



# Procurement Procedures

## 1. Mandatory Policy

This procedure supports the application of [MP 0161/21 Procurement and Contract Management Policy](#).

## 2. Procedure requirements

The Department of Health and Health Service Providers (collectively ‘WA health entities’) must comply with the requirements set out in these Procurement Procedures.

### A. Contract Development Requirements

#### A.1. Minimum Competitive Requirements

When undertaking procurement from the market, WA health entities are required to apply the minimum competitive requirements set out in the table below unless:

- (a) using an exception provided for in these Procurement Procedures (refer to sections A.2, A.3, A.5);
- (b) the direct negotiations or the preferred service provider provisions of the *Delivering Community Services in Partnership Policy* are applied to the procurement (refer to section D.1.1); or
- (c) an exemption from these requirements has been granted in accordance with these Procurement Procedures (refer to section D.1.1).

Total Estimated Procurement Value (x) (Incl. GST)	Minimum Competitive Requirements
$x < \$50,000$	Direct Sourcing
$\$50,000 \leq x < \$250,000$	Limited Sourcing (Seek Offers from more than one Supplier)
$\$250,000 \leq x$	Open Advertisement (Advertise a tender through a public advertisement)

#### A.2. Standing Offers

##### A.2.1 Compliance with Mandatory Standing Offers

Except as otherwise provided for in these Procurement Procedures (refer to sections A.3, D.1.1), WA health entities must purchase from an available Standing Offers where:

- (a) the Standing Offer meets their requirements; and
- (b) the Standing Offer has been designated as mandatory with respect to those requirements.

## **A.2.2 Compliance with Buying Rules**

Purchases under a Standing Offer must be undertaken in accordance with its Buying Rules. These Buying Rules may include provisions that override the normal policy requirements relating to:

- (a) the requirement to workflow procurements through the Procurement Development and Management System (PDMS) (refer to [MP 0004/16 Procurement Development and Management System Policy](#));
- (b) minimum competitive requirements (refer to section A.1);
- (c) involvement from a Procurement Support Function (refer to section B.2);
- (d) minimum documentation requirements (refer to sections B.1, C.1);
- (e) Health Supply Contracts Committee and Health Supply Council review requirements (refer to section B.2); and
- (f) the requirement to publish contract award details (refer to section B.1).

### **A.2.2.1 Application of Buying Rules under a Common Use Arrangement**

- (a) If the Buying Rules for a Common Use Arrangement (CUA) specify that involvement is not required from the Department of Finance, then for the purposes of section A.2.2 this will be understood to provide an exception from the requirement to involve a Procurement Support Function (refer to section B.2).
- (b) If the Buying Rules for a CUA specify that a document does not need to be submitted to the State Tender Review Committee or Community Services Procurement Review Committee, then for the purposes of section A.2.2, this will be understood to also provide an exception from the requirement to submit to the Health Supply Contracts Committee and Health Supply Council for review (refer to section B.2).

## **A.2.3 Requirements for Buying Rules**

WA health entities that establish a Standing Offer must prepare a corresponding set of Buying Rules that address all the following, for purchases under the Standing Offer:

- (a) the extent to which use of the Standing Offer is mandatory;
- (b) whether the purchases need to be entered onto the PDMS;
- (c) the minimum competitive requirements that apply;
- (d) the requirement for involvement of a Procurement Support Function;
- (e) the requirement for the following documentation:
  - (i) Procurement Initiation Documentation;
  - (ii) Evaluation Report; and
  - (iii) Contract Management Plan;
- (f) the requirement for review by either the Health Supply Contracts Committee or Health Supply Council; and
- (g) the requirement to publish contract award details on Tenders WA.

## A.2.4 Buying Rule Instructions

The Buying Rules, as applicable to purchases made under the Standing Offer, must be consistent with the following instructions.

### (a) General Requirements

- (i) The design and structure of the Standing Offer, including its Buying Rules, must together ensure that for all purchases undertaken in accordance with the Buying Rules:
  - (A) value for money has been adequately considered; and
  - (B) an appropriate degree of governance has been applied;
- (ii) Adequate documentation providing evidence with respect to these general requirements must be retained.
- (iii) The rationale for how the design and structure of the Standing Offer, including its Buying Rules, will address the requirements within this section A.2.4 General Requirements, must be recorded at the time of forming the Standing Offer.

