



**Government
of South Australia**

State Procurement
Board

www.spb.sa.gov.au

Board Procurement Reporting Policy

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Review Date	March 2020
Principal Contact	State Procurement Board
Telephone	8226 5001

Purpose

This policy sets out the annual procurement reporting requirements for public authorities subject to the State Procurement Board (Board).

General Principles

The object of the *State Procurement Act 2004*, (Act) is to advance government priorities and objectives by a system of procurement for public authorities directed towards:

- a) obtaining value in the expenditure of public money;
- b) providing for ethical and fair treatment of participants; and
- c) ensuring probity, accountability and transparency in procurement operations.

Policy Statement

Public authorities **must** submit specified procurement information as outlined in this policy to enable the Board to monitor and review procurement operations, identify opportunities and provide leadership of procurement across government, as well as fulfilling the reporting obligations to the Minister and Parliament.

The principal officer **must** ensure that information (for the previous financial year) outlined in this policy is submitted to the Board annually by October 15.

Policy Scope

This policy applies to public authorities as defined in the Act, with a procurement authority greater than \$220,000 (including GST). For public authorities with a base level procurement authority, the Board's *Base Level Procurement Reporting Guideline* applies.

Application

In accordance with the requirements of the Act, the Board reports annually to the Minister on administration of the Act and the Board's operations, including:

- strategic priorities
- achievements for the year
- Board operations
- accountability and procurement activity of authorities
- audited financial statements.

This policy requires public authorities to provide general information, and procurement operational activity (procurement spend summary, procurement contracting activity, planned procurement activity, contract timelines and formal supplier complaints).

This information is most effectively assembled from the public authority's own procurement planning processes and/or contract register/database. Public authorities **must** use the Board Procurement Reporting Template to submit the information.

Appendix 1 provides explanatory notes on the information required. Public authorities must be aware that:

- the layout of Appendix 1 is consistent with the Annual Procurement Reporting Template which is available on the Board's website



- all sections of the Reporting Template must be completed and all dollar values are to include GST.

The principal officer is responsible for the efficient and cost effective management of procurement operations of the public authority in accordance with the Act and the policies, principles, guidelines, standards and directions of the Board. Appendix 2 is the Certificate of Compliance which must be completed and signed by the principal officer. It certifies that procurement activity of the public authority has been undertaken in accordance with Board requirements.

Public authorities **must** complete and submit the Annual Procurement Reporting Template (refer Appendix 1) and the Annual Certificate of Compliance (refer Appendix 2) to the Board by 15 October following the previous financial year period.

Compliance

State Procurement Act 2004

Related Policy and Guidelines

SPB Base Level Procurement Reporting Guideline
SPB Contract Register Policy
SA Government Industry Participation Policy
DPC Circular PC033 *Industry Participation Policy*

Responsibilities

The principal officer is responsible for ensuring this policy is implemented and monitored within their respective public authority.

The Board is responsible for ensuring this policy is promulgated, evaluated for its effectiveness across government and reviewed.

Review Date

This policy will be reviewed 24 months from the date of approval.

Annual Procurement Reporting Explanatory Notes

All sections of the Annual Procurement Reporting Template must be completed.

All dollar values must include GST.

The following explanatory notes provide guidance on the type of information that must be included in each section (or worksheet) of the Reporting Template.

GENERAL INFORMATION

The Annual Procurement Reporting Template is an Excel document that contains six worksheets.

The worksheet entitled 'Guidance and Definitions' provides a list of column definitions and explanatory notes to assist public authorities when completing the Reporting Template worksheets. The information provided is consistent with the information in this Appendix.

ACTUAL SPEND

The worksheet entitled 'Actual Spend' requires public authorities to provide general information, contact person details and actual spend activity.

General Information

Public Authority Name	<i>Choose appropriate name from drop down menu</i>
Procurement Authority Level	<i>Choose appropriate procurement authority from drop down menu</i>
Reporting Period Dates	<i>Choose appropriate financial year being reported on from drop down menu (1 July through to 30 June)</i>

Contact Details

Contact Person Name	<i>Provide the name, position, phone and email for the key contact person who will be able to answer queries on the data if necessary.</i>
Position	
Phone	
Email	

Actual Spend (past 12 months)

Information on actual spend is collected for the purposes of reporting to Parliament on the operations of the State Procurement Act 2004.

The Board publishes a checklist which provides guidance on determining whether a procurement is a goods and services or construction – refer to: [Goods and Services or Construction Checklist](#).

