

Transforming Procurement

Transformation Program Update

Issue 06, August 2016

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

The last few weeks have seen the implementation of a number of initiatives, including holding the first CPO Forum and the first Agency Procurement Managers Forum. The feedback received from both forums was extremely positive, with a lot of discussion which will help shape GP's service offerings and promote best practice across government. Contact your **APS Assistant Director** if you have any ideas for discussion topics for future forums.



July was a busy month for our Procurement Policy and Governance team, with updates made to a number of GP's procurement resources. Two of the most important releases were a new version of the *Request Conditions and General Conditions of Contract*, and an updated Procurement Practice Guide.

For more in-depth information on these topics, outcomes of Transformation Program or for access to the supporting tools and resources, go to the **Transforming Procurement** webpage.

APS Model

It has been great to see the strengthening of existing relationships, as well as the development of a few new relationships, between agencies and GP since the commencement of the Agency Procurement Services (APS) service delivery model. We'd like to thank you and your agency for the smooth transition.

Your agency should have now received your new Procurement Management Arrangement (PMA). The PMA outlines the management arrangements between Finance and your agency. The PMA also outlines your agency's obligations when undertaking procurement activity in accordance with your partial exemption and the State Supply Commission's (SSC) supply policies and guidelines.

If you would like a copy of your PMA or have any questions, please speak to your **APS Assistant Director**.

Gateway

Would your agency benefit from feedback on how to improve the procurement strategy on your high value or high risk projects? If so, you should consider a Gateway Review.

Gateway is an independent assurance process involving short intensive reviews at critical decision points in a project's life cycle.

The review is conducted by an expert team from across the private and public sector selected based on their relevant skills and experience. The reviews are confidential and are designed to support the effective development, planning, management and delivery of major projects.

Gateway reviews are recommended for ICT projects greater than \$10 million and other projects and programs valued over \$100 million.

If you are interested in finding out more about the process or becoming a reviewer check the **Gateway page** on the Finance website or email **gateway@finance.wa.gov.au**.

Procurement Resources

Template updates

In July the [Request Conditions and General Conditions of Contract](#) and a number of templates that your agency may use, were amended.

Amongst others, the following templates were updated:

- Procurement Plan;
- All Request for Tender and Request for Quote templates;
- Evaluation Report (both Request for Tender and Request for Quote); and
- Contract Variation Memo.

Please ensure you are referring to the [Finance website](#) to get access to the most recent templates for all new procurement activities. A [summary of all document changes](#) for July 2016 is also available.

If you have any questions about the updated templates, please contact [Procurement Policy and Governance](#).

Procurement Practice Guide

The [Procurement Practice Guide](#) offers a comprehensive overview of procurement practice in the WA public sector. It has been updated to reflect the increase in agency autonomy and new SSC requirements, including contract variations.

A great inclusion in the Guide is a revamped appendix on market sounding guidelines. Market sounding is a research tool, primarily useful in gauging the likelihood of the private sector generating competitive responses to an identified need. The information gathered is both beneficial to business case development and for subsequent procurement planning.

These market sounding guidelines represent best practice and will assist your agency align specifications to industry sectors, and aims to enhance contract outcomes, promote innovative solutions and encourage competitive pricing.

A [summary of the changes](#) to the Guide is available on the Finance website. Please contact [Procurement Policy and Governance](#) with any questions about the Procurement Practice Guide.

Audit and Accreditation

Audit Requirements

Under your new partial exemption, your agency must undertake an [audit of their procurement activity](#) every 12 months to ensure compliance with supply policies. This is a change from the previous requirement to undertake an audit of procurement activity every two years.

For agencies with the authority to independently procure up to \$250,000, the audit can be conducted by your internal audit team.

For agencies who have been accredited to a higher threshold, the audit must be conducted by an external auditor.

For all agencies, the audit is to review procurement activity from the previous May to April period. The audit report is then to be submitted to enquiries@ssc.wa.gov.au by 31 July each year for review.

The [audit template](#) and [process and guidelines](#) are available on the Finance website.

For more information complying with your responsibilities, please contact your [APS Assistant Director](#).

Procurement Accreditation

As you would be aware, under current SSC policy, most agencies are now able to procure up to \$250,000 without involving Finance. As the capability of agencies increases, some may consider that they are willing and able to independently undertake higher value procurements.

To enable this to occur, a process had been developed to allow agencies to apply for increased threshold at which they must involve Finance.

If your agency would like further information about the accreditation process, please contact GM.APS@finance.wa.gov.au.

Common Use Arrangements

As part of our continuous improvement initiatives, GP assessed our portfolio of CUAs with the aim of achieving greater value for your agency and Government.

This process has identified a number of opportunities for improvement and recommended actions. There is a continuing focus on delivering savings and streamlining the buying process, whilst appropriately mitigating risks.

We have also introduced a new contract lifecycle model focused on improving governance and driving efficiencies in the way we manage CUAs. As we further embed this model, GP are committed to delivering CUAs that maximise benefits for agencies.

As always, please remember to ensure your agency staff are checking if a product or service is available on a CUA before making any purchase.

Information on all our CUAs can be found on the [Contracts WA](#) website. If you still can't find what you're looking for, send an inquiry to our [CUA team](#) or contact your [APS Assistant Director](#).

More Information

We will continue to provide information through these bulletins and other mediums over the remainder of the Transformation Program. For further information visit the [Transforming Procurement](#) webpage or contact your [APS Assistant Director](#).

Systems and Analysis

Analytics

The way we collect and use data continues to be refined, with the aim of giving your agency better insight into its procurement spend and helping to inform better decision making.

Please also be aware that a representative of your agency will have recently received a letter requesting information on your agency's expenditure for 2015-16 and buy local reporting. This is an annual requirement which helps to accurately categorise and identify trends in WA government spend. Please contact unspsc@finance.wa.gov.au if you require assistance.

Tenders WA Updates

The functionality of [Tenders WA](#) is continuing to be enhanced. Our Systems Support and Analysis team are working on a number of updates that will benefit your agency, including system performance improvements.