### (b) PDMS Requirements

The operation of the Standing Offer must be designed to ensure that the contract value for the Standing Offer is accurately recorded on PDMS. This may be achieved by either:

- (i) mandating that expenditure over the contract term is monitored, and requiring that the contract value for the Standing Offer is updated in accordance with the relevant contract management requirements (refer to section C); or
- (ii) mandating that purchases at or above \$50,000 (Incl. GST) that are undertaken via the Standing Offer, are work-flowed through PDMS as discrete contract entries.

### (c) Involvement from Procurement Support Function

The following factors must be considered when establishing requirements under the Buying Rules relating to involvement from a Procurement Support Function:

- (i) the nature and complexity of purchases made under the Standing Offer; and
- (ii) the extent to which assistance from a Procurement Support Function would be of value to officers undertaking a purchase through the Standing Offer.

### (d) Procurement Initiation Documentation Requirements

The following factors must be considered when establishing requirements under the Buying Rules relating to the requirement for a Procurement Initiation Document:

- (i) the nature of purchases (including the frequency, quantity, value, risk and complexity) made under the Standing Offer;
- (ii) the extent to which documentation of budget confirmation and business approval via a Procurement Initiation Document is necessary for governance purposes; and
- (iii) governance requirements relevant to a Procurement Initiation Document (or equivalent) that may arise from other policies.

(e) Evaluation Requirements

If the Buying Rules include a requirement to seek Offers on a competitive basis, the Buying Rules must also require that justification for the outcome of that competitive process is appropriately recorded.

### A.3. Purchasing from an Australian Disability Enterprise or an Aboriginal Business

WA health entities may procure directly from a business that is registered as an Australian Disability Enterprise, or an Aboriginal Business.

When purchasing in accordance with this provision:

- (a) the minimum competitive requirements (refer to section A.1) will not apply, and the business may be directly engaged;
- (b) the purchase will not be subject to the requirement to use mandatory Standing Offers (refer to section A.2); and
- (c) evidence that the business is appropriately registered as an Australian Disability Enterprise or Aboriginal Business must be recorded as part of the procurement documentation.

### A.4. Form of Contract

WA health entities must at minimum, use the form of contract set out in the table below, for procurements with a total estimated value within the specified threshold, unless the value, risk, complexity and/or type of procurement requires a different form of contract.

Procurement Type	Threshold (x) (Incl. GST)	Form of Contract
<b>Goods and Services</b>	$x < \$50,000$	Purchase Order terms and conditions, for purchases through the Oracle financial system
	$\$50,000 \leq x < \$250,000$	Simple Goods and Services Contract Terms
	$\$250,000 \leq x$	General Conditions of Contract
<b>Delivering Community Services in Partnership Policy Procurements</b>	All	General Provisions for the Purchase of Community Services
<b>Works</b>	All	OCPO Works Templates or General Conditions of Contract

#### A.4.1 Contract Form Practice Requirements

When undertaking a procurement with a total estimated value at or above \$50,000 (Incl. GST):

- (a) contracts must not be established under the Contractor's terms and conditions unless approval is granted in accordance with these Procurement Procedures (refer to section D.1.1); and
- (b) any proposed departures from the default position on liabilities as set out in the required form of contract (refer to section A.4) must be rejected in the first instance.
  - (i) Officers must note that any agreement to cap Contractor liabilities will automatically void insurance coverage provided by the Insurance Commission of Western Australia (ICWA).
  - (ii) In the event that a cap on Contractor liabilities is agreed, this must be declared to the ICWA, and a reinstatement of insurance coverage sought.

### A.5. Procurements Pursuant to the Market-led Proposals Policy

When undertaking a procurement pursuant to the WA Government's [Market-led Proposals Policy](#), the requirements for a procurement plan will not apply (refer to section B.1).

