

13<sup>th</sup> December 2018

**RE: GOVERNMENT PROCUREMENT INQUIRY STAKEHOLDER SUBMISSION**

To Whom It May Concern.

A South Australian based company, Australian Medical Placements (AMP) has been working closely with the South Australian procurement system through SA Health for more than 15 years. During this time we have found a number of issues of concern, some of which have been raised previously and repeatedly and many in line with the Government Procurement Inquiry's findings.

Major Issues noted include

- The prohibitive cost of tender and contract application
- Extended and excessive time frame from application to finding out results of tenders, often well beyond the initial indicated timeframe
- Lack of transparency from SA Health
- Poor communication from SA Health to businesses
- Repetition in processes and information requested for tenders and contracts
- Lack of clear and transparent feedback and complaints management process
- Lack of engagement and prioritisation of local and South Australian businesses
- Focus on immediate cost with no regards to long term savings
- Costs associated with applications including automatic accrual of interest
- Frequent excessive delays in payments of greater than 60 days causing great financial stress, particularly for smaller, Australian businesses
- Lack of adherence to government's own directives
- Minimal Due diligence and lack of governance with some suppliers

**Prohibitive cost**

The length of time and resources required to apply for many tenders and contracts can prove cost prohibitive, particularly on shorter contract terms which often require equal amount of time and resources caused by the excessive amount of documentation required

Often termination and variation clauses are one-sided towards SA health with no fair and equal allowances for the applicant leaving the applicant at risk of significant expense.

The frequency of tender withdrawal also makes the lengthy application process costly and frustrating.

**Extended and excessive timeframes**

A number of tender and contract assessment terms have blown out to excessive terms of months or more over the initial promised period. This can cause significant financial hardship and planning difficulties for businesses forced to place resources on hold for extended and unbudgeted periods of time.

### **Lack of Transparency and Communication from SA Health**

The lack of transparency from SA Health is frustrating and costly with minimal engagement between applicants and government and poor communication leading to confusion and lack of clarity in requirements and process. This can both produce undesired results and increase time and cost for all parties.

### **Repetition and lack of clarity**

Tender documents repeat information as well as requests for the same information several times while often lacking clarity and concision.

### **Lack of clear and transparent feedback and complaints management process**

Whilst proclaiming a fair and transparent system, our experience has proven the feedback and complaints management procedure to be unclear, closed and unresponsive. Once providing feedback/complaints we have essentially been hit with a wall of silence, minimal acknowledgement and no further information or follow up. Extracting any further information on the process has required extensive effort on our behalf.

### **Lack of engagement and prioritisation of local and South Australian businesses**

On several occasions interstate or even overseas based businesses have been appointed with no consideration, consultation or prioritisation to qualified, experienced local South Australian companies

### **Focus on immediate cost with no regards to long term savings**

Tenders and contracts as well as ad hoc procurement often focuses on the up-front costs without allowing for discussion or consideration of how these can avoid more costly long term problems.

### **Frequent excessive delays in payments causing great financial stress**

This is a significant problem and exists with most SA Health procurement situations with long payment times placing financial stress and tying up resources, particularly for smaller businesses. When this is combined with lengthy assessment periods on tenders and contracts the financial affects can be devastating.

### **Lack of adherence to government's own directives**

This can relate to all of the above and more. Despite guidelines and directives existing, they are often not adhered to, this causes frustration and confusion and can interfere with fair and free trade.



Should you require any further information please don't hesitate to contact me.

Yours Sincerely

A handwritten signature in blue ink, appearing to read "Jodi Duyster", with a long horizontal flourish extending to the right.

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