<p>(G) Goods</p>	<p><i>Goods are tangible items which an organisation purchases for its own use.</i></p> <p><i>Enter total spend for Goods procurement for the relevant financial year. Include consolidated spend for any additional public authorities that fall under the same procurement authority.</i></p> <p><i>Includes: software; spend undertaken from an across government or lead agency sole supplier / panel arrangement; construction projects valued at \$165,000 or less (GST inclusive).</i></p> <p><i>Excludes: construction projects valued over \$165,000 (GST inclusive).</i></p>
<p>(S) Services (including consultancies)</p>	<p><i>Services are intangible supplies or effort (including consultancies).</i></p> <p><i>Enter the total spend for Services procurement for the relevant financial year. Include consolidated spend for additional public authorities that fall under the same procurement authority.</i></p> <p><i>Includes: the supply of electricity, gas or any other form of energy; spend undertaken from an across government or lead agency sole supplier / panel arrangement; construction services valued \$165,000 or less (GST inclusive); consultancy services.</i></p> <p><i>Excludes: internal salaries and employee costs (overheads); water rates and taxes; real estate and building rentals; mandated internal charges and fees where there is no discretion for their usage (eg crown law); construction services valued over \$165,000 (GST inclusive).</i></p> <p><i>Note: for these purposes, a consultant is defined as 'A person or firm who is engaged by a public authority for a specified period to carry out a task which requires specialist skills and knowledge not available in the public authority. The objectives of the task will be achieved by the consultant free from direction by the public authority as to the ways it is performed and in circumstances in which the engagement of a person under normal conditions is not a feasible alternative'.¹</i></p>
<p>Total Procurement Spend</p>	<p><i>The spreadsheet will automatically add goods and services. Nil action required.</i></p>
<p>Comments</p>	<p><i>A comments section is included to enable public authorities to provide an explanation, if appropriate, on actual procurement spend.</i></p>

¹ Accounting Policy Framework, Department of Treasury and Finance, March 2012, APS 4.6

CONTRACTING ACTIVITY

The worksheet entitled 'Contracting Activity' requires public authorities to provide information on public authority contracts (including purchase orders) valued over \$33,000 and entered into (i.e. executed) for the previous financial year.

With respect to across government or lead agency sole supplier / panel arrangements:

- If the panel arrangement has a specified end date, do not report secondary contracts or purchases off that panel arrangement. Only the initiating agency will report the original panel arrangement in the year in which it was established.
- If the arrangement is more like a prequalification scheme and is open ended or perpetual, do report secondary contracts or purchases off that arrangement. An example of a perpetual panel arrangement is the eProjects Panel.

Public authorities are not to separately report contract extensions or variations unless they can be considered a new contract – refer to the Board's [Contract Management Policy](#).

Information is requested in three parts: general procurement contracting information; timeline data; and Industry Participation Policy information.

Part 1: Procurement Contracting Activity

This information is requested to enable the Board to analyse and understand procurement activity in public authorities, to determine commonalities for future contracting opportunities, and to assist in setting policy across government.

All public authority contracts entered into for the previous financial year valued over \$33,000 (including GST) must be included.

The following table provides a definition and explanation for each column title included in the worksheet for part 1 (from contract title to lead agency).

PART 1: PROCUREMENT CONTRACTING ACTIVITY (for contracts valued over \$33,000)		
Contract Title	<i>Title and brief description of the contract activity. E.g: Audit Services</i>	
Contract Description	<i>Brief description of the contract activity. E.g. purchase of audit services for review of</i>	
Agency Contract Ref/ID:	<i>The contract reference or ID adopted by the public authority for the contract (i.e. a unique number or identifier code as used in the contract register).</i>	
Contract Value:	<i>Contract value including GST. This amount includes the value of extension options where relevant. Only enter contracts with a value over \$33,000 (inc GST). In the case of a new panel contract, please provide estimated value, however if panel term is unknown (but not perpetual), estimate value based on a 4-year period.</i>	
Contract Term:	<i>Provide the contract's length in months. E.g. 24 for 2 years. Include approved extension options if known.</i>	
Category	<i>Identify whether a G = good or a S = service (including consultancies). In-scope construction is to be categorised as 'G' (construction goods) or 'S' (construction services).</i>	
	<i>For Service Contracts, identify whether a consultancy or not (yes / no)</i>	
Market Approach	<i>Identify the method used to approach the market using the drop down list provided. The following market approach definitions are based on the Board's Market Approaches and Contracts Guideline.</i>	
	<i>1</i>	<i>Public Invitation to Supply (ITS) A publicly advertised invitation where potential suppliers are invited to supply goods and/or services. Previously called a 'request for tender'.</i>