In addition, if a procurement undertaken pursuant to the *Market-led Proposals Policy* also meets the Justification for Exclusive Negotiation characteristics and exclusive negotiations occur:

- (a) the minimum competitive requirements (refer to section A.1) will not apply to that procurement; and
- (b) the documentation requirements set out under the *Market-led Proposals Policy* will apply instead of any equivalent documentation requirements in these Procurement Procedures (refer to section B.1).

The decisions and actions associated with procurements pursuant to the *Market-led Proposals Policy* must still be appropriately documented.

## B. Contract Development Documentation Requirements

### B.1. Minimum Documentation Requirements

The following minimum level of documentation as set out in the below table, is required when undertaking procurements, unless otherwise excepted in these Procurement Procedures (refer to sections A.2, A.5).

	Total Estimated Procurement Value (x) (Incl. GST)				
	x < \$50K	\$50K ≤ x < \$250K	\$250K ≤ x < \$1M	\$1M ≤ x < \$5M	\$5M ≤ x
<b>Procurement Initiation</b>	ICT forms may apply <sup>1</sup>	Client Request Form	Business Case (Procurement or Equivalent) <sup>2</sup>	Business Case (Procurement or Equivalent) <sup>2</sup>	Business Case (Procurement or Equivalent) <sup>2</sup>
<b>Procurement Plan</b>					Procurement Plan
<b>Seek Offers</b>	Verbal Quotation	Written Request	Written Request	Written Request	Written Request

	Total Estimated Procurement Value (x) (Incl. GST)				
	x < \$50K	\$50K ≤ x < \$250K	\$250K ≤ x < \$1M	\$1M ≤ x < \$5M	\$5M ≤ x
<b>Evaluate</b>	Document decision <sup>3</sup>	Evaluation Report	Evaluation Report	Evaluation Report	Evaluation Report
<b>Tender Negotiation</b>					Negotiation Plan
<b>Award</b>		Award and Unsuccessful Letters			
<b>Publish Details<sup>4</sup></b>		Tenders WA	Tenders WA	Tenders WA	Tenders WA

<sup>1</sup>An ICT Form (the specific form may differ depending on the nature of requirements – refer to [HSS ICT Support](#) for further details) is required unless the procurement relates to equipment or systems which are maintained and managed by the Health Service Provider (HSP) independently of HSS ICT, and where such an arrangement is agreed in a Memorandum of Understanding between HSS and the HSP.

<sup>2</sup> For ICT procurements with an approved Concept Approval Request, a Client Request Form will be sufficient to initiate the procurement process.

<sup>3</sup> The standard system process and record of raising purchases and making payment of invoices is the minimum documentation sufficient to document the purchase.

<sup>4</sup> The contract award details must be published after the successful Contractor has been notified, as soon as practicable, and no later than 30 days after the award of the contract; unless otherwise exempted in accordance with these Procurement Procedures (refer to section D.1.1).

## B.2. Contract Development Governance Requirements

When undertaking a procurement, WA health entities must:

- (a) seek involvement from Procurement Support Functions in accordance with the table below, unless otherwise excepted or exempted in accordance with these Procurement Procedures (refer to sections A.2.2, D.1.1); and
- (b) submit documents for review in accordance with the table below, prior to seeking approval from the relevant authorised officer, unless excepted or exempted in accordance with these Procurement Procedures (refer to sections A.2.2, D.1.1).

Advice may be provided by a Procurement Support Function in some instances, for procurements under the [Delivering Community Services in Partnership Policy](#), and works procurements.

Total Estimated Procurement Value (x) (Incl. GST)	Procurement Support Functions and Review Bodies
x < \$50,000	<b>Procurement Support Function</b> To be conducted locally.

