

Procurement

Better Practice Guidelines (Accountability and Reporting)

Title: Procurement Better Practice Guidelines (Accountability and Reporting)

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Contact:
Department of Treasury and Finance
Procurement, Risk and Contract Management Branch
GPO Box 147
Hobart, Tasmania, 7001
Australia
Telephone: (03) 6166 4229
Email: purchasing@treasury.tas.gov.au
Website: www.purchasing.tas.gov.au

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Introduction

The *Financial Management Act 2016* provides for the management of the public finances of Tasmania in an economical, efficient and effective manner consistent with contemporary accounting standards and financial practices.

Treasurer's Instructions are issued under section 51 of the *Financial Management Act 2016* in respect of the principles, practices and procedures to be observed in the financial management of all agencies.

Better Practice Guidelines are intended to assist Accountable Authorities and responsible officers with their financial management responsibilities, in the area of procurement. The Guidelines should be read in conjunction with the Instructions.

This *Better Practice Guideline* provides information to assist in understanding Treasurer's Instruction PF-5, which sets out the procedures to be established and processes to be adopted in relation to accountability and reporting with respect to procurement activities.

Further information, forms, templates, checklists and publications are available from www.purchasing.tas.gov.au (the Purchasing website) and www.tenders.tas.gov.au (the Tenders website). All queries in relation to the Treasurer's Instructions, this document and the website contents should be directed to purchasing@treasury.tas.gov.au (unless otherwise specified).

International Procurement Obligations

Tasmanian Government agencies are required to comply with procurement obligations set out in a number of international agreements. The *International Procurement Obligations* publication, available on the Purchasing website, sets out the mandatory requirements that relate to procurements covered by the international agreements. Please note that the *International Procurement Obligations* should be read in conjunction with the Treasurer's Instructions and *Better Practice Guidelines*, as they impose additional requirements agencies need to be aware of when undertaking covered procurements.

Accountability and reporting requirements

Reporting awarded contracts

Treasurer's Instruction PF-5 *Procurement Framework - Accountability and Reporting* (clause 5.8 - 5.10) applies.

To report contract information, agencies should be registered to use the Tenders website. Contracts are reported under the 'Contracts Awarded' section on the website.

Once the notice information is entered into the Tenders website and submitted, the Department of Treasury and Finance will publish the notice as soon as practical after completion of associated internal requirements.

Information on notice requirements is available from the *Agency User Manual – Tasmanian Government Online* (only available from the [Tenders website](#) with an agency login). The Tenders System Analyst is also available to provide advice, guidance, training and additional information and may be contacted on phone 03 6166 4100 or by email at tenders@treasury.tas.gov.au.

Recording Conflicts of Interest

Treasurer's Instruction PF-5 *Procurement Framework - Accountability and Reporting* (clause 5.1) applies.

Information to assist agencies to establish a suitable process to record conflicts of interest is contained in the publication *Recording and Managing Conflicts of Interest - Guidelines for Agencies* (available on the [Purchasing website](#)).

Complaints

Treasurer's Instruction PF-5 *Procurement Framework - Accountability and Reporting* (clause 5.2) applies.

Complaints process

Agencies are responsible for developing and managing their own internal complaints process. Agencies should readily make available details of this process to relevant officers, suppliers, and potential complainants. To assist with this process, it is recommended that agencies develop an appropriate reporting template, which complainants can use to formally submit a complaint.

Agency complaints officers

Agency complaints officers should:

- have a good understanding of government procurement policies and processes;
- have access to all levels of staff in an agency, as necessary, to investigate and resolve a complaint; and

- operate independently of an agency's purchasing area to reduce the risk of conflicts.

Accountable Authorities should consider using a probity adviser or the agency Procurement Review Committee to assist in the complaints process if the complaints officer has been involved in the procurement process the subject of the complaint.

Handling complaints

All complaints whether in writing or verbal should be dealt with through the formal complaints process and handled free of charge to the complainant.

Confidentiality in relation to complaints should be maintained at all times.

Escalation of complaints to Treasury

Where a complainant escalates a matter to the Department of Treasury and Finance, the agency concerned should provide copies of all correspondence with the complainant, together with any other relevant material to Treasury. Treasury will take action it considers necessary to resolve the complaint. This may include engaging a probity adviser.

Record keeping

Any documentation relevant to complaints (written and oral) should be retained for future reference in a secure place and information recorded in an agency's complaints database should include sufficient information to identify the complaint, the outcome of the complaint and the time taken to resolve the matter. For example:

- the date the complaint was made;
- the complainant's details;
- a brief description of the complaint;
- the action taken including dates of each action;
- the outcome of the complaint including whether it was resolved or referred onwards to further review; and
- the response time.