	2	<i>Selective ITS</i>	<i>Similar to ITS except it is not publicly advertised and the public authority invites specific potential suppliers to submit offers. Selection may be from a multi-use list, a list of potential suppliers that have previously responded to an expression of interest or a list of potential suppliers that have been granted a specific licence or comply with a legal requirement. May be referred to as limited tendering.</i>
	3	<i>Request for Quotation (RFQ)</i>	<i>A formal request inviting offers or quotations to supply goods and/or services from one or more suppliers for a specifically defined product or service. Generally used for simple procurements where there are a limited number of potential suppliers and often is not advertised publicly.</i>
	4	<i>Direct Negotiation</i>	<i>A procurement process undertaken by directly approaching and negotiating with one or more suppliers without testing the market. It is usually undertaken when comprehensive market research indicates that there is a limited supply market.</i>
	5	<i>Multi-stage process</i>	<i>A combination of market approaches to help identify the best service providers in a particular market. The first stage will often limit the number of potential suppliers to those that can demonstrate the requisite capability. This may include an Expression / Registration of Interest (EOI/ROI).</i>
	6	<i>Other – please state method</i>	<i>If not covered by the above approaches, please clearly specify in the 'comments' column.</i>
Sourcing Strategy	Number of Suppliers Approached	<i>Specify the number of suppliers that were approached or, if an open approach, specify 'open'. Note, an 'open' approach includes an open invitation to supply, or where the number of suppliers approached were not limited.</i>	
	Complete if 1 Supplier was approached (Single Sourcing):		
	Explanation	<i>Indicate from the drop down menu the reason as to why a single source strategy was considered the optimal sourcing strategy. Reasons are based on the allowable conditions for limiting suppliers as per the Board's Acquisition Planning Policy. If 'other', specify reason in the 'comments' column.</i>	
	Approval	<i>Choose from the drop down menu to confirm that the single source approach was approved by the principal officer (if valued over \$550,000); or appropriate delegate (if valued up to and including \$550,000); or nil appropriate approval provided.</i>	
Supplier Name		<i>Name of the key or significant supplier(s) who serviced the contract. E.g: ABC Audit Services Pty Ltd. If more than one key supplier, provide the name of the supplier who serviced the largest proportion of the contract or list all significant suppliers if more appropriate.</i>	
Location of Supplier		<i>Choose the location of the supplier from the drop down menu: M = metropolitan Adelaide; R = regional South Australia; ANZ = Other Australian States and Territories and New Zealand; OS = Overseas countries (excluding New Zealand).</i>	

	<p><i>The two key factors to consider when determining the location of the supplier are:</i></p> <ul style="list-style-type: none"> <i>the location of the office of the supplier who is actually undertaking the work to service the contract; and</i> <i>where most of the employment activity under the contract was undertaken.</i> <p><i>To determine if a supplier is located in M (metro Adelaide) or R (regional SA), identify where the supplier's office is located according to the boundary map provided by the SA Government: Metropolitan Adelaide Boundary map (Development Act 1993).</i></p> <p><i>Where more than one supplier services the contract, determine the location according to the key supplier (services the largest portion) or where most suppliers are located.</i></p> <p><i>If an ECT or IPP plan was completed, ensure that the ECT / IPP score is consistent with the supplier location. For example, a metropolitan ECT score of 6 or above indicates that over 50% of the labour or employment activity was undertaken in metropolitan Adelaide.</i></p>
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Part 2: Timeline Data

This information enables the Board to report on the impact of procurement processes on the achievement of broader government objectives across government.

All public authority contracts entered into for the previous financial year with a value over \$220,000 (including GST) **must** be included.

All timeline data is measured in calendar days. Enter dates in the dd/mm/yy format. Where two events occur on the same day, enter that date in both fields.

For a multi-stage process, the formal approach to market date will be the date of the initial approach to the market (e.g. when an EOI was issued) and the market approach closed date will be the date when the second stage has been finalised (e.g. close of ITS).