<b>\$50,000 ≤ x &lt; \$250,000</b>	<p><b>Procurement Support Function</b></p> <p>Seek involvement from a Procurement Support Function<sup>1</sup> for goods and services (excluding Community Services) procurements. Health Support Services may provide advice on Works procurements.</p>
<b>\$250,000 ≤ x &lt; \$5 million</b>	<p><b>Procurement Support Function</b></p> <p>Seek involvement from the Department of Finance for goods and services (excluding Community Services) procurements. Health Support Services may provide advice on Works procurements. The Department of Finance may choose to be involved on Community Services procurements.</p> <p><b>Review Requirements</b></p> <p>Evaluation Reports to be submitted to the <a href="#">Health Supply Contracts Committee</a> for review.</p>
<b>\$5 million ≤ x</b>	<p><b>Procurement Support Function</b></p> <p>Seek involvement from the Department of Finance for goods and services (excluding Community Services) procurements. Health Support Services may provide advice on Works procurements. The Department of Finance may choose to be involved on Community Services procurements.</p> <p><b>Review Requirements</b></p> <p>(a) Procurement Plans and Evaluation Reports must be submitted to the <a href="#">Health Supply Council</a> for review; and</p> <p>(b) for goods, services, and Community Services procurements, Procurement Plans and Evaluation Reports must then also be submitted to the Relevant Review Committee for review.</p>

### B.3. Contract Development Authorisation Requirements

WA health entities must ensure all contract development documents and decisions are approved in accordance with the applicable Instrument of Authorisation, and in accordance with the relevant policies under the *Procurement Policy Framework*.

<sup>1</sup> The Procurement Support Function will be provided by Health Support Services (HSS), if an agreement to provide those services has been established with HSS; or otherwise will be provided through an internal procurement unit within the WA health entity.

## **B.4. Additional Governance and Policy Requirements for ICT and Services Related Contract Development**

WA health entities are also to ensure compliance with additional governance requirements when undertaking procurements for ICT related goods and/or services, and for specific types of services as outlined below.

### **B.4.1 ICT related goods and/or services**

WA health entities must first confirm whether ICT Governance approval is required in accordance with the *Information and Communications Technology Policy Framework*, prior to initiating a procurement process.

### **B.4.2 Outsourced Healthcare Services**

If a procurement for the provision of healthcare services is undertaken, WA health entities must consider whether any policies under the policy frameworks are relevant to the delivery of those healthcare services.

To the extent that any policies are identified to be relevant, the contract must include a provision mandating that the delivery of those services complies with the requirements of those policies.

## **B.5. Works Procurements**

Health Service Providers must ensure that when undertaking a Works procurement in-house (that is, managing and facilitating the procurement process, including any contract administration that may be required post contract award), the following requirements are satisfied, unless otherwise exempted in these Procurement Procedures (refer to section D.1.1):

- (a) the total estimated value of the Works procurement must be below the In-House Value Limit (refer to section B.5.1);
- (b) the scope of the Works must be of a suitable level of risk and complexity, noting that;
  - (i) section B.5.2 sets out a scope of requirements likely to be consistent with a suitable level of risk and complexity; and
  - (ii) the assessment of risk and complexity must take account of all relevant factors; and
- (c) the Health Service Provider must have the expertise and capacity to undertake the Works procurement.

Where the above criteria are not satisfied and if an exemption pursuant to the above has not been provided, Health Service Providers must engage the Department of Finance to undertake the Works (refer to section B.5.4).

### **B.5.1 In-House Value Limit**

The In-House Value Limit is \$2 million (excluding GST) as stipulated in the Agency Specific Procurement Direction issued by the Minister for Finance to the Department of Health.

Health Service Providers must not undertake the procurement of Works with an estimated value above this limit without prior approval through the Department CEO from the Department of Finance CEO, and a delegation of power from the Department CEO.

For the purposes of the In-House Value Limit, the value of a Works procurement will include:

- (a) the total value of the Works component of any contract(s), including the value of all contract extension options, and associated contingencies;
- (b) if the Works are part of a project, the aggregate value of the Works components within all contracts under the project; and
- (c) if the works are part of a program of Works (multiple projects), the aggregate value of the Works components within all contracts under the program of Works.

## B.5.2 Suitable Risk and Complexity

Health Service Providers must consider whether a proposed Works procurement is suitable to be undertaken in-house by examining the likely scope of works required, and (if applicable) whether it will be able to satisfy Project Bank Account requirements (refer to section B.5.3).

### B.5.2.1 Capital Works

The table below outlines the scope of capital works requirements that are likely to be suitable for being undertaken in-house by Health Service Providers. Works that are not consistent with this scope will not be of a suitable level of risk and complexity (refer to section B.5).

