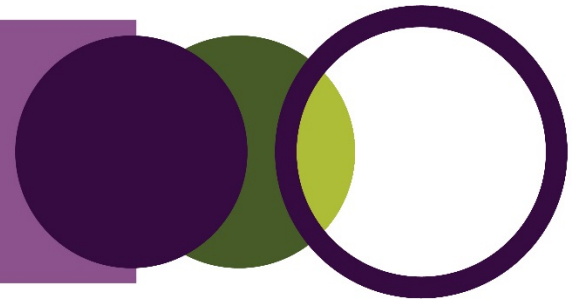




# Department of Finance Procurement Bulletin

March 2018



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## Aboriginal Procurement Policy

Department of Finance has delivered a game changer to Aboriginal owned businesses with the announcement of the [Aboriginal Procurement Policy](#) on 19 December 2017.

From 1 July 2018, government departments will be required to award contracts to registered Aboriginal businesses, consistent with progressive targets increasing to three per cent. The targets will apply to all government agencies and Government Trading Enterprises when purchasing goods, services, community services and works.

To ensure the Policy is implemented smoothly and both Government and Aboriginal businesses are ready, Finance's Social Procurement Initiatives team have developed [\(draft\) implementation guides](#) and an education and training program that will be delivered throughout the state to assist government buyers and Aboriginal businesses. Details of the sessions will be available on the [Aboriginal Procurement Policy page](#) on the Department of Finance website soon.

## Aboriginal Business Expo on March 29

The Social Procurement Initiatives team has arranged an [Aboriginal Business Expo](#). It's a great opportunity to hear what Government leaders are doing in this space but most importantly, to see first-hand what the Aboriginal business sector has to offer.

Minister for Finance, the Hon Ben Wyatt will formally launch the [Aboriginal Procurement Policy](#) at Optus Stadium on 29 March.

There is still time to [register](#) to attend if you haven't already.

For more information on the Expo and Aboriginal Procurement Policy email [spi@finance.wa.gov.au](mailto:spi@finance.wa.gov.au).

## Transitioning to GovNext

### Decommissioning of Government Campus Network and ServiceNet

The Department of Finance operates the Government Campus Network (GCN) and ServiceNet businesses. GCN provides agencies with network and telephony services across 18 buildings in the metropolitan area and one regional site (Karratha Quarter). ServiceNet provides secure internet services to 42 agencies. It carries more than 90 per cent of government's internet traffic, aggregates agency spend, and provides security and email checking services for agencies.

With the introduction of the GovNext-ICT Common Use Arrangement (GovNext), client agencies of GCN and/or ServiceNet are required to transition to services provided by GovNext vendors. Use of GovNext is mandatory for government agencies. Government Trading Enterprises and Local Government Authorities can choose to use this Arrangement. Further information and a Buyers Guide is available on [ContractsWA](#). When all agencies have transitioned out of GCN and ServiceNet, these businesses will be decommissioned.

Finance is working closely with the Office of the Government Chief Information Officer and the GovNext vendors (Atos, Datacom and NEC) to assist agencies transition to the new services.

For further information and/or assistance with transition out of GCN and ServiceNet to GovNext, email Government Service Broker Engagement Manager [Colin MacDonald](#) or [Diane Hudson](#) from Finance's Online Solutions team.

### ICT Procurement Support

Finance's staff in Agency Procurement Services and Common Use Arrangements continue to provide support for agencies with their ICT procurements, and as they engage with GovNext and adopt the transformative ICT practices consistent with the Digital WA strategy. This includes working with the Government Service Broker to develop practical tools and templates to support efficient purchasing under the Common Use Arrangement.

For assistance with your ICT procurements contact your agency's [Agency Procurement Services contact](#).

## The Fleet Review delivers savings to agencies

Last year the Department of Finance undertook a review of the state vehicle fleet as part of the 2017-18 State Budget. The State Fleet Review focused on analysing the cost drivers and policy levers that could reduce agency expenditure and the overall cost of the fleet. It uncovered approx. \$49 million in savings across all agencies who lease their vehicles from [State Fleet](#).

State Fleet has since implemented a number of the initiatives in the Review including a revised [WA Government Fleet Policy and Guidelines](#). These policy changes aim to modify agency behaviour and fleet practices. There will be a renewal of fleet contracting arrangements to leverage the government's buying power to reduce the \$100 million plus spend per annum on the Government's fleet of vehicles.

A [Summary of the Key Initiatives](#) is available on the Department of Finance website.

The Department of Finance has written to agency CEOs, Chief Finance Officers and Fleet Coordinators to announce these initiatives.

Agencies requiring briefings on the savings and initiatives should contact State Fleet by email: [StateFleet@finance.wa.gov.au](mailto:StateFleet@finance.wa.gov.au).

## Travel Management Services are now 47% cheaper

The new Travel Management Services Common Use Arrangement (CUA) started on August 1, 2017 with a new contractor, Corporate Travel Management Group Pty Ltd. This marked the end of a 14-year partnership with the former contractor, Carlson Wagonlit Travel.