PART 2: TIMELINE DATA (only complete for contracts valued over \$220,000)	
The following table provides a definition and explanation for each Part 2 column title.	
Risk Level	<i>Indicate the overall risk level for the contract (refer to the Board's Risk Management Guideline). Choose from the drop down menu: low; medium; or high risk.</i>
AP – Acquisition Plan Approval Received	<i>Record the date the Acquisition Plan was approved by the delegated authority or the date approval was provided to proceed with the procurement process.</i>
FAM1 – Formal Approach to Market Date	<p><i>Record the start date of the formal approach to market. This may include:</i></p> <ul style="list-style-type: none"> <i>the date the invitation documentation was issued to the market seeking responses</i> <i>or the date of the commencement of formal negotiations (such as for single source procurements or for direct negotiations)</i> <i>or the date an Expression of Interest (EOI) was issued to the market.</i> <p><i>Date must be equal to, or after, AP2.</i></p>
FAM2 - Market Approach Closed Date	<p><i>Record the date the formal market approach was closed. This may include:</i></p> <ul style="list-style-type: none"> <i>the date the invitation was closed (closing date for responses)</i> <i>or the date of the final receipt of offer from a supplier – such as for a single source or direct negotiation approach</i> <i>or the closing date of the second stage (for multi-stage processes).</i>

	<i>Date must be equal to, or after, FAM1 date.</i>
PR – Purchase Recommendation Approved	<i>Record the date the purchase recommendation was approved. Date must be equal to, or after, FAM2 date.</i>
CA – Contract Awarded	<i>Record the date the supplier was formally notified that they would be awarded the contract. Date must be equal to, or after PR date.</i>
CE – Contract Executed	<i>Record the date the Purchase Order was issued or the contract was executed (signed by all parties). Date must be equal to, or after, CA date. This date must be within the reporting period.</i>
Acquisition Plan Approval Received to Contract Executed (days lapsed)	<i>This column is automatically calculated based on the number of calendar days lapsed between AP (acquisition plan approval received) to CE (contract execution date).</i>
Comments	<p><i>Provide a brief explanation if:</i></p> <ul style="list-style-type: none"> • <i>the number of calendar days taken to complete the procurement process (AP to CE1) was 365 days or more</i> • <i>the market approach was 'other'</i> • <i>the single source reason was 'other'</i> • <i>or any other explanatory comments as appropriate.</i>

Part 3: Industry Participation Policy (IPP) Data

The Government's *South Australian Industry Participation Policy* (IPP) outlines various requirements to be applied when undertaking procurements and requires public authorities to report on IPP outcomes annually.

The following information will be provided to the Office of the Industry Advocate and is based on the requirements in the Industry Participation Policy (IPP). If you have any questions or concerns regarding this section, you must contact the Department of State Development, Public Participation and Projects Division on 8226 8967.

The State Procurement Board's Contract Register Policy requires IPP information on contracts valued over \$33,000 to be recorded.

Only include IPP data on those contracts that are subject to the *State Procurement Act 2004* (goods and services contracts, and construction contracts valued less than \$165,000 inclusive of GST). For example, do NOT include IPP data on construction contracts valued over \$165,000, or prescribed authority contracts, or IPP information on secondary contracts that are purchases off a panel type arrangement which is not perpetual.

The following table provides a definition and explanation for each column title included in the worksheet for Part 3. All \$ values to be reported are to be inclusive of GST.

PART 3: INDUSTRY PARTICIPATION POLICY INFORMATION to be reported

Economic Contribution Test or Industry Participation Plan?	<p>Record whether an Economic Contribution Test or Industry Participation Plan was undertaken.</p> <p><i>The IPP requires that the Economic Contribution Test may be completed for those contracts that are valued between \$33,000 and \$4 million (metropolitan Adelaide) or \$1 million (regional SA).</i></p> <p><i>The IPP requires a IPP Plan to be completed for contracts valued over \$4 million and performed in Metropolitan Adelaide, or contracts valued over \$1 million and performed in Regional SA.</i></p> <p><i>If an IPP was not done, you must complete the 'No ECT / Standard IPP' column.</i></p>
Standard vs Tailored	<p><i>Record whether the ECT/IPP was standard or tailored.</i></p>
Region	<p><i>Record whether the ECT IPP was:</i></p> <ul style="list-style-type: none">• <i>metropolitan</i>• <i>regional</i>• <i>Northern Economic Plan region</i>• <i>Upper Spencer Gulf Economic Plan region</i>
Test Score	<p><i>Record the ECT/IPP score that the supplier received.</i></p> <p><i>Where an ECT/IPP was not done, you must complete the 'No ECT / IPP' column.</i></p>
No ECT / Standard IPP	<p><i>Where an ECT / IPP was not completed by the successful supplier, choose the appropriate reason from the drop down menu:</i></p> <ul style="list-style-type: none">• <i>Not recorded (includes non-submission)</i>• <i>OIA approved exemption</i>

PLANNED ACTIVITY

The worksheet entitled 'Planned Activity' requires public authorities to provide summary details on intended contracts / procurement activity for the next three financial years that is valued over \$220,000.

A list of planned procurement activity which is based on the information reported below will be made publicly available on the [SA Tenders & Contracts website](#) unless otherwise advised.

