

Procurement Process Approvals Guideline

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Introduction

The purpose of this guideline is to define the requirements within the Department of the Premier and Cabinet ("Department") for obtaining formal approval of procurement proposals and processes.

Scope

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 Chief Executive or appropriate delegate for all procurements of contractors and consultants where the value exceeds \$11,000.

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

Guideline Details

PROCUREMENT APPROVALS

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.

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 business unit 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 procurement 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.

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

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 Chief Executive, and then approved by the State

Procurement Board ("Board").

The detailed acquisition plan may nominate the Chief Executive as the approval authority for the detailed purchase recommendation.

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

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

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 [IntraSA](#).

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 Chief Executive has authority to approve all secondary procurements valued greater than \$1.1m.

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

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

Further Information

If you have any queries on this guidance note please contact Procurement Services:

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