

PUBLIC AUTHORITY PROCUREMENT ACTIVITY

Public Authorities

The following public authorities were required to report detailed procurement activity for 2017-18.

AGD	Attorney-General's Department
CAA	Courts Administration Authority
DCP	Department for Child Protection
DCSI	Department for Communities and Social Inclusion*
DCS	Department for Correctional Services
DECD	Department for Education and Child Development*
DEWNR	Department of Environment, Water and Natural Resources*
DPTI	Department of Planning, Transport and Infrastructure
PIRSA	Department of Primary Industries and Regions SA
DPC	Department of the Premier and Cabinet
DTF	Department of Treasury and Finance
DSD	Department of State Development*
SA Health	SA Health
SAPOL	South Australia Police
SAFECOM	South Australian Fire and Emergency Services Commission
SATC	South Australian Tourism Commission
TAFE SA	TAFE SA

The information obtained from public authorities through the annual reporting process is used by the Board to improve its policies, to feed into its review and assurance programs, and to promote dialogue with public authorities on matters of importance.

Certificate of Compliance

As part of the Board's annual reporting regime, public authority principal officers with a procurement authority are required to complete a Certificate of Compliance. The certificate indicates the extent to which the Board's policies and guidelines have been adhered to by the public authority during the course of the reporting period.

Annual Procurement Reporting Policy

The following summary is based on information reported by public authorities as required by the Board's Annual Procurement Reporting Policy.

The scope of the procurement information reported is limited by the *State Procurement Act 2004* and excludes construction procurement valued over \$165,000 (GST inclusive) and procurement by prescribed public authorities. Information is reported on total procurement spend and contracting activity above \$33,000 (GST inclusive).

Contracting Activity

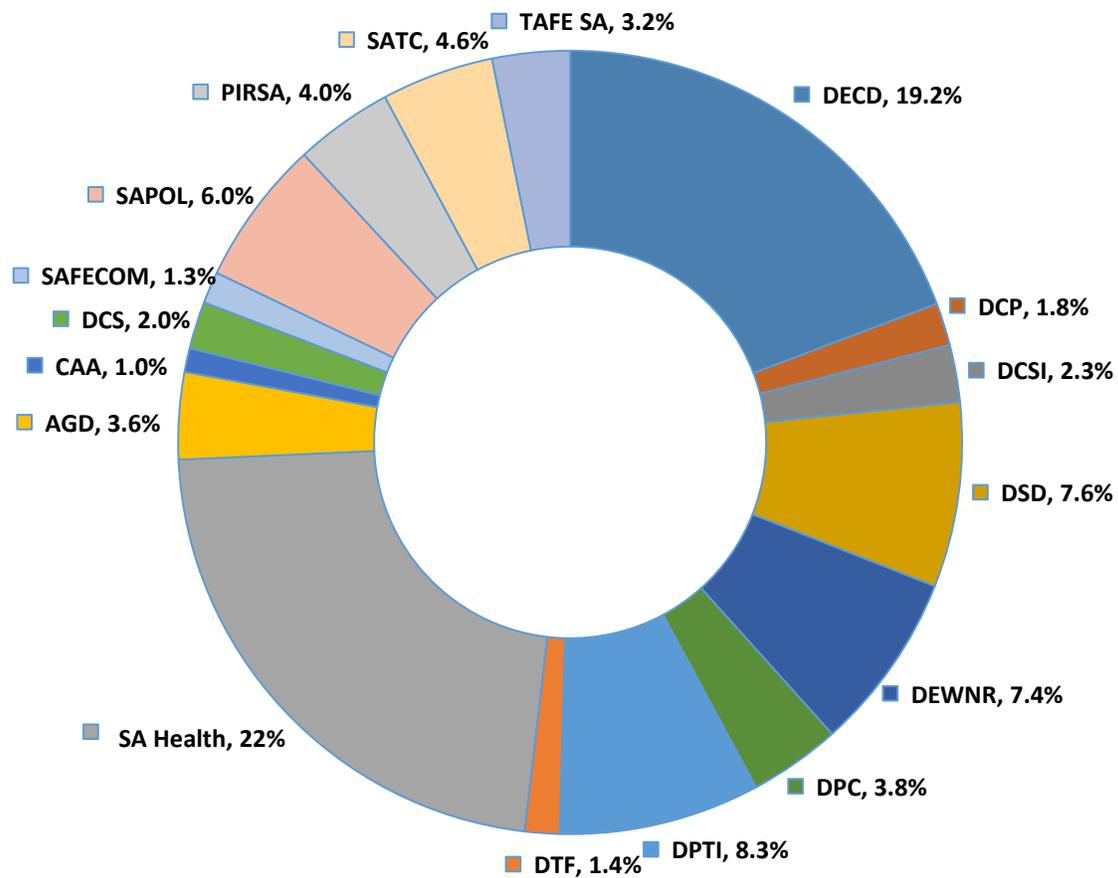
Each year, public authorities disclose to the Board information on contracts that were executed during the reporting period.

