



## DISTRICT COUNCIL OF LOXTON WAIKERIE

### Procurement Policy

<b>Policy Identification:</b>	
Policy type:	Finance
Summary:	The policy has been developed to establish and manage commercial arrangements with suppliers consistent with Council's strategic, corporate and financial direction.
Record number:	7.63.1
Date of adoption or approval:	12 April 2000
Date of last review:	March 2019
Date of next review:	March 2020
Authorisation:	
Responsible department:	Corporate and Community Services
Responsible officer (s):	Director Corporate & Community Services
Review officer (s):	Manager Corporate Services
Consultation required:	
Relevant references:	
Delegations:	Section 137 Local Government Act, 1999
Legislation:	Section 49, Local Government Act, 1999
Related policies:	Disposal of Land & Assets Policy Issue of Council Orders Policy Internal Review of Council Decisions Policy
Related procedures:	Acquisition Plan Tender Procedure

#### 1. Introduction

- 1.1 Council spends significant funds on procuring a wide variety of goods and services to assist in meeting the outcomes of the LW Future Strategic Plan, to supplement and broaden the range of its service delivery to the community and to support all of the functions of the organisation. It is therefore important that Council obtains quality goods and services, ensures it is receiving value for money, appropriately manages exposure to risk, ensures a high level of customer service and maintains transparency and fair dealings with the marketplace.

This policy is issued in accordance with the Local Government Act 1999 s 49 to provide for Council to appropriately establish and manage commercial arrangements with suppliers that are consistent with Council's strategic, corporate and financial directions.

- 1.2 The Local Government Act 1999 s49 requires Council to prepare and adopt policies on contracts and tenders on:

- 1.2.1 the contracting out of services; and
  - 1.2.2 competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and
  - 1.2.3 the use of local goods and services.
- 1.3 Furthermore, s49 (a1) requires Council to develop and maintain policies, practices and procedures directed towards:
- 1.3.1 obtaining value in the expenditure of public money; and
  - 1.3.2 providing for ethical and fair treatment of participants; and
  - 1.3.3 ensuring probity, accountability and transparency in all operations.
- 1.4 This Policy seeks to:
- 1.4.1 define the methods by which Council can acquire goods and services;
  - 1.4.2 demonstrate accountability and responsibility of Council to ratepayers;
  - 1.4.3 be fair and equitable to all parties involved;
  - 1.4.4 enable all processes to be monitored and recorded; and
  - 1.4.5 ensure that the best possible outcome is achieved for the Council.
- 1.5 However, this Policy does not cover:
- 1.5.1 non-procurement expenditure such as sponsorships, grants, funding arrangements, donations and employment contracts; or
  - 1.5.2 disposal of land and other assets owned by the Council; or
  - 1.5.3 purchase of land by the Council.

## **2. Policy objective**

Council aims to achieve advantageous procurement outcomes by:

- 2.1 enhancing value for money through fair, competitive, non-discriminatory procurement;
- 2.2 promoting the use of resources in an efficient, effective and ethical manner;
- 2.3 making decisions with probity, accountability and transparency;
- 2.4 advancing and/or working within Council's economic, social and environmental policies;
- 2.5 providing reasonable opportunity for competitive local businesses to supply to Council;

- 2.6 appropriately managing risk; and
- 2.7 ensuring compliance with all relevant legislation.
- 2.8 adopting purchasing practices that encourage the purchase of Australian made goods.

### **3. Procurement principles**

Council must have regard to the following principles in its acquisition of goods and services:

#### **3.1 Encouragement of open and effective competition**

- 3.1.1 This includes feedback to unsuccessful participants at the conclusion of the procurement process.

