procurement Services SA (PSSA) on behalf of DIS to inform prospective suppliers about future opportunities. The FPP is the

Department's 24-month rolling forecast of procurement activities with an estimated value above \$55,000.

DIS will record the following upcoming activities, with an estimated value above \$55,000, into PARS, 24 months prior to commencement or as soon as practicability possible:

- Procurement activities
- Contracts due for expiry or renewal

All procurement activities with an estimated cost above \$55,000 must be recorded on the FPP through PARS, prior to approaching the market.

In the instance that DIS is undertaking a procurement activity on behalf of an aligned authority, DIS Procurement Team will be responsible for ensuring PARS requirements are met.

The FPP will be reviewed and updated by the DIS Procurement team no less than monthly to ensure its accuracy and that amendments are made accordingly.

Where an activity is determined to be sensitive in nature, it will be entered into PARS but may be withheld from public disclosure. This must be approved by the Chief Executive (or Aligned Authority equivalent).

13.2 Procurement Activity Plan

DIS uses the government's central PARS to record and submit details of all procurement activities with an estimated value above \$550,000 that it plans to undertake in the next 12-month period.

The Procurement Activity Plan (PAP) will be approved by the Chief Executive (or Aligned Authority equivalent) which will be submitted to PSSA by the DIS Procurement team through the PARS, by 1 July each calendar year (1 August in the case of 2021).

The Chief Executive cannot authorise another person to approve the Activity Plan.

Amendments may occur from time to time. An amendment to the Activity Plan includes an additional activity previously not recorded or a recorded activity with a material change.

Amendments to the PAP must be endorsed by the PPGC and approved by the Chief Executive prior to being updated in PARS. Business Unit Procurement Leads are responsible for documenting the reason for amending the PAP and for advising the Director Financial and Business Services, who will escalate to the PPGC and the Chief Executive.

The PGC will be informed of the amendment including the reason for the amendment for further investigation, if required.

13.3 Reporting Requirements and Process

DIS reports in line with the PSSA Reporting Schedule. Reporting is submitted through PARS for integration with PaCMan and other mechanisms.

The frequency and responsible persons for reporting are as follows:

Information Type	Frequency	Responsible
Financial Reporting	Quarterly	DIS Finance team

Procurement and Contracting Activity	Real time (as it occurs) or at a min. quarterly	DIS Procurement team
People	Quarterly	DIS Procurement team & People and Performance
Operational Reporting	Quarterly	DIS Procurement team
Contract Management	Real time (as it occurs)	DIS Procurement team

Refer to Attachment 1 for diagram on process for regular procurement activity reporting to be conducted by the DIS Procurement Team.

Each Aligned Authority is responsible for providing the required reporting data for DIS Procurement Team to collate the data for submission through PARS.

14 Procurement Policies and Processes

DIS Procurement and Contract Management policies and procedures build upon the minimum requirements of Treasurer's Instruction 18 Procurement and supporting policies.

Procurement processes are determined by the estimated value and complexity of an individual procurement and must be undertaken by persons capable of delivering the procurement outcome. This can include requirements for mandatory training.

DIS will undertake a complexity and capability assessment during procurement activity planning and before commencing an individual procurement process. The procurement complexity will determine the requirements of the individual procurement process.

For guidance on processes, refer to the DIS Procurement Planning, Sourcing and Contract Management Policies and associated Procedures.

To ensure DIS has appropriate levels of procurement expertise, resources, systems and processes to achieve procurement objectives and to manage risks appropriately, DIS annually assesses its capability and develops a capability development plan.

In accordance with the Procurement Governance Policy, the DIS Procurement team will provide PSSA with the following documentation annually:

- Capability assessment
- Capability development plan
- Industry engagement plan (Refer to DIS Industry Engagement Guide)

14.1 Capability Assessment

Capability is comprised of governance, people, processes, resources, systems and development. DIS uses the PSSA *Capability Assessment Matrix* to undertake its annual capability assessment and to assess organisational capability. The assessment is completed by the DIS Procurement team and outcomes are submitted to the PPGC and PSSA annually, commencing in 1 December 2021.

The outcomes of the assessment are reviewed by the PPGC which then recommends Proposed actions for the Chief Executive consideration as per amendments for the DIS Capability Development Plan.

14.2 Capability Development Plan

The Annual DIS Capability Development Plan (CDP) is designed to build the capability of officers who regularly undertake procurement activities as well as to address areas for improvement identified in the annual organisational capability assessment.

The CDP may also consider the outcomes of the internal suitability review, any lessons learnt/post sourcing reviews, outcomes from Performance Development Plans (PDP's), requirements for any upcoming procurement activities and identified skill gaps.