Unless otherwise indicated, the information in the following figures is based on reported contracts that were valued over \$33,000 (GST inclusive) and were executed, in 2017-18.

Number of Contracts

Figure 2 shows the number of contracts executed in 2017-18 that were valued over \$33,000 (GST inclusive) by public authority. As indicated, SA Health entered into the largest number of contracts in 2017-18 (22%), followed by DECD (19%) and DPTI (8%).

Figure 2 – Number of Contracts by Public Authority 2017-18

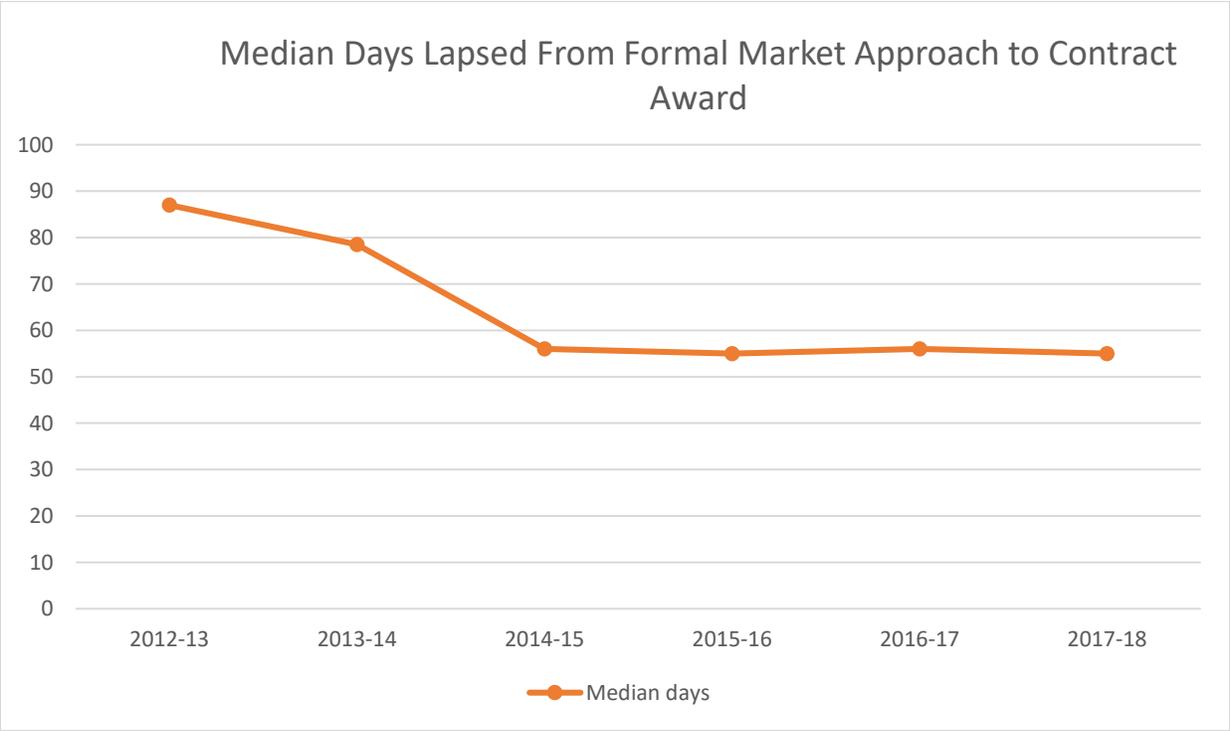


Timeline Data

Public authorities are required to report specific milestone dates for contracts valued over \$220,000 (GST inclusive). The Board monitors reported timelines to quantify the typical duration of procurement processes undertaken across government.