#### **3.2 Obtaining Value for Money**

This is not restricted to price alone. An assessment of value for money must include, where possible, consideration of:

- 3.2.1 the contribution to Council's long term plan and strategic direction;
- 3.2.2 any relevant direct and indirect benefits to Council, both tangible and intangible;
- 3.2.3 efficiency and effectiveness of the proposed procurement activity
- 3.2.4 the performance history, quality, scope of services and support of each prospective supplier;
- 3.2.5 fitness for purpose of the proposed good or service;
- 3.2.6 whole of life costs;
- 3.2.7 councils internal administration costs
- 3.2.8 technical compliance issues
- 3.2.9 risk exposure
- 3.2.10 the value of any added environmental benefits.

#### **3.3 Social, Economic and Environmental Sustainability**

Council is committed to maximising the positive impact of its activities to benefit the local community, the economy, and the environment. The Council will endeavour to, at its discretion and to the full extent permitted by law, support local businesses.

Council may give preference to local contractors and suppliers with consideration to:

- 3.3.1 the creation of local employment opportunities;

- 3.3.2 increased availability of local servicing support;
- 3.3.3 increased convenience with communications with the supplier for contract management;
- 3.3.4 actively promoting to local businesses opportunities to supply to the Council
- 3.3.5 structuring the purchasing processes to be accessible to all businesses
- 3.3.6 ensuring, where possible, that specifications and purchasing descriptions are not structured so as to potentially exclude local suppliers and contractors
- 3.3.7 the short and long term impact of the procurement on local business

With regard to all other matters set out in this Policy and when deciding on the purchase of goods and services, priority will be given as follows:

1. District Council of Loxton Waikerie area
2. Riverland
3. South Australia

Consideration may also be given, where practicable in the procurement process, to investigate the inclusion of not-for-profit organisations (social enterprises) that benefit the community (including the disadvantaged). In addition, in order to minimise Council's impact on its environment, Council will, where all other factors are equal, adopt purchasing practices which conserve natural resources in a way that achieves value for money on a whole life basis by generating benefits for the organisation and the community.

### **3.4 Probity, Ethical Behaviour and Fair Dealing**

Council is to behave with impartiality, fairness, independence, openness and integrity in all discussions and negotiations.

Officers involved in the procurement process will at all times undertake their duties in a professional, ethical, honest and impartial manner, act responsibly and exercise sound judgement by observing the highest standards of integrity, probity and professional conduct in line with the Staff Code of Conduct in which employees are bound.

Under no circumstances is an officer of Council permitted to accept or benefit from any personal incentive or inducement to purchase or for purchasing goods from any company – to do so will be considered a breach of employment conditions and be subject to disciplinary action that may extend to dismissal and possible referral to the Anti Corruption Branch of SA Police

The District Council of Loxton Waikerie is committed to ensuring a fair, transparent and accountable process is applied to the provision of services, purchasing of goods and services and will comply with all relevant legislation.

### **3.7 Environmental protection**

Council will seek to:

- 3.7.1 align the Council's procurement activities with principles of ecological sustainability;
- 3.7.2 purchase recycled and environmentally preferred products where possible;
- 3.7.3 integrate relevant principles of waste minimisation and energy;
- 3.7.4 foster the development of products and services which have a low environmental impact;
- 3.7.5 provide leadership to business, industry and the community in promoting the use of environmentally sensitive goods and services.

### **3.8 Work, Health and Safety**

- 3.8.1 Council is committed to providing and undertaking such measures as to minimise risks (through safe workplace environments, systems of work, plant and substances) of injury/ill health to employees and others while at work and demonstrates a systematic approach to planning and implementation of Work, Health and Safety consistent with the Work, Health and Safety Act 2012 and associated Regulations.
- 3.8.2 Council is dedicated to a contractor management system which provides for the selection of contractors with appropriate safety controls. The exchange of information between the Council and its contractors must facilitate the identification of hazards and risk management. Council will only engage Contractors who can demonstrate an appropriate WHS Management System compliant with the Work, Health and Safety Act (2012) and associated Regulations.

## **4. Procurement methods**

Generally, open and fair competition is best achieved by undertaking a process so that all interested parties have an opportunity to bid. Unless exceptional circumstances exist, there is no provision for any financial compensation or payment for participation in any of the listed procurement methods.