The CDP may consist of actions to improve the capability of people, processes, resources, and systems and is developed by the DIS Procurement team in consultation with stakeholders.

Further consultation with People & Performance is required for the development of the CDP.

Once developed it is endorsed by the PPGC and submitted to PSSA annually, commencing in 1 December 2021.

15 Industry Engagement

The Department prepares an Industry Engagement Plan each year to provide guidance and advice for Business Unit Procurement Leads to properly plan and undertake industry engagement activities with confidence and enables transparent collaboration with a diverse range of prospective suppliers, including small to medium enterprises (SMEs). Once developed it is endorsed by the PPGC and submitted to PSSA annually, commencing in 1 December 2021.

The level of engagement is to be appropriate to the value, complexity and risk of the procurement activity proposed. Formal pre-procurement industry engagement, such as industry briefing sessions, will be undertaken for all complex and strategic procurements, where appropriate.

The purpose of the industry engagement is to be transparent and collaborative with the market, whilst identifying innovative opportunities to satisfy the business need and/or outcomes.

All senior DIS staff and contractors responsible for leading or managing complex or strategic procurements are required to undertake the Department of Treasury and Finance, Procurement Services SA *Industry Engagement Professional Development* workshop within the last 3-year period.

Further consultation is required with Business Units to develop Industry Engagement Plan for complex or strategic procurements.

Refer to DIS Industry Engagement Guide.

16 Unsolicited Proposals

An unsolicited proposal is submitted without formally being requested by the Department.

The nature of the proposal can address a wide range of areas including the procurement of goods and services.

Any unsolicited proposal must be managed in accordance with the processes outlined in the PSSA Unsolicited Proposals Schedule and DTF Guidelines for Assessment of Unsolicited Proposals. Refer to the DIS Sourcing Policy for further details.

17 Value for Money

Value for Money (VFM) is a key principle of the South Australian Government Procurement Framework.

VFM is the achievement of a desired procurement outcome at the best possible price based on a balanced judgement of financial and non-financial factors relevant to the procurement. This is achieved in procurement by finding the optimum balance of:

1. Whole-of-Life Cost
2. Quality

VFM will be considered throughout the procurement and contract management processes.

DIS will use the principles and advice in the DTF Value for Money in Procurement Guideline throughout the stages of the process.

The Evaluation Plan (either embedded in the Acquisition Plan or separately documented) will detail how VFM will be assessed for each procurement project. DIS uses advice in the DTF Evaluation planning guideline to determine the best methodology for achieving VFM.

DIS will seek to achieve VFM in every procurement undertaken and, in the instance, where a procurement or contract cannot achieve VFM and deliver the desired outcomes, that procurement or contract will not proceed further in that direction. Further consideration will need to be given to the financial viability of achieving the desired outcomes as well.

17.1 Whole-of-Life Cost (WLC)

As part of the procurement planning whole of life cost will be estimated, including but not limited to new investments required to implement, establish and manage the solution, disposal and transition out of the contract for the full contract term including any proposed extension options

The Whole of life costing tool is used in conjunction with the direction give in the DTF Whole-of-Life Costing Guideline. Where appropriated WLC will be used estimated cost to evaluate a supplier's offer during supplier selection. This is to be outlined in the evaluation plan.