The publication of planned procurement activity provides opportunities for suppliers to prepare for forward procurement opportunities. In addition, for those procurements that are required to comply with Free Trade Agreement obligations, the publication of a planned procurement may enable a reduction in the number of days that a tender must remain open, and may enable the use of a selective invitation to supply market approach.

The following table provides a definition and explanation for each column title included in the planned activity worksheet.

Planned Procurement Title	<i>Title of the planned procurement. E.g: Auditing Services</i>
Planned Procurement Description	<i>Brief description of the planned procurement activity.</i>
Estimated Value	<i>Provide estimated value of the intended contract including GST and extension options (if appropriate) over the life of the contract. If contract term is unknown, estimate value based on a 4-year period. Information on estimated value will not be published. Estimated value is not included in the published list of planned procurement activity.</i>
Estimated approach to market date	<i>Indicate the financial quarter and year in which it is estimated that the market approach for the planned procurement may be published. Date format to be: quarter 1 (July-Sept) or quarter 2 (Oct-Dec) or quarter 3 (Jan-Mar) or quarter 4 (Apr-Jun) of 20xx.</i>
Estimated term of planned procurement	<i>Indicate the estimated length of time for the planned procurement activity in months (e.g. 24 for 2 years).</i>
Contact Details	<i>Provide an appropriate contact number, email and/or website details for the public authority.</i>
Publication	
Yes / No	<i>The Principal Officer can determine if the planned procurement can be included in the published list of planned activity or not.</i>
If 'No', indicated why not	<i>Reason(s) for not publishing a planned activity must be compelling and consistent with allowable non-disclosure reasons in Department of the Premier and Cabinet circular 27 Disclosure of Government Contracts (PC027). Choose from the drop down menu of reasons that are consistent with PC027.</i>

FORMAL SUPPLIER COMPLAINTS

As outlined in the Board's [Supplier Complaints Policy](#), a 'formal' complaint must be in writing and referred to the nominated public authority officer for investigation.

Public authorities must complete the formal supplier complaints worksheet by providing summary details on formal supplier complaints that have occurred during the reporting period (30 June to 1 July of the last financial year).

The following table provides a definition and explanation for each column title included in the supplier complaints worksheet.

Procurement Description	<i>Provide the title and a brief description of the procurement at the centre of the formal complaint.</i>
Nature of Complaint	<i>Provide a brief description on the nature of the complaint including how and why the complaint arose.</i>
Outcome	<i>Provide an outline of the outcome of the complaint including the investigation (and any subsequent independent investigation).</i>

State Procurement Board Annual Certificate of Compliance

Public Authority Name	
Principal Officer Name	
Procurement Authority	
Reporting Period Dates	1 July 20____ to 30 June 20____

Compliance Requirements

Public authorities, as defined in the *State Procurement Act 2004*, are required to comply with all applicable policies, guidelines and directions set down by the State Procurement Board.

Non-Compliance Report

Attach details of any areas of non-compliance, stating the date and nature of the non-compliance, whether it has been remedied and what remedial action was taken if applicable¹.

Compliance Statement

To: Chair, State Procurement Board

As principal officer of the public authority named above and, unless otherwise specified in the non-compliance report, I certify to the best of my knowledge, that during the reporting period:

1. The authority (and/or its representatives) has complied with all applicable policies, guidelines and directions as set down by the Board
2. All procurement transactions, excluding those submitted to the Board, were undertaken within the authority's procurement authority threshold
3. The authority's Board approved procurement action plan has been progressed as identified in the procurement authority application
4. Systemic unethical or fraudulent procurement practices were reported to the Board as soon as practicable
5. There were no significant organisational or other circumstances requiring changes to the procurement authority of the public authority
6. Information provided to the Board in the authority's annual procurement report is, as far as practicable, accurate and free from errors
7. The principal officer has approved all single source market approach procurements valued over \$550,000 (GST inclusive) and within the limits of the procurement authority
8. All material variations in either the scope or value of procurement transactions, including those submitted to the Board, have been approved in accordance with the Board's Contract Management Guideline
9. All compliance review findings and accreditation review findings due for completion in this year have been completed.

Signed

Date: / /

Note: This statement is to be forwarded to the Chair, State Procurement Board, by 15 October of each year.

¹ Public authorities may use the attached 'Non-Compliance Report Template' to report non-compliance issues.

Non-Compliance Report Template

Public Authority Name:

Reporting Period Date: 1 July 20__ to 30 June 20__

Nature of Non-Compliance Issue		Management Action Plan	
Date	Description	Remedial Action	Planned Completion Date