Reporting complaints to Treasury

Complaints information recorded by agencies should be submitted to Treasury via purchasing@treasury.tas.gov.au. If an agency received no complaints during a financial year, a nil return should be advised. A complaints report example is available at [Annex A](#).

Procurement Review Committees

Treasurer's Instruction PF-5 *Procurement Framework - Accountability and Reporting* (clauses 5.3 - 5.5) applies.

Membership

The membership of an agency's Procurement Review Committee may vary depending on the agency's requirements. In establishing the committee, preference should be given to officers that have appropriate qualifications, knowledge, skills or experience to enable the Committee to perform its role.

Agencies may wish to increase the membership pool by having members listed on a panel. This will allow for appropriate resourcing in circumstances where a member is absent or where a member may be involved in a procurement.

Undertaking the Committee role

In order to fulfil its obligations under the Treasurer's Instructions, the Committee might consider the following:

- whether a fair and equitable process has been followed and whether the process is appropriate and would withstand external scrutiny;
- any requirements of the Treasurer's Instructions or the *International Procurement Obligations* publication;
- an appropriate level of compliance with best practice guidance material that is available and applicable, including Procurement Practice Manuals;
- whether the submissions were evaluated against the criteria set out in the procurement documentation;
- whether the description of the evaluation in the evaluation report provides sufficient information for third parties to reach the same conclusion as the evaluation committee;
- whether the comparative assessment description in the valuation report matches the score and is consistent between suppliers;
- whether any agency required procurement process checklist has been satisfactorily completed;
- whether the appropriate checks were undertaken to ensure that the recommended supplier is an acceptable legal entity, is viable, and has the experience/ability required;
- in relation to building and construction or roads and bridges procurement, conformity with:
 - applicable building and construction or road and bridges documents including site reports, geotechnical reports and addenda; and
 - prequalification requirements; and
- any other matters the Committee considers appropriate in the exercise of its responsibilities or as set out in its terms of reference or charter.

To do this the Committee will generally need to view the following:

- information relevant to the procurement and evaluation process adopted;

- the final evaluation report;
- the probity adviser's report (where obtained); and
- information from the officer responsible for managing the procurement process, verifying conformity with relevant policies and guidelines.

If a standard process has not been undertaken, evidence of necessary approvals for an alternative process should also be sighted. A Committee may choose to require completion of checklists confirming compliance with procurement requirements.

A copy of the Committee's endorsement should be provided, with the evaluation report, to the person who is responsible for approving the awarding of any subsequent contracts.

Relevant Guidelines and Documents

Documents and publications that may be of assistance to the Committee include:

- [International Procurement Obligations](#);
- [Procurement Practice Manual - Best Practice for the Engagement of Consultants](#);
- [Procurement Practice Manual - Contract Documentation, Delegation and Risk](#); and
- [Guidelines for Tender Evaluation using Weighted Criteria for Building Works and Services](#).

The above documents are available on the [Purchasing website](#). Example template Committee checklists are available at [Annexes B and C](#).

Restrictions on and extensions to the role of the Committee

The role of the Committee may be extended by the Accountable Authority beyond the mandatory requirements to other matters such as:

- review of limited tendering approved procurement;
- contract extensions pursuant to the Treasurer's Instructions;
- review of procurement below the mandated threshold levels;
- approval of the procurement process to be adopted for complex high cost or high risk procurements;
- review of procurement documentation or other procurement processes within the agency; and
- preparing recommendations in relation to Accountable Authority approvals or exemptions.

The Committee may also be a focus of procurement data collection within an agency, for example, information on awarded contracts can be collected from the information that is submitted to the Committee and included in the Agency's Annual Report.

Internal Audit

Internal auditing requirements are contained in Treasurer's Instruction FC-2 *Internal Audit* and the associated *Financial Management - Better Practice Guidelines*. These are available on the Treasury website (www.treasury.tas.gov.au).

Annual Reporting

Annual reporting requirements are contained in Treasurer's Instruction FR-4 *Annual Reports* and the associated *Financial Management - Better Practice Guidelines*. These are available on the Treasury website (www.treasury.tas.gov.au).

Annex A - Complaints report example

Complaint Number	Date Rec'd	Complainant	Details of Complaint			Action in progress (include any information provided to the complainant)	Outcome (if resolved, you must include date resolved)
			Relevant Tender / Contract / Quotation	Written or verbal complaint?	Summary of Complaint		
Tsy 001	14/12/2016	Mr John Smith ARC Inc. 4 Glenferry Road, Hobart 7000	Quotation for Annual Report production Ref: 1135211 Value:\$55 000	Verbal (received via telephone)	Mr Smith was dissatisfied that he was not invited to express interest for the production of the Department's Annual Report.	The Government's procurement policy requires that for contracts valued at more than \$50 000 but less than \$250 000, the Department is able to invite at least three individual businesses to quote, with at least two quotes to be sought from Tasmanian businesses. Mr Smith's business was not included in the three companies. Mr Smith's business has been added to the list of potential suppliers to contact prior to the selection of possible businesses to express interest for next year's Annual Report.	Process ok. Process clarified for complainant via telephone on 15 December 2016. Complaint resolved at Complaints Officer level.