In 2017-18, the typical time taken¹ to progress a procurement project from the formal approach to market (tender advertised or negotiations commenced) to the contract award date was 55 days. Trend analysis in Figure 3 indicates the typical time taken to undertake procurement processes has remained relatively steady since 2014/15 following significant decreases in the previous two years.

Figure 3 - Days Lapsed (median) from Formal Market Approach to Contract Award



The Board will continue to monitor and report on timeline indicators.

Types of Market Approaches

Figures 4 and 5 show the number and value of contracts by the type of market approach applied. In 2017-18, contracts that were undertaken by competitive processes accounted for 40% of the number of reported contracts entered into and 70% of the total value of reported contracts in that period.

The data indicates that public authorities are applying simpler and more direct market approaches for lower value contracts, and more complex competitive processes for higher value contracts.

¹ The measure of the typical time taken to establish a contract was determined using the median contract in the dataset (i.e the middle value when all contracts were arranged in order.) The mean (average) is an unfavourable indicator of the typical time taken to undertake a procurement process, as the contract data is skewed by very short and/or lengthy processes ("outliers").

Figure 4 – Number of Contracts by Market Approach 2017-18

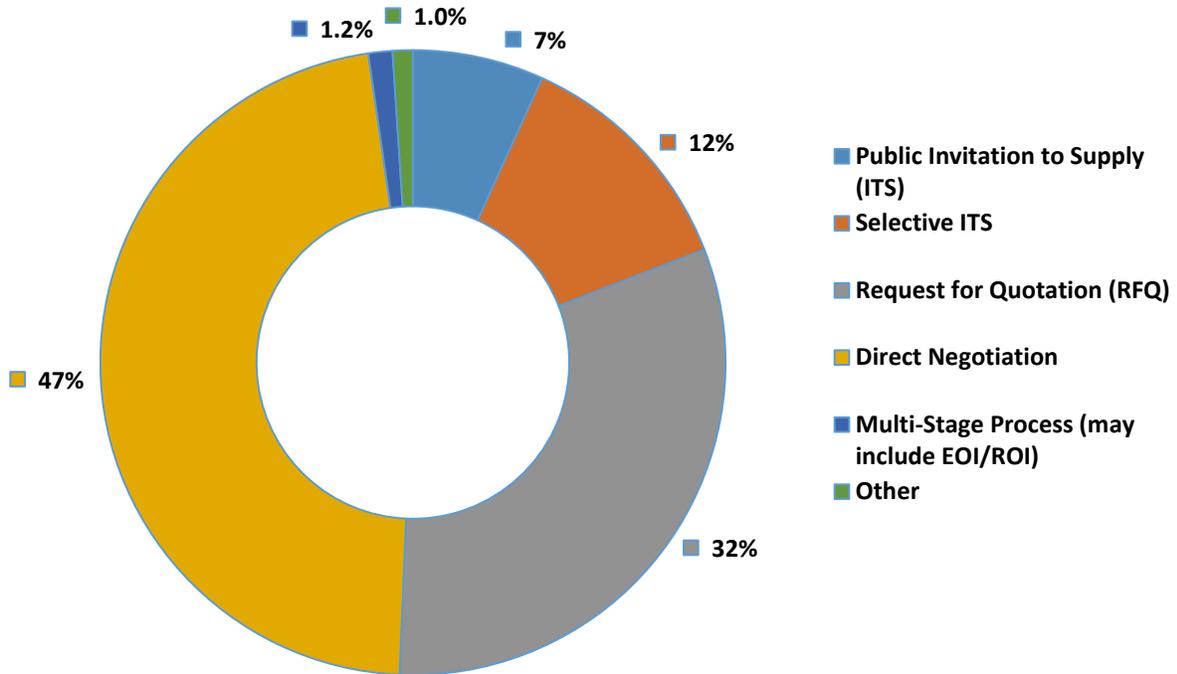
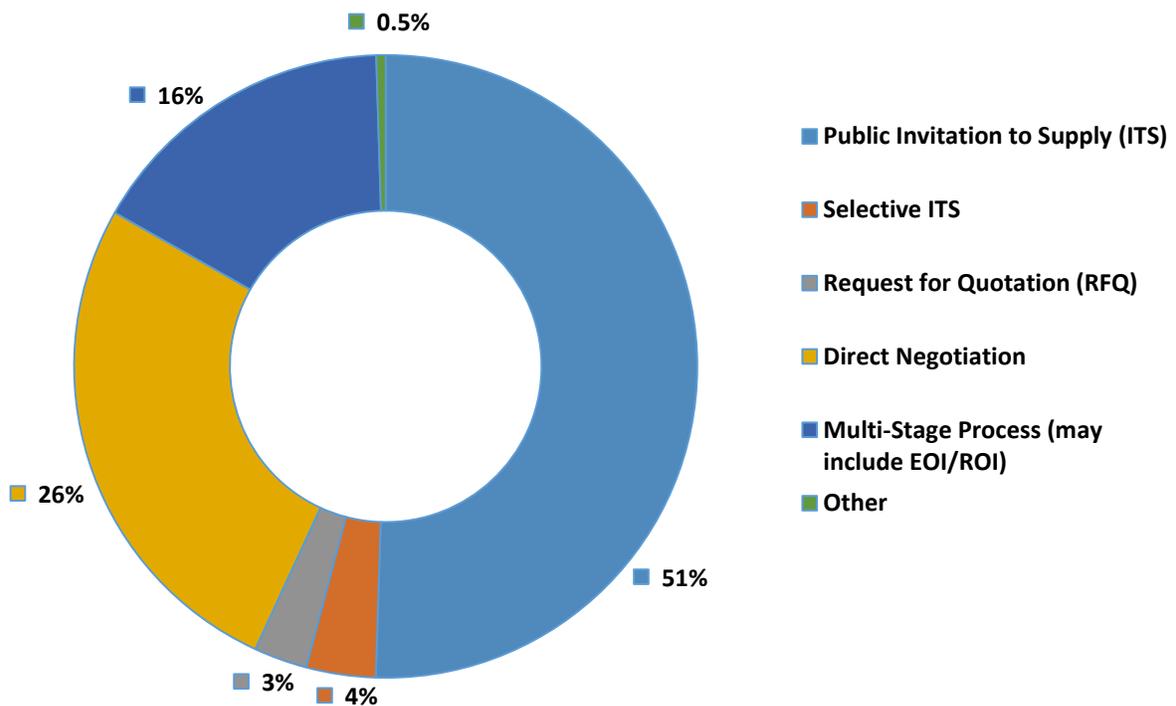