Item	Scope of Requirements for In-House Capital Works / Projects
1.	Construction, erection or assembly of a – (a) Class 10a building (shed, gazebo or the like) that has a floor area less than 100 m <sup>2</sup> , and (b) Excluding walkways linking two buildings. Refer Item 3.
2.	Construction, erection or assembly of a – (a) Class 10b structure excluding retaining walls. Refer Item 4.
3.	Construction, erection, assembly of a walkway linking two buildings that – (a) has a maximum width of 2.4 m; and (b) is no more than 4 m in height from floor level; and (c) the floor level is, on average, less than 1.5 m above the finished ground level; and (d) is not located in wind region C or D as defined in AS 1170.2.
4.	Construction of retaining walls that – (a) The effective height of the wall is less than 1.5 m.
5.	Construction of roads and car parks at grade including associated works, for example, drainage, lighting and security.
6.	Placement of transportable structures, including associated works, that – (a) has a floor area less than 200 m <sup>2</sup> ; and (b) the structure is a single storey; and (c) the floor level is, on average, less than 1.5 m above the finished ground level; and (d) is not located in wind region C or D as defined in AS 1170.2.

7	<p>Alteration, renovation, improvement, repair or maintenance of a building or incidental structure if the building work –</p> <p>(a) will not adversely affect the structural soundness of the building or incidental structure and does not include –</p> <p>(i) an increase or decrease in the floor area or height of the building or incidental structure; or</p> <p>(ii) underpinning or replacement of footings; or</p> <p>(iii) the removal or alteration of any element of the building or incidental structure that is contributing to the support of any other element of the building or incidental structure; and</p> <p>(b) is done using materials commonly used for the same purpose as the material being replaced; and</p> <p>(c) will not adversely affect the safety and health of the occupants or other users of the building or incidental structure or of the public; and</p> <p>(d) will not affect the way in which the building or incidental structure complies with each building standard that applies to the building or incidental structure.</p>
8	<p>Replacement of a building’s plant and equipment or site engineering services if the work –</p> <p>(a) will not adversely affect the structural soundness of the building or incidental structure and does not include –</p> <p>(i) the removal or alteration of any element of the building or incidental structure that is contributing to the support of any other element of the building or incidental structure; and</p> <p>(b) is a like-for-like replacement; and</p> <p>(c) will not adversely affect the safety and health of the occupants or other users of the facility; and</p> <p>(d) will not affect the way in which the plant and equipment or engineering service complies with each standard.</p>

### B.5.2.2 Maintenance Works

The table below outlines the scope of maintenance requirements that are likely to be suitable for being undertaken in-house by Health Service Providers. Works that are not consistent with this scope will not be of a suitable level of risk and complexity (refer to section B.5).

Item	Scope of Requirements for In-House Maintenance Work
1.	Any planned, scheduled or routine maintenance that is undertaken to maintain an item in accordance with the manufacturer’s recommendations, legislation, relevant standards, or other appropriate specifications.
2.	Any breakdown or reactive maintenance that is undertaken to address any item failure, by making it safe, or restoring the item to its functional condition.
3.	<p>Any restorative maintenance that –</p> <p>(a) brings an item back to its original state or functional condition, and</p> <p>(b) which does not fall into that work described under the Scope of Requirements for In-House Capital Works / Projects.</p>

### **B.5.3 Project Bank Account Requirement**

Unless otherwise exempted in accordance with these Procurement Procedures (refer to section D.1.1), WA health entities must implement Project Bank Account arrangements for when undertaking any Works procurements, where:

- (a) the value of the construction component of the procurement is \$1.5 million or greater;
- (b) one or more subcontractors will be engaged on the project; and
- (c) the project delivery method does not require the WA health entity to pay the subcontractors directly.

### **B.5.4 Department of Finance Managed Works**

WA health entities may elect to engage the Department of Finance to undertake the procurement of any Works, even if the Works falls within the In-House Value Limit.

