



**Government  
of South Australia**

State Procurement  
Board

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**Supplier Complaints Policy**

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Principal Contact	State Procurement Board
Telephone	8226 5001

## Purpose

This policy provides direction and guidance to public authorities in establishing an effective complaint management process and resolution system for handling complaints made by suppliers.

## General Principles

The object of the *State Procurement Act 2004* (the 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.

The appropriate handling of supplier complaints is vital to ensuring the integrity of government procurement processes in compliance with the object of the Act.

All expressions defined in the Act have the same meaning in this policy.

## Policy Statement

The principal officer **must** ensure effective systems, practices and processes are in place to manage supplier complaints within their public authority in accordance with this policy.

## Policy Scope

This policy applies to all public authorities as defined in the Act.

## Application

It is important that public authorities uphold good supplier practices in all aspects of procurement and adopt an open and transparent approach to the handling of supplier complaints, particularly with regard to:

- providing timely information relating to the public authority's procurement activities;
- ensuring specifications are clear and unbiased;
- ensuring documentation issued to the supply market includes appropriate contact information for procurement complaints handling;
- effectively communicating with suppliers during all stages of the procurement process;
- providing information about the public authority's formal complaint process; and
- investigating complaints impartially and in an ethical and transparent manner.

Suppliers have a responsibility to:

- supply quality goods and services;
- refrain from offering inducements that could be seen to compromise the impartiality of procurement officers;
- endeavour to resolve problems or complaints in a professional manner directly with the public authority before seeking third party intervention;
- refrain from breaching any legislation (including anti-competitive behaviour);
- put all formal complaints in writing with appropriate supporting information; and
- not initiate frivolous and immaterial complaints.

## Complaint Handling Process

The timely investigation and resolution of supplier complaints is an essential requirement for maintaining good relationships between public authorities and suppliers.

The South Australian Government's *Better Customer Charter for Business* sets out what suppliers can expect from the South Australian Government when participating in procurement processes. Suppliers can expect that public authorities will resolve disputes promptly by providing all suppliers access to a timely, clear and independent dispute resolution process.

In the first instance, a supplier is to refer complaints to the public authority for investigation in accordance with the public authority's internal review process. Appendix 1 details the complaint resolution process to be followed by the public authority, and includes the option for suppliers to forward the complaint to the State Procurement Board, if the complaint is not resolved with the public authority.

All supplier complaints require due consideration and need to be dealt with in a manner appropriate to each situation.

The public authority **must** document the process for handling supplier complaints, including appropriate escalation procedures within the authority, and ensure this information is publicly available to suppliers.

Any complaints or allegations of a criminal nature are to be referred to South Australia Police.

## Investigation of Formal Complaints

Formal complaints are those which are submitted in writing to the public authority, providing sufficient detail to enable adequate consideration of relevant points.

Each public authority **must** ensure all formal complaints are investigated by an appropriate, independent officer who is not directly involved in the subject matter of the complaint.

Characteristics of the independent officer may include:

- sufficient authority/seniority to thoroughly investigate and resolve complaints;
- appropriate knowledge of procurement policy requirements and processes;
- an understanding of what represents good procurement practice including fair and equitable treatment of suppliers;
- good interpersonal and written communication skills; and
- good conflict resolution skills.

To reduce the risk of actual or perceived conflicts, the officer should operate independently of the area against which the complaint is made, including the public authority's procurement area if applicable.

The independent officer is required to demonstrate impartiality and fairness in all supplier complaint investigations.

## Record Keeping

Where applicable, appropriate records of complaints **must** be maintained by public authorities via a database and/or a physical file containing all relevant documentation.

Through the Board's annual reporting process, public authorities may be required to report on the number of complaints received for the period, a description of the complaint, the procurement project it related to and the outcome.

Recording supplier complaints potentially provides a means for public authorities to identify systemic problems occurring in its procurement practices.

### Role of the Board

The Board will only investigate complaints made by a supplier in writing directly to the Presiding Member of the Board and only where all attempts to resolve the complaint have been made by the public authority in accordance with the process outlined herein.

Where the Board receives a supplier complaint that has not been dealt with by the public authority, the complaint will be referred to the public authority to address.

In determining the legitimacy of the complaint, the Board may seek a report and supporting information from the public authority (including copies of letters, previous reports, and appropriate documentation) to assist the Board in its deliberations.

## **Compliance**

*State Procurement Act 2004*

## **Related Policy and Guidelines**

Board Procurement Reporting Policy

SPB Acquisition Planning Guideline

SPB Supplier Selection Guideline

South Australian Government *Better Customer Charter for Business*

([http://economic.priorities.sa.gov.au/\\_\\_data/assets/pdf\\_file/0014/8024/Better-Customer-Charter-.pdf](http://economic.priorities.sa.gov.au/__data/assets/pdf_file/0014/8024/Better-Customer-Charter-.pdf))

## **Legislated Review Mechanisms**

Freedom of Information Act 1991

Independent Commissioner Against Corruption Act 2012

Ombudsman Act 1972

## **Responsibilities**

Principal officers are responsible for ensuring this policy is implemented and monitored within their respective public authorities.

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 two years from the date of approval.

## Appendix 1

### SUPPLIER FORMAL COMPLAINT RESOLUTION PROCESS

The following steps are to be adopted by public authorities in addressing supplier complaints.

- 1 All formal complaints shall be in writing and be referred to an independent officer for investigation. The complaint should be acknowledged on its receipt and include the name of the officer, the proposed action and associated timeframes.
- 2 Unless the complaint is resolved quickly, the complainant should be kept regularly informed of progress by the public authority.
- 3 A report on the outcome of the investigation (and any subsequent independent investigation) should be provided to the appropriately designated public authority manager or committee (eg accredited purchasing unit) for consideration and endorsement.
- 4 The supplier should be advised in writing as to the outcome of the investigation by the public authority.
- 5 If not satisfied with the outcome, the supplier should be provided an opportunity to discuss the outcome of the complaint with the public authority independent officer.
- 6 Where the supplier is still not satisfied with the outcome of the investigation, the services of an independent adviser (which may include an independent arbitrator) may be engaged by the public authority to seek resolution of the complaint.
- 7 If undertaken, the supplier should be advised in writing as to the outcome of the independent investigation by the public authority. The supplier should be provided an opportunity to discuss the outcome of the complaint with the principal officer or designated manager.
- 8 The letter should also advise the supplier that where they are still not satisfied with the outcome of the complaint, an application can be made, in writing, to the Presiding Member of the Board, seeking a review of the matter.