17.2 Quality

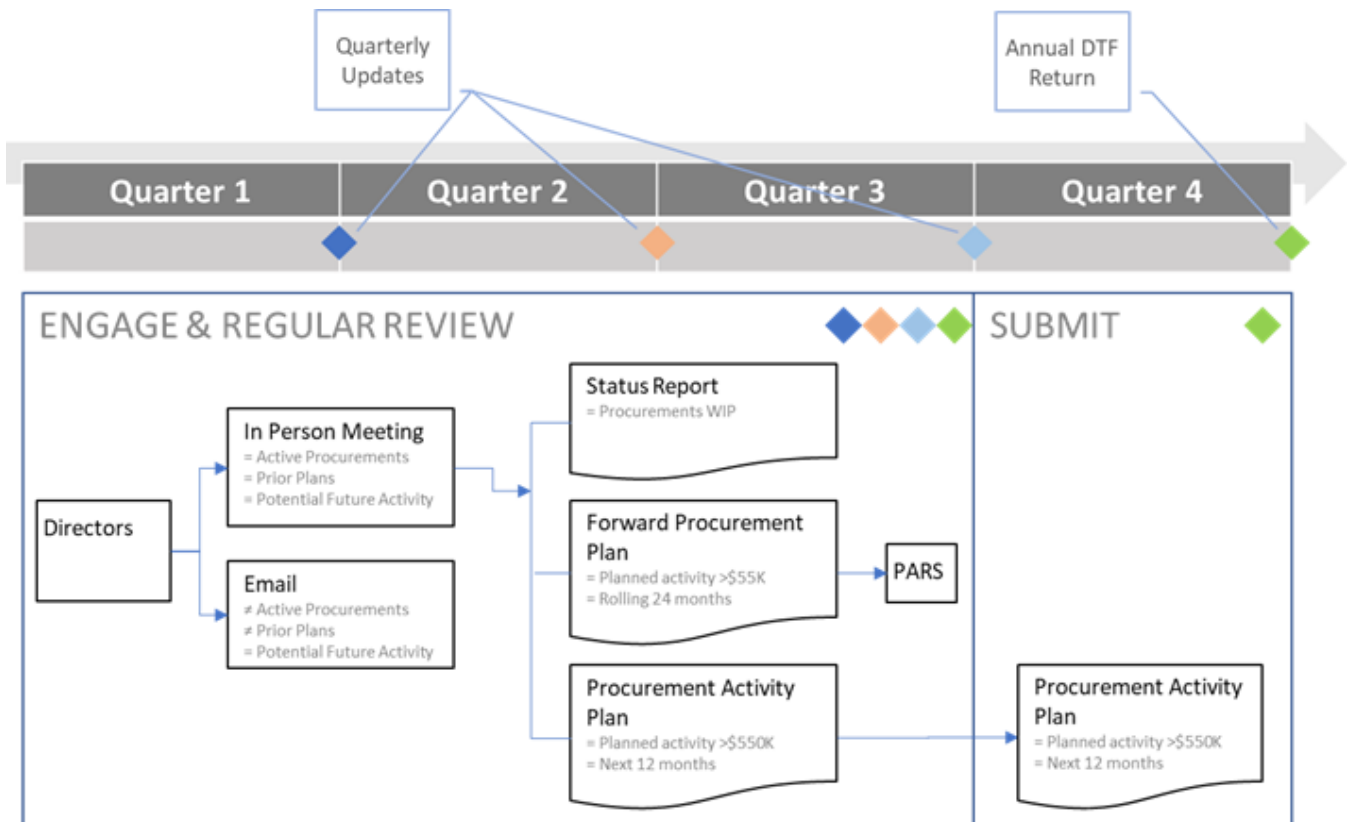
The quality of an offer to supply considers:

- the capability of the good or service to achieve the desired outcome/s of the procurement;
- the capacity (including previous experience and availability/timeliness) of the supplier to deliver the intended outcome/s;
- compliance with specifications and/or standards associated with the good or service;
- the flexibility and adaptability of the good or service to foster continuous improvement

and innovation (where appropriate) over its life cycle; and

- the economic contribution made to South Australia through the supply of the good or service (assessed through the South Australian Industry Participation Policy).

Attachment 1 – Procurement Activity Reporting



Attachment 2 – Mandatory Requirements of the Industry Advocate on Responsible Government Agencies.

Responsible Government Agencies (RGAs) are required to comply with the South Australian industry participation policy and the supporting procedural and reporting guidelines.

The *Industry Advocate Act 2017* (the Act) requires the Advocate to investigate and monitor compliance with the SAIPP.

The mandatory requirements below outline responsibilities and obligations of RGAs.

- Register the procurement on Department of Treasury and Finance – Procurement Activity Reporting System (PARS).
- All procurements above \$55,000 must provide the opportunity for at least one local business to quote or tender (this includes panels).
- if the procurement presents an opportunity for a local Aboriginal business and is below \$220,000, the responsible government authority may directly engage the local Aboriginal business.
- if a Cabinet Submission is required for a particular project, the Office of the Industry Advocate (OIA) must be consulted.
- Determine if the project is within scope of the South Australian Industry Participation Policy (SAIPP), it may be a private sector project receiving more than \$2.5 million in monetary support (or value in-kind).
- Forward draft acquisition plan to the OIA for review of all projects over \$550,000 to oia@sa.gov.au.
- Consider if the minimum weighting should be increased and complete expanded economic opportunity assessment.
- Consider the option to apply an IP Plan to a project between \$220,000 and \$550,000.
- Apply a valid Tailored Industry Participation Plan (TIPP) for projects above \$50 million. A TIPP is invalid without a signature from the Industry Advocate
- Verify Industry Participation Plan scores.
- Preclude tenders that have not submitted a compliant Industry Participation Plan (IPP) from contract award.
- ensure approved SAIPP contract conditions/clauses are being used in all contracts where there is an Industry Participation Plan requirement.