The Council may, having regard to its Procurement Principles and any other factors considered relevant by the Council, in its absolute discretion determine to utilise one or more of the following procurement methods:

#### **4.1 Direct Purchasing**

- 4.1.1 This is where Council purchases from a single source, without first obtaining competing bids.
- 4.1.2 This method may be suitable for low value, low risk goods and services, and where the supplier already has a successful service history with the Council.

#### **4.2 Quotations (Informal)**

- 4.2.1 This is where Council obtains quotations from prospective suppliers.
- 4.2.2 Generally, a minimum of two quotations are sought.
- 4.2.3 Where possible, the Council must insist on written quotes.
- 4.2.4 If a written quote cannot be obtained, the Council **must** keep detailed written records of the oral quote obtained, including details of the commercial terms of the quote. This method is unlikely to be suitable for items over the value of \$1000.

#### **4.3 Request for Quotations (RFQ)**

- 4.3.1 This is where Council obtains written quotations from prospective suppliers.
- 4.3.2 Generally, a minimum of two written quotations are sought.
- 4.3.3 This method may be suitable for simple, largely price-based purchases.
- 4.3.4 A “Short Form Request for Quotation” can be used for purchases with minimal specifications.
- 4.3.5 A “Long Form Request for Quotation” can be used for purchases with detailed specifications.

#### **4.4 Requests for Expressions of Interest (REOI)**

- 4.4 This is where Council issues an open invitation for a proposed goods and/or service.
- 4.5 This method may be used where there is potentially a large market for the proposed goods and/or service, and the Council would like to be able to prepare a short list of suppliers to then invite to participate in a tender process.

#### **4.5 Request for Tenders (RFT)**

- 4.5.1 This is where the Council issues a tender for a proposed goods and/or service.
- 4.5.2 Council may issue a “Select” Request for Tender where it has already issued a REOI, or where it has reasonable grounds for only dealing with a select group of potential suppliers.

4.5.3 Otherwise, Council may issue an “Open” Request for Tender.

#### **4.6 Panel contracts**

4.6.1 This is where the Council establishes panel arrangements with a select group of suppliers – generally, this occurs once the Council has completed its appointment of such suppliers in accordance with this Policy, and can include either:

4.6.1.1 a standing offer from a pool of suppliers for the provision of goods and services on agreed terms; or

4.6.1.2 the prequalification of certain suppliers who may or may not be engaged on terms to be agreed.

4.6.2 Once a panel has been established, the Council may purchase the particular goods and/or service through such panel arrangements.

#### **4.7 Strategic alliances**

4.7.1 This is where the Council undertakes procurement through contract arrangements already established and administered by other organisations, including:

4.7.1.1 Riverland G3 alliance

4.7.1.2 LGA Procurement;

4.7.1.3 State Library Board of South Australia

4.7.1.4 Procurement Australia;

4.7.1.5 State Government contracts.

#### **4.8 Passenger and Light Commercial Vehicles purchases**

**4.8.1 For the purpose of purchasing light commercial and passenger vehicles, priority will be given as follows:**

**Firstly the District of Loxton Waikerie,**

**The Riverland**

**Thirdly South Australia**

### **5. Considerations for the council**

The appropriate method of procurement will be determined by reference to a number of factors, including but not limited to:

## 5.1 Value of the Purchase

Value of Purchase \$ (excluding GST)	Procurement Method
\$0 - \$100	**Credit card / ***Petty Cash refer below
\$101 - \$5,000	Direct purchase One quote to purchase
\$5,001- \$25,000	Minimum of two (2) written quotes
\$25,001 - \$50,000	Request for Quote (RFQ) Panel contracts Minimum of two (2) written quotes Strategic Alliances
\$50,001 - \$100,000	Request for Tender (RFT) – Selective Strategic Alliances Panel contracts
\$100,001+	Request for Expression of Interest (REOI) Request for Tender (RFT) – Open Strategic Alliances
No limit	*Municipal purchasing contract
Refer credit card purchasing policy regarding spending caps and limits	**Credit card
Refer cash floats, handling and petty cash procedure	***Petty cash

\* A Municipal Purchasing Contract is an industry or state wide purchasing agreement that has been established by a tender process, example include State Government Contracts, Council purchasing arrangements and regional contracts such as those negotiated under the G3 purchasing group.

