All procurement must follow a consistent procurement process. This process consists of:

1. Identification of the need to procure goods / services;
2. Approaching the market;
3. Selection of supplier(s);
4. Contract establishment;
5. Purchase order creation within Basware; and
6. Processing of invoices.

1. IDENTIFICATION OF THE NEED FOR GOODS / SERVICES

All procurements are initiated by the need for goods / services. With this knowledge, some preliminary market research should be conducted to better understand how much the purchase will cost.

It is important, at this initial stage to identify whether a budget has been allocated to the expenditure. Where one has not been allocated, discuss with your relevant line manager or director on how the purchase will be funded.

2. APPROACHING THE MARKET

Approach the market in procurement terms refers to the basis in which suppliers are contacted to further assess their suitability in providing goods and services.

Suppliers can only be approached in two ways:

1. Panel procurement
2. New Procurement

Panel Procurement

Panel procurement refers to procurement of goods / services where there is an existing contractual or whole of government requirement to approach specific suppliers. There are currently two categories for panel procurement:

1. Across Government Arrangements
2. E-projects Portal (EPP)

All procurement under Panel contracts must follow a secondary procurement process. A secondary procurement process refers to the methodology in determining the number of quotes required after approaching the market described in (2) above. For more information on the secondary procurement process, refer to the panel procurement procedure.

Across Government Arrangements (AGAs)

AGAs refer to pre-established across government panels in which it is mandatory for all government agencies. Examples include Audit and Related Services, temporary Staff Placement Services and Travel Services. One of the advantages of AGAs is that contract terms and conditions are already in place. Staff members must, however, complete an Official Order Form that sets out the goods / services specification. For a complete list of AGAs Refer to the State Procurement Board website: State Procurement Contracts.

E-projects Panel (EPP)

EPP is an across Government pre-qualified panel established to facilitate the acquisition of Information Communication Technology (ICT) related project services up to $700K GST inclusive. It is not mandatory to use this panel, however, it is highly recommended especially if it is a high value spend which would otherwise require a tender.

ICT related project services are:

- Systems development / deployment;
- System integration;
- Professional project services, and
- Other ICT projects.

For a detailed description of the ICT related services, refer to: e-Projects Panel

Temporary specialist IT staff are outside the scope of this panel, but are available under the AGA's.

To access the suppliers under the EPP arrangement, contact the Procurement Team.

New Procurement

If your purchase cannot be procured through an AGA or the EPP, then it is considered New Procurement. In some instances, your procurement may be related

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to construction works. A construction work is defined as "a project involving a building or earthworks which includes but is not limited to:

  a. The acquisition of survey, planning, design and other services in conjunction with the construction work; and/or

  b. The acquisition and installation of fixtures, plant, equipment, appliances and fittings in conjunction with the construction work."

For further guidance on how to undertake construction works refer to the Construction Procedure.

For all other new procurement the process is dependent on the value of the procurement as per below. More detailed instructions can be found in the New Procurement procedure.

Procurement less than $220K GST Inclusive

Request for Quotation (RFQ) is a request to specific suppliers.

Procurements under $110K require 3 verbal / written quotes. Whilst there is no set prescribed form, the RFQ template may be a useful guide in structuring the quote response.

Procurements over $110K and under $220k require 3 written quotes of the RFQ Template.

Under the new Industry Advocate rules at least one local quote must be sourced for all procurements over $22,000. Refer to the New Procurement Procedures for more information.

Procurement equal to or greater than $220K GST inclusive

Procurements over $220,000 require Procurement Governance Committee (PGC) approval and an open market tender. The most common tender methods are:

- Request for Tender
- Expression of Interest
- Request for Proposal
- Request for Information
- Unsolicited Proposal

The various ways in which we approach the market for new procurement will differ depending on the level of detail available in the specification.

Request for Tender (RFT)

RFT is a publically advertised tender invitation to suppliers in the market. RFT are generally used where:

- The specification is clearly defined, i.e. the Project Manager knows exactly what is required and how the goods / services should be provided.

- The market is competitive, i.e. there are many suppliers to provide the same goods / services.

- The supply market is subject to continuous change meaning that there are new entrants and exists to ensure the market is competitive. For more details about these panels and how to access, refer to the Consultancy Services Guide.

Expression of Interest

This is an open approach to the market where a specification may not be easily defined, i.e. the Project Manager knows what is required as the outcome of the procurement but not sure of options or alternatives on producing that outcome. The specified requirements in EOIs are broad and general: it encourages open and effective competition and the opportunity for suppliers to offer a wide range of options and alternatives. Suppliers who have submitted a response are used as the basis for conducting a selective tender process that occurs in two steps:

1. Short list the potential suppliers; and
2. All short listed suppliers must go through an RFT using a more detailed specification of requirement (selective tender).

Request for Proposal (RFP)

A RFP is similar to an EOI except that its main focus is to obtain innovative solutions or use of new technology to achieve the desired outcome.

It is used where the desired outcomes can be reasonably defined; however, DSD requires information, opinions and options on the costs and ways of achieving these outcomes.

Request for Information (RFI)

This is used at the contemplative stage of a project when there is a need to obtain market intelligence, e.g. information about the product, costing and market place. It may be used for projects that are unusual, complex, and where there is little information in the public domain.

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The RFI is market research only and does not form an obligation to contract with any respondents. After this information is obtained, the department can approach the market using methodologies outlined above in this document.

Unsolicited Proposal

An unsolicited proposal is defined as a unique or innovative method, concept, approach or idea received by a public authority, not in response to a formal request and not readily available in the market place.

The proposal may be considered **only** where it meets the above definition and a robust business case clearly demonstrates its capacity to meet a public authority's business need.

3. SELECTION OF SUPPLIER(S)

Approaching the market will either result in obtaining quote(s) or undertaking a tender process. Irrespective of how the suppliers are approached, there needs to be a mechanism to assess the suitability of the suppliers. An evaluation guideline and template have been developed to assist in this process.

4. CONTRACT ESTABLISHMENT

Upon selecting the most appropriate supplier, it is recommended (in some instances mandatory) to establish a contract, refer to the Procurement Policy at 1.3.12. The Procurement Policy has set out standard contract templates appropriate for the circumstances.

A copy of the executed contract and the file must be provided to the Procurement Team in Corporate Services for inclusion in the Departmental contract register.

5. PURCHASE ORDER CREATION

A purchase order must be created in Basware for every purchase with the appropriate general ledger account number and authorised in accordance with Financial Authority. A copy of the signed and completed contract must be attached.

6. PROCESSING OF INVOICES

Upon receipt of an invoice, the goods / services must be certified as received in Basware. The invoice is to be sent to Shared Services for scanning and payment.

Where one purchase order has multiple invoices, each invoice must be receipted against the purchase order.

7. CONTRACT MANAGEMENT

All contracts must be actively managed throughout the procurement delivery stage. Contract management is more than paying the account and includes ensuring the supplier delivers the goods / services in the manner agreed to, any KPI's are met, variations are dealt with promptly and actions confirmed in writing and all parties are in agreement that the contract has been completed.

8. CONTRACT CLOSURE

When the contract has ended, complete a Supplier Performance Review and forward to the PGC EO.

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