Figure 5 – Value of Contracts by Market Approach 2017-18



Source of Supply

Public authorities report on supplier location for reported contracts executed during 2017-18. The key factors used to determine the location of the supplier are: the location of the office of the supplier who actually undertook the work to service the contract, and where most of the employment activity for the contract was undertaken.

Figure 6 shows the proportion of reported contracts by supplier location. Of all contracts awarded, over 97% were awarded to Australian and New Zealand suppliers (including South Australian suppliers). According to information provided by public authorities, 67% of the contracts executed in 2017-18 were serviced by South Australian suppliers (metropolitan and regional).

Figure 7 shows the proportion of the total contract value by supplier location for contracts executed in 2017-18. Consistent with previous years, 99% of the total value of contracts was with Australian and New Zealand suppliers (including South Australian suppliers). According to information reported by public authorities, 44% of the total value of contracts was with suppliers located in South Australia (metropolitan and regional) in 2017-18.

Figure 6 – Proportion of Contracts by Supplier Location 2017-18

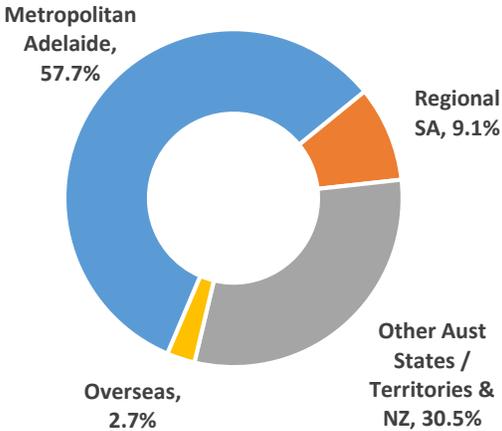
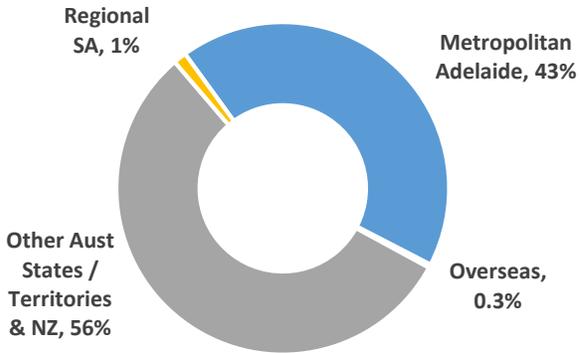