The District Council of Loxton Waikerie is a member of the G3 Purchasing Group which aims to achieve uniformity in specification of goods, works and services purchased commonly across the G3 Purchasing Group membership. The objectives of this purchasing alliance is to attract more suppliers, improve bargaining power, reduce costs and improve efficiency. Membership of the G3 Purchasing Group includes the Berri Barmera Council, Renmark Paringa Council and the District Council of Loxton Waikerie.

\*\* Council operate a corporate credit card purchasing system which permits an appropriate level of cards to be issued to operational staff throughout the organisation. The purpose of the corporate credit card purchasing system is to augment, not replace, existing procurement practices. Credit card transactions are used for minor, frequent purchases or 'one off' purchases or payments where time is of the essence and when obtaining 'sale' prices for goods and services. Credit cards may also be used generally for accommodation, travel, minor library purchases on-line, conference fees, training course fees and hospitality. – Refer to Credit Card Purchasing Policy for register of cardholders and to Credit Card Purchasing Procedures for procedural matters.

\*\*\* Petty Cash may be used for purchased below \$100 for instances whereby a credit card cannot be utilised. Receipts must be retained, documented and approved by the appropriate officer with delegated authority for all purchases made from petty cash. Refer to cash floats, handling and petty cash procedure for procedural matters.

The value of the purchase will be calculated as follows:

*single one-off purchase* – the total amount, or estimated amount, of the purchase (excluding GST);

*multiple purchases* – the gross value, or the estimated gross value, of the purchases (excluding GST); or

*ongoing purchases over a period of time* – the annual gross value, or the estimated annual gross value, of the purchases (excluding GST).

- 5.1 *cost of an open market approach versus the value of the acquisition and the potential benefits;*
- 5.2 *the particular circumstances of the procurement activity;*
- 5.3 *the objectives of the procurement;*
- 5.4 *the size of the market and the number of competent suppliers;*
- 5.5 *the Council's leverage in the marketplace;*
- 5.6 *time constraints;*
- 5.7 *a global assessment of the risks associated with the relevant activity and /or project, including the risk profile of the procurement and any risks associated with the preferred procurement method.*

## **6. Indemnity**

It is Council policy that the following principals will be reflected in any contractual documentation:-

The Contractor agrees to indemnify and to keep indemnified the Principal, its employees, servants and agents and each of them from and against all actions, costs, claims and expenses whatsoever which may be brought or made or claimed against them or any of them arising out of any negligent act or omission of the Contractor or its employees, servants and agents in relation to the granting of this contract.

Notwithstanding the above, the Contractor shall not be rendered liable for personal injury to or the death of any person or loss of or damage to any property resulting of any breach by the Principal of any provision of this Contract or any negligent act or omission of the Principal or its employees, servants and agents.

## **7. Exemptions from this policy**

This Policy contains general guidelines to be followed by the Council in its procurement activities. There may instances in which the processes noted will not necessarily deliver best outcome for the Council, and other market approaches may be more appropriate.

In certain circumstances, the Chief Executive Officer may waive application of this Policy and pursue a method which will bring the best outcome for the Council. The Chief Executive Officer must record his reasons in writing for waiving application of this Policy.

In circumstances where waiving of this policy has been applied to individual procurement activities greater than \$25,000 those activities be reported to the Audit Committee.

Some examples of when it may be appropriate for the CEO to waive application of this Policy are:

- (a) emergency situations threatening life and property;
- (b) the supply market is known;
- (c) where better value can be achieved by an alternative method;
- (d) availability of vendors;
- (e) timing constraints;
- (f) any other exemptions as documented for probity.

## **8. Availability**

This Policy will be available for inspection at the Council Offices at Loxton or Waikerie during ordinary business hours.