Where the Department of Finance is engaged by a WA health entity to undertake a Works procurement, the engagement is subject to the following conditions:

- (a) The Department of Finance must be provided with sufficient notice prior to the commencement of the procurement to prepare and establish an agreed approach and timeframe for the required procurement.
- (b) The amount of time required for sufficient notice will depend on the nature of the Works required. Large programs of Works will require earlier notice to organise and agree upon appropriate arrangements. Where it is intended for the Department of Finance to undertake maintenance and/or works, it is recommended that notice be provided at the earliest possible opportunity.
- (c) The Department of Finance must be engaged to undertake the entirety of the Works (from commencement to completion). As such, this will mean the decision to engage with the Department of Finance must be made in the project planning and initiation stage, prior to the commencement of any works, procurement, or contractual commitment.
- (d) The Department of Finance will liaise with the WA health entity (whomever contacted it) regarding the particulars of the project, and make a determination of its own capacity and ability to manage the project.
- (e) The engagement will be subject to any formal agreement in force at the time of the engagement, governing the provision of such services between the Department of Finance and the WA health entity.

### **B.6. Respondent Debrief**

Where a Request has been issued:

- (a) WA health entities must provide unsuccessful Respondent(s) with the name and total or estimated contract value of the successful Respondent(s); and
- (b) A debrief must be provided upon request by an unsuccessful Respondent.

## C. Contract Management Policy Requirements

### C.1. Contract Management Documentation Requirements

The following minimum documentation requirements will apply to contracts, as set out in the below table, unless otherwise excepted or exempted in accordance with these Procurement Procedures (refer to section D.1.1).

Contract Event	Value Threshold / Condition (Incl. GST)	Documentation Requirements
<b>Contract Establishment<sup>2</sup></b>	Total Contract Value ≥ \$1 million	Contract Management Plan <sup>3</sup>
<b>Contract Anniversary</b>	Total Contract Value ≥ \$1 million	Review of Contract Management Plan
<b>Exercise Extension Option</b>	Total Contract Value ≥ \$50,000	Extension Letter
<b>Request for Contract Variation</b>	Total Cumulative Value of Variations ≥ \$50,000 or Variation will extend contract by at least 6 months past the original final expiry date	Memorandum seeking approval. <i>Note: Refer to section D.1.1 for policy approval requirements.</i>
<b>Exercising Contract Variation</b>	Total Contract Value ≥ \$50,000	Contract Variation Letter or Deed
<b>Publishing Contract Variation Details</b>	All variations, for contracts that must be published on Tenders WA (Refer to section B.1)	Number and value of variations to a contract, to be published annually within two months of the contract commence anniversary date, on Tenders WA
<b>Publishing Contract Expenditure Details</b>	Total Contract Value ≥ \$50,000	Publish actual contract expenditure within 30 days of final completion, and for Standing Offers only, annually within two months of each contract commencement anniversary date.

<sup>2</sup> If the total contract value increases above the threshold during the term of the contract, the requirement to prepare a Contract Management Plan will apply at that point, unless:

- (a) the contract will reach final expiry within one year from that point; and
- (b) there is no intention to extend the contract term.

<sup>3</sup> Not required for purchases where:

- (a) the product is provided on an 'off the shelf' or 'as is' basis; and
- (b) the Contractor will have substantially completed its obligations under the contract upon satisfactory delivery of the product.

<b>Forward Planning</b>	Total Contract Value ≥ \$50,000	Forward planning fields on PDMS must be completed within two months of the contract commencement date.
<b>Contract Novation or Assignment</b>	Total Contract Value ≥ \$50,000	Deed of Novation or Assignment

## C.2. Contract Variation Governance and Authorisation Requirements

WA health entities are to ensure all contract management documents and decisions are approved in accordance with the applicable Instrument of Authorisation and with due care and attention to the *Procurement Policy Framework*.

When either of the following occurs:

- (i) undertaking contract variations that match the conditions outlined in the below table; or
- (ii) the estimated total contract value increases by at least \$50,000 above the current approved total contract value;

WA health entities must:

- (a) prepare a Memorandum setting out the details of the variation/increase in contract value, and addressing the policy basis/rationale for the proposed variation/increase in contract value;
- (b) apply any review requirements set out in the below table; and
- (c) seek approval for the Memorandum from the Chief Procurement Officer, Health Support Services.