Figure 7 – Proportion of Value of Contract by Supplier Location 2017-18



Figures 8 and 9 below show the number and total value of contracts entered into by public authorities by supplier location, since 1 July 2000 (when this information was first reported). When considering the data, it is important to be aware of the cyclical nature of contract activity which can have a significant impact on the data in any single year.

Based on total contracts reported from 2000-01 to 2017-18:

- approximately 73% of the number of contracts and 63% of the value of contracts were awarded to South Australian suppliers; and
- over 97% of the number of contracts and 98% of the value of contracts were awarded to Australian and New Zealand suppliers (including South Australian suppliers).

The reported data shows that despite fluctuations from year to year due to the cyclical nature of contract establishment and renewals, overall, South Australian supplier participation in the value and volume of SA government contracts has remained relatively consistent, on average, over the past eighteen years.

Figure 8 – Number of Contracts by Supplier Location, 2000-01 to 2017-18

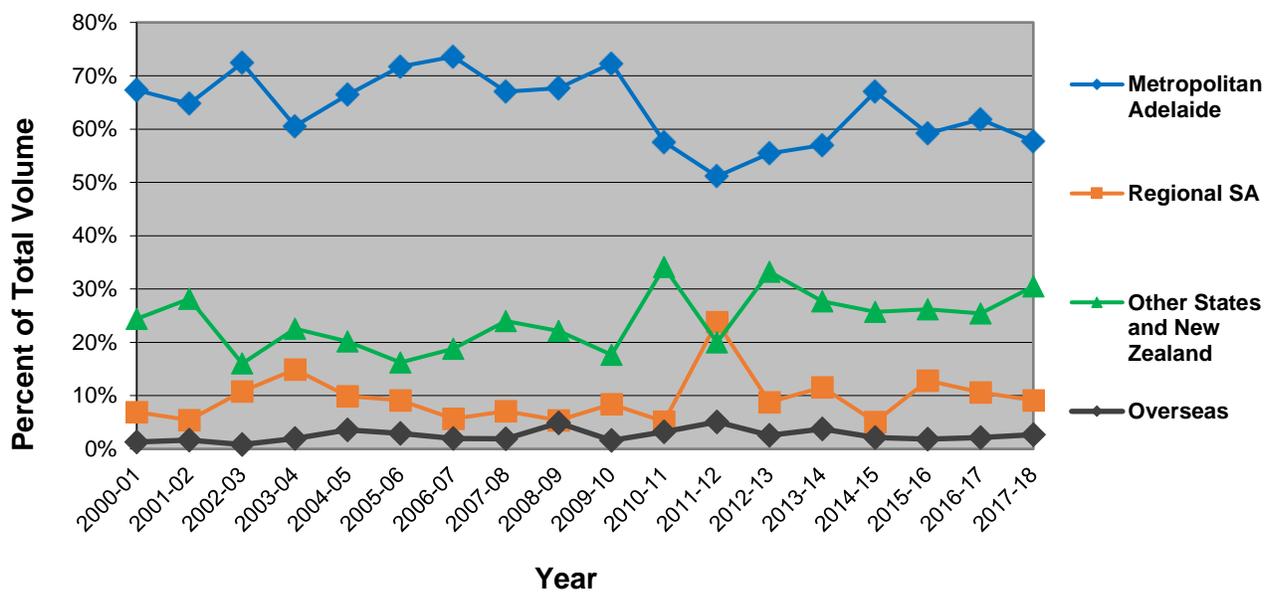


Figure 9 - Contract Value by Supplier Location, 2000-01 to 2017-18