Agencies will be paying an estimated 47% less for travel management services, an excellent outcome.

The CUA provides travel arrangers and coordinators with access to an easy to navigate Online Booking Tool. There is also a dedicated travel consultant team for phone and email bookings, discounted flights with major domestic airlines through airfare-agreements, discounted accommodation rates organised by the contractor and motor vehicle rental rates negotiated through the [Motor Vehicle Rental Services CUA](#). The reporting capabilities offered assist agencies in tracking and monitoring travel costs and credits.

Agencies can cut costs by selecting the lowest fare that exists in the marketplace at the time of booking that meets the business requirements, irrespective of traveller airline preference. Agencies should consider using airline ticket credits early and streamlining internal approval processes so that travel can be purchased early, maximising opportunity for savings.

Other savings include analysing travel performance and changing buying behaviour as necessary, and seeking training and assistance to improve travel management practices. For more information on webinar training sessions or face-to-face group training, email [Dianne van der Schaaf](#) from Corporate Travel Management Group.

A Government Travel Bulletin is published approximately every month. Agencies can [subscribe](#) to receive updates and tips on how to save money through this Common Use Arrangement.

For more information consult the [Buyers Guide](#) on [Contracts WA](#) or alternatively email the Contract Manager [Stephen Koh](#).

## The Procurement Competency Matrix is out now

The Department of Finance has created a [Procurement Competency Matrix](#) and [Chief Procurement Officer Success Profile](#) for agencies. These tools support employee capability through better workforce planning and talent management.

The Procurement Competency Matrix will bring WA into line with other governments across Australia by providing a standard set of competencies required for similar procurement positions across the sector. Through the provision of a common language and consistent expectations, agencies will be able to use the matrix to support recruitment, succession planning and performance management, while the career planning of procurement officers will also benefit. The matrix will assist agencies managing Machinery of Government changes or those reviewing their procurement team to develop the appropriate structure to support effective delivery of the procurement function.

The creation of the Chief Procurement Officer Success Profile recognises the strategic importance of procurement in supporting the achievement of Government and agency objectives. The profile and associated measurement guidelines define expectations and accountabilities, and provide consistent standards, for Chief Procurement Officers in their leadership position within agencies.

These tools are co-badged with the Public Sector Commission and will be available on the [Government Procurement](#) Department of Finance website under Capability and Training soon.

## Singapore-Australia Free Trade Agreement

The [Singapore-Australia Free Trade Agreement \(SAFTA\)](#) now includes a procurement chapter. The procurement obligations outlined in SAFTA are similar to other Free Trade Agreements with a few additions that agencies should be aware of:

- Requests must now include estimated quantities at all times, describe procurements as 'covered' where applicable, indicate if we intend to conduct negotiations, and rely on international standards where they exist.
- The circumstances in which agencies can use limited tendering (or direct sourcing) is more restricted than previous agreements, and has fewer grounds for direct source than the State Supply Commission's *Open and Effective Competition* policy.
- There have been changes around time limits for advertising tenders, with advertising periods increasing in some instances.
- Procurement practitioners should pay particular attention to supplier involvement in multi-stage projects, and consider implications such as whether procuring a supplier for early involvement in a project (e.g. design or advice) might require them to be explicitly disqualified from tendering for subsequent work in the project.
- [Tenders WA](#) has been updated to show addresses of suppliers in contract award details.

There have been no changes to our [State Supply Commission supply policies](#) and an [addendum](#) was issued to the [Buy Local policy](#), to include Singapore as one of our free trade partner nations. The addendum means agencies can meet the requirements of the Buy Local Policy without discriminating against Singaporean suppliers.

For more information on [Free Trade Agreements](#) consult the Department of Finance website.

Contact for queries: [procurementpractice@finance.wa.gov.au](mailto:procurementpractice@finance.wa.gov.au)

## State Supply Commission internal audits

Under the terms and conditions of the current partial exemptions issued by the State Supply Commission to agencies, there is a requirement to conduct an annual internal audit of compliance related to supply policies, and the terms and conditions of the partial exemption.

The 2016/17 audit process is complete. The most common, minor non-compliances were:

- Outdated procurement policy manuals and exemption/approval registers.
- Insufficient information in letters to unsuccessful tenderers.
- Inadequate records for some contract award decisions and variations on Tenders WA.

Some minor general issues observed in a few cases were:

- The sample of procurement activities was insufficient.
- The audit findings section of the template was not completed.

Finance's Agency Procurement Services has already commenced working with a number of agencies to assist them to meet audit requirements. In preparation for the 2017-18 audit period, the audit guidelines and template have been updated and are available on the [State Supply Commission website](#).

Questions regarding audit requirements can be emailed to [enquiries@ssc.wa.gov.au](mailto:enquiries@ssc.wa.gov.au).



For general enquiries please email [gpbusinessdevelopment@finance.wa.gov.au](mailto:gpbusinessdevelopment@finance.wa.gov.au).