The requirement to prepare and seek approval for the Memorandum is separate from, and applies in addition to any relevant authorisation requirement set out in an Instrument of Authorisation.

<b>Contract Variation Condition / Threshold Brackets<sup>4</sup> (x) (Incl. GST)</b>	<b>Contract Variation Governance and Review Requirements<sup>5</sup></b>
<b>\$50,000 ≤ x</b>	Memorandum required upon cumulative contract variation value reaching this threshold bracket, and thereafter for each cumulative \$50,000 increase above the previously approved value.
<b>\$250,000 ≤ x &lt; \$5 million</b>	If the Department of Finance was involved in the original procurement (refer to section B.2), the Memorandum must be submitted to the Department of Finance for review.
<b>\$5 million ≤ x</b>	If the Department of Finance was involved in the original procurement (refer to section B.2), the Memorandum must be submitted to the Department of Finance for review.  If a Contract Management Plan was required (refer to section C.1) for the contract, both the original and current Contract Management Plan must be provided to the Department of Finance, when presenting the Memorandum for review.
<b>Extension Beyond Term for 6 months or more (at all values)</b>	If the Department of Finance was involved in the original procurement (refer to section B.2), the Memorandum must be submitted to the Department of Finance for review.
<b>\$5 million ≤ x Preferred Service Provider Extension</b>	For Community Services procurements only, variations to extend the original contract term to a preferred service provider using a restricted approach in accordance with the Delivering Community Services in Partnership Policy, must be submitted to the Relevant Review Committee.

### **C.3. Works Reporting**

A summary of all Works procurements undertaken each financial year, where the Procurement Rules requires the procurements to be recorded, must be reported to the Department of Finance within 90 days of the end of that financial year.

<sup>4</sup> Threshold values for contract variations refer to the total cumulative value of variations.

<sup>5</sup> These requirements apply to all contract variations that increase contract value within the specified threshold brackets; including variations made to contracts established under Standing Offers, unless the Buyers Guide states otherwise.

## D. POLICY AUTHORISATIONS AND EXEMPTIONS

### D.1.1 Table of Authorisations and Exemptions

WA health entities must comply with the supplementary requirements and seek approval in accordance with the below table when seeking:

- (a) approval/endorsement for a specific action/decision(s) set out in these Procurement Procedures and/or relevant policy; or
- (b) an exemption from a requirement(s) set out in these Procurement Procedures and/or relevant policy.

These approval requirements apply in addition to any authorisation requirement that may be set out in a WA health entity's Instrument of Authorisation.

Authorisation / Exemption	Supplementary Requirement	Approver
<b>Exemption from appropriate procurement method</b>	If the Department of Finance is involved in the procurement (refer to section B.2), seek advice from the Department of Finance	Chief Procurement Officer, Health Support Services
<b>Approval to specify proprietary product</b>	For Covered Procurements, seek advice from the Department of Finance	Chief Procurement Officer, Health Support Services
<b>Exemption from 5 year contract term limit</b>	N/A	Chief Procurement Officer, Health Support Services
<b>Approval to award Preferred Service Provider status</b> <i>(under the Delivering Community Services in Partnership Policy)</i>	Submit to Chief Procurement Officer, Health Support Services for noting	As determined by WA health entity