Copies of this Policy will also be available from Councils website [www.loxtonwaikerie.sa.gov.au](http://www.loxtonwaikerie.sa.gov.au) or postal copies may be obtained from the Council Office free of charge.

Any grievances in relation to this policy or its application should be forwarded in writing addressed to the Chief Executive Officer of Council.

## 9. Document history and version control

Date	Version	Authorisation – Council/ Committee/ Senior Management Team	Amendment details:
12/04/2000	1.0	Council meeting 12 April 2000	Competitive Tendering, Contracting, Purchasing, Sale and Disposal Policy
15/10/2004	2.0	Council meeting 15 October 2004	Competitive Tendering, Contracting, Purchasing, Sale and Disposal Policy – revoked; <b>Tender and Purchasing Policy</b> adopted
18/09/2009	3.0	Council meeting of 18 September 2009	<b>Tender, Quotation and Procurement Policy</b> adopted
15/07/2011	3.0	Council meeting of 15 July 2013	<b>Procurement Policy</b> adopted
15/08/2014	3.1	Council meeting of 15 August 2014	
18/03/2016	3.2	Council meeting of 18 March 2016	
17/11/2017	4.0	Council meeting of 17 November 2017	Addition of a social, economic sustainability, clarification of payment for quotation, record of exemptions to policy, the addition of an <b>Acquisition Plan</b> and document history and version control protocols.
27/03/2019	5.0	Audit Committee meeting of 27 March 2019	Amendment to value of purchase limits, reference to G3 alliance purchasing methods, addition of credit card purchasing methods



# District Council of Loxton Waikerie Acquisition Plan

[Procurement Description]

[Date]

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# Sign Off

## Acquisition Plan Recommended by:

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Position: \_\_\_\_\_

## Financial Delegate – Endorsement:

Funds are available.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Position: \_\_\_\_\_

## Procurement – Endorsement:

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Position: \_\_\_\_\_

## Procurement Approval of Acquisition Plan:

- Approved
- Nominate authority for delegation of purchase recommendation approval (if applicable)  
Name and Title of Delegate . . . . .
- Conditions related to either approval or endorsement:  
. . . . .  
. . . . .  
. . . . .
- Not approved

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Position: \_\_\_\_\_

Comments:

## 2. Executive Summary

Contact Details	
Department / Section	
Contact Person Details	Name:
	Title:
	Phone:
	Email:

Procurement Details											
Procurement Description (Brief)	<i>What is the problem or opportunity being addressed and what is the solution being acquired?</i>										
Procurement Type	(Tick one or more as applicable) <input type="checkbox"/> One Off Purchase <input type="checkbox"/> One Off Purchase with maintenance options <input type="checkbox"/> Period Contract <input type="checkbox"/> Panel Contract <input type="checkbox"/> Pre-qualification <input type="checkbox"/> Other (please detail) .....										
Procurement Method	<table border="0"> <tr> <td><input type="checkbox"/> Request For Quote</td> <td><input type="checkbox"/> Single</td> </tr> <tr> <td><input type="checkbox"/> Invitation for Expressions of Interest</td> <td><input type="checkbox"/> Selective</td> </tr> <tr> <td><input type="checkbox"/> Direct Negotiation</td> <td><input type="checkbox"/> Open</td> </tr> <tr> <td><input type="checkbox"/> Competitive Dialogue</td> <td><input type="checkbox"/> Multi- Stage</td> </tr> <tr> <td><input type="checkbox"/> Other .....</td> <td></td> </tr> </table>	<input type="checkbox"/> Request For Quote	<input type="checkbox"/> Single	<input type="checkbox"/> Invitation for Expressions of Interest	<input type="checkbox"/> Selective	<input type="checkbox"/> Direct Negotiation	<input type="checkbox"/> Open	<input type="checkbox"/> Competitive Dialogue	<input type="checkbox"/> Multi- Stage	<input type="checkbox"/> Other .....	
<input type="checkbox"/> Request For Quote	<input type="checkbox"/> Single										
<input type="checkbox"/> Invitation for Expressions of Interest	<input type="checkbox"/> Selective										
<input type="checkbox"/> Direct Negotiation	<input type="checkbox"/> Open										
<input type="checkbox"/> Competitive Dialogue	<input type="checkbox"/> Multi- Stage										
<input type="checkbox"/> Other .....											
Risk Assessment	High <input type="checkbox"/> Medium <input type="checkbox"/> Low <input type="checkbox"/>										
Procurement Risk Management Plan attached	Yes <input type="checkbox"/> No <input type="checkbox"/>										
Industry Participation Policy Compliance	Yes <input type="checkbox"/> N/A <input type="checkbox"/>										
Base Contract Term											

