

South Australian Productivity Commission – Government Procurement Inquiry

2.1 To what extent are the issues and examples mentioned in this paper relevant to your experience of public procurement?

2.2 Have you encountered other issues not covered by this section and, if yes, what are they?

2.3 What improvements can you suggest to cut red tape and unnecessary costs?

As a Local Government Organisation, we have experienced many if not all of the issues and examples mentioned in this paper and have modified our process and procedures to suit. We have increased the threshold for simple Procurements to \$150,000 (which is still lower than the State). We have also increased our usage of the VendorPanel System which enables Contractors to upload evidence of compliances all in one place. VendorPanel is free for Contractors to create accounts and provides a much greater benefit around probity issues relating to our request for quotation process. We utilise the VendorPanel system to prequalify contractors and our officers are able to request quotations for works through the system using standard RFQ templates and contract documents. VendorPanel process means that Contractors do not need to re-submit mandatory compliances. We have opposite issues to the aggregated contracts because our projects are too small and if our projects are not aggregated we often do not receive responses to Requests.

3.1 Do the guidelines, rules and other procedures of the State Procurement Board provide reasonable guidance on the requirements of the procurement process? If not, how could they be improved?

Not applicable, no direct experience.

3.2 Is the application of those guidelines, rules and other procedures by agencies reasonable? If not, how can they be improved?

Not applicable, no direct experience. Our current templates are modelled more or less along the lines of the State Government Procurement Board recommendations. We currently utilise the templates available on the Local Government Procurement website and also have some contracts drafted by our Lawyers.

3.3 Are the thresholds for small, medium and large tenders reasonable? If not, are there more reasonable thresholds?

Appears reasonable and similar to our thresholds. When investigating the State Procurement Board website to source the information to answer these questions, I found I couldn't really source all of the information in once place and the website was hard to navigate. Our Procurement Policy requires a minimum of two written quotations for procurements from \$10k to \$50k, minimum of three quotes for procurements from \$50,001 to \$150k, and any above \$150k should have quotations/tenders sought on the open market, unless a Waiver is sought from the CEO.

3.4 Do you receive reasonable feedback on the outcomes of the tender process? If not, what additional feedback is required?

We provide feedback to unsuccessful respondents should they request feedback be provided.

3.5 How can agencies improve how they manage contracts?

Not applicable, no direct experience

3.6 Do the current guidelines, rules, procedures and the operation of the complaints process work satisfactorily? How can they be improved?

Not applicable, no direct experience

3.7 Why are complaints infrequent?

Not applicable, no direct experience

3.8 Has the balance between value for money objectives, meeting the objectives of government and growing local economy been achieved by the current arrangements? If not, how can it be improved?

Not applicable, no direct experience

3.9 Is the economic contribution test a useful tool in the supplier selection process? If not, how could it be improved?

Our experience is that we include Local Suppliers if available in our simple procurements, and Evaluation Plans which are defined by City of Victor Harbor, Southern Fleurieu and State.

3.10 Is the level of reporting and compliance required under the IPP effective? If not, are there any suggestions for making it more effective?

Not applicable, no direct experience.

3.11 Does the State Procurement Board risk management framework provide sufficient guidance to agencies? If not how could it be improved?

Not applicable, no direct experience.

3.12 Can the application of the risk management framework by public authorities be improved? How might this be done?

Not applicable, no direct experience.

3.13 Are the South Australian procurement system's key performance measures adequate? If not, are there other measures that could be used?

Fifty Six days is appropriate. Our timeframes often exceed the State timeframes for open tenders, up to Seventy Seven days if Council approval is required, or can be Forty Nine Days without additional Council approval. Simple procurement is approximately 35 days.

4.1 To what extent would any of these approaches improve procurement process for small business in South Australia? Why?

We pay monthly invoices or agreed milestones on 30 days and can pay in advance for fabrication of materials. This helps with cash flow for small business.

4.2 What other policies supporting SME procurement in other jurisdictions should be considered in South Australia?

No additional comments.

4.3. How could government and business benefit from a more targeted or industry specific approach to procurement and industry participation policies?

4.4 What policies would be most beneficial?

In regional areas, the local economy could benefit from an outsider coming in and spending in the town on food and accommodation while locally sourcing materials. Larger companies also can offer school based traineeships for construction projects where it is not always appropriate to train locals for short duration specialised work.

4.5 To what extent could these types of programs and policies improve the efficiency and effectiveness of the South Australia procurement system? Why?

Not applicable, no direct experience.

4.6 What other overseas, public and private sector examples are you aware of that would improve South Australia's procurement system?

Being a member of the LGA Procurement network enables us to share experiences and benefit from other's procurement knowledge.

4.7 To what extent can value for money be achieved through innovative, socially inclusive and/or ecologically sustainable procurement approaches?

Similar to buying locally, we can encourage prequalification of companies owned by traditional owners, or who employ people with a disability. These companies should be regularly encouraged to participate in simple procurement requests. These submissions can be assessed under the Value Adding criteria.

4.8 What other programs or policies should be considered? Why?

No additional comments.