Annex B - Procurement Review Committee Submission template

SUBMISSION TO PROCUREMENT REVIEW COMMITTEE

Procurement No:

Procurement Name:

Procurement Process Undertaken:

Procurement Recommendation

Critical Dates (if applicable):

Other Issues:

Building / Construction / Roads and Bridges only:

Pre-procurement estimated value (exc GST):

Actual/estimated value of the
contract (excluding GST):

Certification by Chairperson of the Evaluation Committee:

I certify that the procurement process adopted for this purchase was fair and equitable and that the principles and processes mandated in or through the Treasurer's Instructions in relation to procurement have been adhered to.

Signed: _____

Name: _____

Phone: _____

*Attachments:

- Evaluation Report
- Probity Adviser's Report
- Process Checklist (*delete if not required*)
- Xxxxx (*specify additional attachments if they are required to be provided to the PRC*)

The Evaluation Committee should note when reviewing the process undertaken, the Procurement Review Committee will take into account the following:

- whether a fair and equitable process has been followed, the process is appropriate and would withstand external scrutiny;
- any mandatory requirements of the Treasurer’s Instructions or the *International Procurement Obligations*;
- an appropriate level of compliance with best practice guidance material that is available and applicable, including the *Better Practice Guidelines* and *Procurement Practice Manuals*;
- whether the submissions were evaluated against the criteria set out in the procurement documentation;
- whether the description of the evaluation in the evaluation report provides sufficient information for third parties to reach the same conclusion as the evaluation committee;
- whether the comparative assessment description in the valuation report matches the score and is consistent between suppliers;
- whether any agency required procurement process checklist has been satisfactorily completed;
- whether the appropriate checks were undertaken to ensure that the recommended supplier is an acceptable legal entity, is viable, and has the experience/ability required;
- in relation to building and construction or roads and bridges procurement, conformity with:
 - applicable building and construction or road and bridges documents including site reports, geotechnical reports and addenda; and
 - prequalification requirements; and
- any other matters the Committee considers appropriate in the exercise of its responsibilities or as set out in its terms of reference or charter.

Summary Reporting Information:

(To assist agencies in reporting in their Agency’s annual report and in reporting on www.tenders.tas.gov.au)

Does the contract relate to a consultancy? Y/N	
Date tender/quotation called:	
Pre-procurement estimated value (excluding GST) prior to procurement process was conducted:	
Period of the contract:	
Period of the contract including all possible extensions under the contract:	
Actual/estimated value of the contract (excluding GST) for the period of the contract:	\$
Actual/estimated value of the contract (excluding GST) for the period of the contract including all possible extensions under the contract:	\$
Number of bids received:	
Number of Tasmanian bids received:	

Decision of the Procurement Review Committee:

The Procurement Review Committee has reviewed this submission and hereby:

Note: use the appropriate sentence following and delete the others

- endorses the procurement process and evaluation undertaken, OR
- endorses the procurement process and evaluation in principle, subject to the qualifications below, OR
- does not endorse the procurement process and evaluation report for the reasons given below, OR
- defers its decision, pending the receipt of further information listed below:

Qualifications/Comments:

Signature of Chairperson: _____

Signature of Members: _____

Date:

Annex C - Procurement Review Committee checklist example

PROCUREMENT REVIEW COMMITTEE CHECKLIST

The Procurement Review Committee is satisfied that:

- a fair and equitable process has been followed;
- there were no compliance issues preventing successful tenderers participating in future stages of the evaluation process;
- where appropriate, there has been compliance with relevant mandatory requirements of the Treasurer's Instructions and the *International Procurement Obligations*;
- the process undertaken satisfies all applicable technical and prequalification requirements for building and construction procurements;
- there has been an appropriate level of compliance with best practice guidance material, including the *Better Practice Guidelines* and *Procurement Practice Manuals*, where relevant;
- all addenda (where issued) have been acknowledged and complied with;
- the Evaluation Committee evaluated submissions against the criteria set out in the Request documentation;
- the outcome is reasonable based on the supporting information and that all descriptions within the Evaluation Report reflect allocated numerical scores; and
- the appropriate checks were undertaken to ensure that the recommended supplier is a legal entity, is viable, and has the experience/ability required.