<b>Total Contract Term</b>	
<b>Base Value (GST inclusive)</b>	\$
<b>Options Value (GST inclusive)</b>	\$
<b>Total Value (GST inclusive)</b>	\$
<b>Funding Status</b>	Funding Approved for the Total Contract Term: Yes <input type="checkbox"/> No <input type="checkbox"/> Funding Approval Attached: Yes <input type="checkbox"/> No <input type="checkbox"/> Funding Source .....

### 3. Acquisition Details

*The achievement of value for money in a procurement process begins with developing a clear understanding of the requirement and the procurement objectives.*

#### 3.1 Description of the Requirement

*Provide a clear description of the requirement/need i.e. what is being procured.*

*Ensure the requirement is conceived in outcome terms and described in neutral terms without promoting one particular solution.*

#### 3.2 Background

*State why the procurement is required and the expected outcomes.*

*Provide information on the cost / benefits that have been considered, including a brief reference to any business case that may have been prepared and approved.*

*Provide details of the following:*

- *Business needs (i.e. problem or opportunity that the procurement aims to fill or solve)*
- *Critical success factors*
- *Current arrangements including contract length and contract end date.*

#### 3.3 Procurement Objectives

*Identify the specific procurement objectives which are relevant to the requirement such as:*

- *Quality*
- *Service*
- *Cost*
- *Risk*
- *Social*

- *Economic*
- *Environmental.*

*Provide objectives that are realistic, measurable and capable of being achieved in light of the specific acquisition strategy proposed.*

*Ensure that these procurement objectives link directly to the background and the description of the requirement.*

### **3.4 Estimated Value**

*Provide an estimate of the proposed contract value over the total contract term, including any extension options (GST inclusive).*

*Ensure that all potential additional work is included within the contract value (including options).*

*Provide an explanation of the basis for the estimate of contract value including the rationale for any cost assumptions.*

*Ensure the cost estimate is based on market research and benchmarking, and is congruent with the market conditions and the buyer's relative market power.*

### **3.5 Life Cycle Costing**

*Identify the total estimated whole of life cost of the acquisition (including contract extension options), for example, purchase costs, lease, maintenance, training and transition costs.*

*Seek advice from relevant financial staff in preparing this section.*

*Determine if these costs are fixed, variable or subject to exchange rate fluctuation or consumer price index considerations?*

*Separately identify and describe the costs associated with the project that are not part of the actual acquisition but essential to the implementation of the project, for example, in house costs, project management costs, engagement of specialist consultants.*

*Indicate the estimated trade in or sale value of assets if applicable.*

*Outline any potential transition in and out costs.*

### **3.6 Funding**

*Identify the value and scope of any funding approvals obtained or being sought (be it from Cabinet, the Minister or another approver) and ensure it is consistent with the contract value. Where relevant, outline the reasons for any difference, in terms of contract value, contract terms (including any options) and other key factors.*

## **4. Procurement Governance**

### **4.1 Governance Structure**

*Describe the proposed procurement governance arrangements and the terms of reference, where appropriate, of the:*

- *Steering committee*
- *Evaluation team*
- *Negotiation team*
- *Probity advisor (internal or external)*
- *Probity auditor*
- *Expert advisers and their role.*