For further information contact the Office of the Industry Advocate: oia@sa.gov.au or phone 8226 8956.

Appendix 1 – Roles and Responsibilities for DIS Aligned Authority

Service Function	Task/Action	Responsibilities	
		DIS Procurement Team	Aligned Authority
Procurement Advice and Assistance	Procurement advice and assistance throughout the procurement process	<p>Provide general advice when required or requested.</p> <p>Assist in review and development of internal procurement related policies, procedures, guides and templates.</p>	<p>Seek advice from the DIS Procurement as required.</p> <p>Utilise appropriate templates as outlined in the relevant procedures and guide on DIS Intranet.</p>
Procurement Processes Under \$55,000 (GST Inc.)	Undertake simple procurements valued at or below \$55,000 (inc GST).	<p>Provide advice when required or requested.</p> <p>Assist in review and development of internal procurement related policies, procedures, guides and templates.</p>	<p>Prepare appropriate procurement-related documentation for procurements valued below \$55,000 (inc GST) in line with internal procurement procedure.</p> <p>Obtain required internal financial approvals and endorsements to proceed with procurement.</p> <p>Elect to use DIS Purchase Report Template to record purchase.</p>
Procurement Processes Above \$55,000 (GST Inc.)	Undertake standard procurements valued above \$55,000 (inc GST).	<p>Provide advice when required or requested.</p> <p>Procurement support provided either by DIS Procurement Team or outsourced to DTF Client Services to assist with development of procurement-related documentation, acquisition plans, market documents, evaluation plans, risk management plans, purchase recommendations.</p>	<p>Develop procurement related documentation such as acquisition plans, market documents, evaluation plans, risk management plans, purchase recommendations in line with DIS Procurement Procedure.</p> <p>Obtain required internal approvals and endorsements to proceed with procurement.</p>

Service Function	Task/Action	Responsibilities	
		DIS Procurement Team	Aligned Authority
			Maintain records of all contracts greater than \$55,000 (inc GST) either on Aligned Authority's Contract Register, or on the Procurement and Contract Management (PaCMan) system when available.
Project, Procurement and Governance Committee (PPGC)	<p>Endorse acquisition plans and purchase recommendations valued above \$550,000 (inc GST) for goods and services.</p> <p>Endorse procurement activity plan.</p> <p>Endorse acquisition plan classified as complex or strategic.</p>	Obtain endorsement and inform the client of the outcome for procurements submitted to the PPGC	Forward completed acquisition plans and purchase recommendations to the DIS Procurement Team for review and forwarding to the PPGC endorsement where required.
Financial Delegation Management	Maintain up to date and accurate financial and procurement authorisations		Maintain up to date and appropriate financial and procurement delegations for your public authority
Reporting & Co-ordination	<p>Annual reporting requirements in line with TI18, OIA (SAIPP).</p> <p>DIS quarterly reporting</p>	<p>Coordinate procurement reporting as required for DTF, OIA and any other requests for procurement data.</p> <p>Coordinate DTF Planned Activity Reporting and Forward Procurement Plan in the Procurement and Reporting (PARS) System and Reporting in PaCMan.</p>	Provide procurement and contract data and any other required information to the DIS Procurement Team when requested to meet reporting timeframes. Provide updated information on all Planned Activity to the DIS Procurement Team for uploading into the PARS.

Service Function	Task/Action	Responsibilities	
		DIS Procurement Team	Aligned Authority
Maintain Departure Register	Departure reporting	Maintain a record of departures from policy or process.	Inform the DIS Procurement Team of any departures from policy or process.
Tenders SA Administration	Provide documentation and information for Tenders SA.	<p>Administration and maintenance of procurement and contract disclosure on Tenders SA.</p> <p>Provide training for uploading of information on Tenders SA, opening of tender documentation from Tenders SA and forwarding to client, and disclosure of relevant contracts from information provided by client.</p>	<p>Publish all market approach documentations on Tenders SA that are above \$55,000</p> <p>Upload relevant information for contract disclosure on Tenders SA under PC027 – Disclosure of Government Contracts.</p>
Capability Development and System Support	Provide procurement training for procurement, contract management, and procurement systems.	<p>Prepare, deliver and/or facilitate procurement and contract management training.</p> <p>Maintain the PARS and PaCMan systems and provide appropriate training and support.</p>	<p>Participate in mandatory and elective procurement training as required.</p> <p>Maintain a training register.</p>