

# Transforming Procurement

## Transformation Program Update

Issue 03, May 2016

Welcome to the third Transforming Procurement bulletin outlining the changes, assistance and opportunities arising from Government Procurement's (GP) Transformation Program.

Changes to three State Supply Commission (SSC) policies are now effective, with some of these changes outlined below. Go to the [SSC website](#) to gain a full understanding of the policies and the impacts on your agency.

The new Written Quotes Process workshops, designed for agency staff managing procurement under \$250,000, have commenced and there are further dates scheduled for May and June. Changes to tender management to align with the new \$250,000 threshold are also now effective. All this and more is covered in this bulletin.

For more in-depth information on any of these Transformation Program outcomes or for access to the supporting tools and resources, go to the [Transforming Procurement](#) webpage.



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## Changes to SSC Policies

A number of changes have been made to SSC supply policies to continue to increase consistency and transparency in procurement, while minimising risk to Government.

The three policies affected by the changes are:

- Open and Effective Competition
- Common Use Arrangements (CUAs)
- Procurement Planning, Evaluation Reports and Contract Management.

### SSC partial exemption threshold

As noted in the previous bulletin, one of the significant changes is that agencies are able to procure autonomously up to \$250,000 (inc GST) without involving Finance.

Agency Chief Executives will receive official notification of their new threshold, which is now effective.

## Contract variations

Changes to the management of contract variations have been implemented to reduce risk and increase transparency in, and throughout, the procurement life cycle.

Recent work by the Office of the Auditor General highlighted the need to strengthen our oversight of contract variations. This will reduce risk across the sector.

Agencies must now publish contract variations valued at \$50,000 (either individually or cumulatively) or above on Tenders WA. A 'variation' is defined as any variation in contract spend that increases the total contract value or the estimated contract value recorded on Tenders WA at the time of contract award.

*Please note that the functionality to enter contract variations on Tenders WA will be available in early July 2016. In the interim, agencies should maintain a record of contract variations and publish these on Tenders WA once the functionality is available.*

The policy has been tightened to also require agencies to involve Finance where the total estimated value of a proposed contract variation is \$250,000 (either individually or cumulatively) or above. A **Contract Variation Memo Template** is now available on the Department of Finance website, which should be completed by the agency and forwarded to Finance for review and comment

Contract variations valued at \$5 million (either individually or cumulatively) and above must be submitted to the State Tender Review Committee or Community Service Procurement Review Committee, whichever is applicable given the nature of the purchase. A memo template will be available for this purpose and should be reviewed by Finance prior to submission to the relevant committee.

### **Contract Management Plans**

To align with other key procurement documentation, Contract Management Plans for procurements valued at \$5 million and above must be submitted to the State Tender Review Committee or Community Service Procurement Review Committee, whichever is applicable given the nature of the purchase.

### **Social Procurement Initiatives**

To promote employment opportunities and economic participation, agencies may now buy directly from a registered Aboriginal business or Western Australian Disability Enterprise notwithstanding the existence of a mandatory CUA. Policy changes now mean that approval from Finance is no longer required in this instance.

### **More Information**

Please go to the **SSC website** for access to the full policies and implemented changes.

The suite of templates to assist procurement under \$250,000 is available from **Transforming Procurement**.

Finally, it is worth remembering that Finance will continue to provide procurement services to your agency for procurements above \$250,000 via a centralised team.

In addition, our new Strategic Project Support Services team will provide specialised support for high value and high-risk procurement needs, when it becomes operational 1 July also. We will tell you more about this team in coming months.

## **Managing Tenders**

The increase in the partial exemption threshold means that you will now manage your own tenders under \$250,000.

Finance provides a range of tools to assist agencies to advertise and receive tenders, and publish awarded contracts.

Training is available for agency staff who want to learn about releasing tenders on Tenders WA. If you're interested, email **procurementsystems@finance.wa.gov.au**.

Agencies are able to continue to use Finance's Tenders Office to assist in the closing of their tenders through a Service Level Agreement. This service provides a high level of probity and consistency in a procurement process.

For more information contact the Tenders Office Manager Juliette Reay on 6551 1043, or **tenderingservices@finance.wa.gov.au**.

## **Agency Self Assessment Tool**

As you are aware, GP developed a Self Assessment Tool for agencies to assess their capability to procure under \$250,000. The Tool enables agencies to identify gaps in their capability and capacity to manage the higher thresholds. If gaps are identified, GP will work with you to address the gaps and help your agency meet the new requirements as quickly as possible

A number of agencies haven already used the Tool. We encourage all agencies to take this opportunity to assess their capabilities and talk to us about their support needs as they build capability. More information and access to the Self Assessment Tool can be found on **Transforming Procurement**.

## Education and Training

The new training workshop, the Written Quotes Process, is now available. As part of GP's support for increased agency autonomy under the new thresholds, this workshop has been specifically designed for agency staff with limited procurement knowledge that may be required to undertake procurement under \$250,000. Feedback following our first sessions has been very positive and to meet demand, additional dates have been made available in May and June.

The Better Buying for Government online module is also available for agency staff and incorporates key information on Government's buying practices and principles. The module is a self-paced learning tool providing an introduction to buying on behalf of government and looks at purchasing processes, considerations and relevant policies. It can be undertaken at any time and takes approximately one hour to complete.

Further information on training for procurement under \$250,000 can be found on [Transforming Procurement](#) including workshop dates and registrations, and access to the online module.

## More Information

We will continue to provide information through these bulletins and other mediums for the remainder of the Transformation Program.

For further information contact:

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