## **4.2 Government Policies and Regulations**

*Outline any relevant government policies, regulations and requirements and how they have impacted the acquisition strategy including, but not limited to:*

- *applicable legislation*
- *work health, safety and welfare*
- *Treasurer's Instructions*
- *Government strategic priorities*
- *liability and insurance considerations including (for example) public liability, products liability and professional indemnity*
- *information technology*
- *environmental and sustainability*
- *free trade agreements*
- *intellectual property*
- *Industry Participation Policy.*

## **5. Market Analysis**

### **5.1 Market Analysis – Internal**

*Summarise the consultation process and stakeholder input obtained including:*

- *who was involved and how the stakeholders were engaged in the process*
- *opportunities to work with other government departments that may be undertaking similar procurement activities or have similar requirements*
- *the consideration of viable alternatives to the procurement*
- *reviewing other organisations that may have similar requirements and the procurement strategies adopted (e.g. other government jurisdictions, large corporations)*
- *lessons learned from existing/previous arrangements and how they will be used for continuous improvement*
- *issues and opportunities identified*
- *noting if any technical advice was sought.*

*Identify and consider (where appropriate) whether there is an existing arrangement in place, and if there is:*

- *evaluate the effectiveness of the arrangement*
- *assess the impact of the possible loss of the contract on the incumbent supplier in terms of the economic, social and political implications.*

*Provide a general description of the project requirements including:*

- *current / proposed spend (volume/trends)*
- *demand profile (where applicable).*

*Identify any relevant existing or proposed government contracts that may have an impact on the procurement. Provide justification if the existing arrangements are not adequate to fulfil the need.*

## **5.2 Market Analysis – External**

*If informal discussions with potential suppliers have been arranged, summarise any key and relevant outcomes of these discussions.*

*Outline the external market analysis undertaken commensurate with the nature and level of risk of the procurement including:*

- *market/industry structure, level of competition, sources of supply, capability of possible providers*
- *number of suppliers, their capability and capacity*
- *availability of alternatives*
- *size of acquisition in the marketplace, value of the public authority's business to the supplier*
- *how other jurisdictions in Australia currently address the requirement and identify any opportunities for collaboration.*

*If the project impacts upon stakeholders or specific groups, ensure the breadth of the stakeholders is identified.*

*Provide evidence from the use of a selection of tools that basic dimensions of the market have been captured, and that conclusions have been drawn which are congruent with the research including but not limited to:*

- *market concentration*
- *supply chain analysis*
- *supplier preferencing*
- *supply positioning.*

*Ensure the Acquisition Plan:*

- *analyses the supply market, including potential changes that may happen to that market during the lifetime of any agreement*
- *balances the leverage and commercial benefits, with the impact on the supply market in terms of creating a barrier to entry for potential new entrants to the market.*

## **6. Risk Analysis**

*Undertake a risk assessment and document to an appropriate level of detail any potential risks, mitigation strategies and residual risks related to the objectives of the procurement.*

*For procurements considered high risk, attach a separate Procurement Risk Management Plan that considers likelihood, impact, controls and treatment of risks. The level of detail to be recorded will be commensurate with the value and risk of the*

*procurement.*

*The Procurement Risk Management Plan may be part of the project's overall risk management plan.*

*Where appropriate, demonstrate that subject matter experts have contributed to the risk management process.*

## 7. Insurance

*Define the type(s) of insurance required as appropriate for the services/goods being obtained, including (as appropriate) public liability, product liability and professional indemnity insurance.*

## 8. Acquisition Strategy

### 8.1 Market Approach

*Describe the proposed market approach and supporting rationale, with reference to the market analysis and the procurement objectives.*

*Where a direct negotiation approach is proposed, demonstrate how the negotiation team will be appropriately capable, the key issues and how the negotiation targets will be developed.*

### 8.2 Specification Development

*Summarise the proposed specification including a summary of the extent of the goods and services to be included and identify that the proposed specification is consistent with the market strategy and the outcome of stakeholder engagement.*

