



## PROCUREMENT PROCESS APPROVALS PROCEDURE

COR170

### INTRODUCTION

The purpose of this procedure is to define the requirements within the Department of Treasury and Finance (“**Department**”) for obtaining formal approval of procurement proposals and processes.

The approval requirements for the procurement process are dependent on the value (total potential value including all options and GST inclusive) of the proposed contract.

Prior to the commencement of a procurement process, the approval of the business decision must be obtained from the Under Treasurer for all procurements of consultants where the value exceeds \$11,000.

Please note that all values referred to in this guideline are inclusive of GST.

### PROCUREMENT APPROVALS

#### 1. Approval Category 1: Up to \$22,000

An acquisition plan and purchase recommendation is not required, however, it is expected that value-for-money outcomes will be pursued in the procurement of goods and services. Undertake purchase with minimal effort and paperwork.

In the majority of cases, a minimum of one (1) verbal quote is sufficient.

#### 2. Approval Category 2: \$22,001 to \$220,000

An acquisition plan and purchase recommendation is required. Each document must be approved by the appropriate delegate (usually the branch head).

A minimum of three (3) written quotes should be sought where possible and appropriate. A brief justification for the selection of suppliers should be included in the acquisition plan. Where obtaining three written quotes is not possible, appropriate justification must be documented.

For procurements projects valued greater than **\$110,000** an acquisition plan must be submitted to and endorsed by the Accredited Purchasing Unit (“**APU**”) and then approved by the appropriate delegate. After completion of the market and evaluation process, a purchase recommendation must be submitted to and endorsed by the APU and then approved by the appropriate delegate.

#### 3. Approval Category 3: \$220,001 to \$1.1m

A detailed acquisition plan must be submitted to and endorsed by the APU and then approved by the appropriate delegate.

After completion of the market and evaluation process, a detailed purchase recommendation must be submitted to and endorsed by the APU and then approved by the appropriate delegate.

The Under Treasurer must approve the acquisition plan and purchase recommendation for all single source procurements (e.g. direct negotiations).

4. Approval Category 4: Above \$1.1m

The Department has a \$1.1m procurement authority. All procurement projects greater than this value require a detailed acquisition plan, which must be submitted to and endorsed by the APU and Under Treasurer, and then approved by the State Procurement Board (“**Board**”).

The detailed acquisition plan may nominate the Under Treasurer as the approval authority for the detailed purchase recommendation.

Subject to Board approval, where the Under Treasurer is the approval delegate, the detailed purchase recommendation must be submitted to and endorsed by the APU and then approved by the Under Treasurer.

Where the detailed acquisition plan requires Board approval, the detailed purchase recommendation must be submitted to and endorsed by the APU and Under Treasurer, and then approved by the Board.

5. Approval Category 5: Pre-Established Contracts

Numerous contracts have been established throughout the South Australian government with provision for access by all agencies. A listing of pre-established contracts with related information on access and use is available on the Board website or by following the procurement tab at [Intra SA](#).

A secondary procurement process, or accessing an established across government or lead agency contract, requires the same sound procurement planning and evaluation processes as applied to other agency procurement activity. Care should be taken to ensure that the pre-established contracts are used appropriately and that all proposed acquisitions are within the scope of the contract.

As many aspects of the procurement process have been determined in the development of the pre-established contract, a simple acquisition plan, primarily focusing on the process to be adopted in selecting the preferred supplier, and a simple purchase recommendation outlining the outcomes of the evaluation process are required.

The delegation to approve the simple acquisition plan and simple purchase recommendation for a secondary procurement process is dependent on the value of the proposed contract. Approval must be sought as required by this guideline, except for the requirement for Board approval, where the Under Treasurer has authority to approve all secondary procurements valued greater than \$1.1m.

Alan Martin  
EXECUTIVE DIRECTOR, CORPORATE SERVICES  
 For UNDER TREASURER

5 June 2013

**ATTACHMENT A: REFERENCE TABLE**

Estimated Value (GST inclusive)	Acquisition Plan / Purchase Recommendation		Approval / Endorsement
	<u>Simple</u>	<u>Detailed</u>	
<b>Up to \$22,000</b>	Not applicable	Not applicable	Appropriate delegate
<b>\$22,001 to \$110,000</b>	Yes	Not applicable	Appropriate delegate
<b>\$110,001 to \$220,000</b>	Yes	Optional	APU endorsement and then appropriate delegate approval
<b>\$220,001 to \$1.1m</b>	No	Yes	APU endorsement and then appropriate delegate approval
<b>Above \$1.1m</b>	No	Yes	UT and APU endorsement, and then Board approval*
<b>Pre-established contracts</b>	Yes	Optional	As above except there is no requirement for Board approval

\* Subject to the Board delegating approval of the purchase recommendation, APU endorsement and then Under Treasurer approval is required. Delegation of this approval must be sought at acquisition plan stage. Otherwise, the purchase recommendation requires APU and Under Treasurer endorsement prior to forwarding to the Board for approval.