*Ensure the specification avoids the use of proprietary standards and specify the requirements in such a way as to maximise the opportunity for competitive offers from a variety of suppliers.*

### 8.2 Innovation

*Provide any information on innovation, consider:*

- *design*
- *technology*
- *leadership*

### 8.3 Sustainability

*Where applicable provide a brief analysis of sustainability issues, as appropriate, for example, energy and water usage, pollution and waste, packaging, recyclability, travel and transport.*

## 8.4 Industry Participation Policy (IPP)

*For all procurements that are likely to require an Industry Participation Plan, summarise the outcome of the consultation process with the Office of the Industry Advocate.*

*Determine the IPP requirements (regional ECT, IPP Plan, Declaration of Intent).*

*Confirm the weighting to be used for the ECT and IPP Plan. Where this weighting has been increased above the minimum requirement as a result of a merit assessment, provide a rationale for the increase. Weighting information is to be documented as part of Section 10 (Evaluation) of this template.*

## 8.5 Type and Length of Contractual Arrangement

*Provide details of, and the rationale for, selecting the proposed contractual arrangement:*

- type of contract (sole supplier, period or panel contract)*
- scope of contract (across agency, lead public authority or across-government contract)*
- length of contract (including any options).*

*Where a panel contract is proposed, identify the secondary procurement processes that will be employed to access the panel.*

*Where a lead agency or across government contract is proposed, identify the scope of any mandate that is to apply.*

*Ensure contract duration is carefully considered in terms of offering the supplier sufficient time to recover any initial investment in mobilising to provide the good or service, without damaging competition in the longer term.*

*Where contract extensions are suggested, provide the rationale behind a contract extension and the explicit criteria for the contract being extended.*

## 9. Probity

*Provide a clear explanation on how probity will be managed during the procurement process including consideration of the following issues:*

- use of specialist probity advisors*
- how communication will be managed with potential suppliers during the procurement process*
- management of actual or potential conflicts of interest (both in relation to the supplier and internal participants)*
- how market approach documents and confidential information will be managed during the procurement process.*

*A Probity Plan is optional but should be considered for higher value and risk procurements.*

## 10. Evaluation

*If applicable describe the evaluation strategy to be adopted that reflects the procurement objectives. This includes:*

- *evaluation methodology*
- *criteria and weightings*
- *composition of the evaluation team.*

*Note an Evaluation Plan must be developed and approved prior to the opening of responses (refer Supplier Selection Guideline).*

*Provide sufficient detail to demonstrate that the evaluation strategy will facilitate the achievement of the objective.*

*If life-cycle costing has been identified as applicable to this procurement, consider how it will be utilised in the evaluation process.*

## 11. Public Authority Additional Requirements

*Outline any public authority specific requirements that need to be considered for this procurement.*

## 12. Procurement Timeframe

*Outline any key milestones and deadlines that address each of the phases of the procurement process. Ensure the timeframes allowed are realistic and proportional to the complexity of the task, value and risk in the procurement.*

*Outline the key proposed dates:*

<b>Activity</b>	<b>Target Date</b>	<b>Responsibility (Name and Title)</b>
Acquisition Plan submitted for approval		
Acquisition Plan approved		
Market Approach Document drafted		
Evaluation Plan drafted and approved		
Invitation extended		
Invitation Closes		
Evaluation		
Short listing		
Negotiations		
Purchase Recommendation Approval		
Contract Award		
De-briefing unsuccessful suppliers		
Contract Commencement		

## 13. Approvals

### 13.1 Purchase Recommendation

*Provide details of who will approve the purchase recommendation and any other relevant details.*

### 13.2 Other Approvals

*Provide details of the procurement approvals proposed for relevant plans/documents (delete or add as required).*

Document and/or Approval	Authority	Comments
Deviations to the approved Acquisition Plan		
Funding authorisations		
Market approach documents		
Evaluation Plan		
Negotiation Plan (optional)		
Entering into a contract		
Contract Management Plan		

## 14. Recommendation

*Provide a summary of the requirement and the recommended market approach for approval.*