<p><b>Establish Cooperative Procurement Arrangement</b>  <i>This approval is required when:</i></p> <ul style="list-style-type: none"> <li><i>i) establishing or varying multi-user arrangements with entities that are not WA health entities;</i></li> <li><i>ii) establishing a distributor model arrangement with an Authorised Body that is not a WA health entity; or</i></li> <li><i>iii) participating in a group buying arrangement with an Authorised Body that is not a WA health entity.</i></li> </ul> <p><i>This approval is separate from, and applies in addition to any other approvals which would ordinarily apply.</i></p>	<p>Seek endorsement from the Director, Office of the Chief Procurement Officer, Health Support Services</p>	<p>Department of Finance</p>
<p><b>Approval to establish State-wide Panels that are mandatory in Regional Areas</b>  <i>This approval is separate from, and applies in addition to any other approvals which would ordinarily apply.</i></p>	<p>N/A</p>	<p>Chief Procurement Officer, Health Support Services</p>
<p><b>Approval to establish contract under Contractor's Terms and Conditions</b></p>	<p>N/A</p>	<p>Chief Procurement Officer, Health Support Services</p>
<p><b>Exemption from Standing Offer Arrangements (CUA)</b>  <i>(Covering both exemptions from purchasing under a CUA, and exemptions from buying rules under a CUA)</i></p>	<p>N/A</p>	<p>Department of Finance</p>
<p><b>Exemption from Standing Offer Arrangements (Whole of Health)</b>  <i>(Covering both exemptions from purchasing under a Standing Offer Arrangement, and exemptions from the buying rules under the Standing Offer Arrangement)</i></p>	<p>N/A</p>	<p>Director, Office of the Chief Procurement Officer, Health Support Services</p>
<p><b>Exemption from developing Project or Contract Management Plan</b></p>	<p>N/A</p>	<p>Chief Procurement Officer, Health Support Services</p>
<p><b>Exemption from requirement to publish contract award details on Tenders WA</b></p>	<p>N/A</p>	<p>Chief Procurement Officer, Health Support Services</p>
<p><b>Exemption from requirement to publishing contract expenditure details on Tenders WA</b></p>	<p>N/A</p>	<p>Chief Procurement Officer, Health Support Services</p>

<b><sup>6</sup> Exemption from Relevant Committee Review: - Procurement Plan</b>	Seek approval via Department of Finance	Deputy Director General Advisory Services, Department of Finance
<b><sup>6</sup> Exemption from Relevant Committee Review: - Evaluation Report</b>	Seek approval via Department of Finance	Deputy Director General Advisory Services, Department of Finance
<b>Exemption from Health Supply Council or Health Supply Contracts Committee Review</b>	N/A	Chief Procurement Officer, Health Support Services
<b>Exemption from requirement to implement Project Bank Account arrangements</b>	Seek approval via Department of Finance	Deputy Director General Advisory Services, Department of Finance
<b>Policy approval of contract variation or increase in contract value</b>	Refer to section C.2	Refer to section C.2
<b>Exemption from other procurement policy requirement</b>	N/A	Chief Procurement Officer, Health Support Services
<b>Exemption to undertake works procurements outside of suitable level of risk and complexity</b>	N/A	Executive Director, Infrastructure and Major Capital Projects Directorate, Department of Health (or other position as specified by the Department of Health)
<b>Exemption to undertake works procurements exceeding the In-House Value Limit</b>	Seek advice from, and lodge exemption request through the Department of Health	Department of Finance CEO

<sup>6</sup> A separate exemption from Relevant Review Committee is not required if the procurement has been exempted by the Relevant Review Committee as part of the Strategic Forward Procurement Planning Process.

<b>Exemption from WAIPS participation plan requirement</b>	Apply for exemptions via Department of Jobs, Tourism, Science and Innovation (JTSI)	Director General, JTSI as delegated authority for the Minister for Jobs and Trade
<b>WA Buy Local Policy 2022: Exemption from Regional Price Preference requirement</b>	N/A	As per applicable Implementation Agreement with JTSI

### **D.1.2 Documentation for Authorisations**

When seeking an approval, endorsement or exemption from a policy requirement(s); adequate supporting information documenting the rationale for the requested action, must be provided.

### **D.1.3 Declaration of Emergency Purchases, Non-Compliance**

If a WA health entity has undertaken a procurement activity without complying with relevant procurement policy requirements; the activity must be declared to the Chief Procurement Officer, Health Support Services as:

- (a) as an emergency purchase, if the primary reason for the purchase was to respond to an emergency; or
- (b) as an instance of non-compliance with procurement policy requirement(s).

#### **D.1.3.1 Non-Compliance Information**

If a WA health entity declares an instance of non-compliance (refer to section D.1.3), the declaration must include:

- (a) a summary of the procurement and nature of the non-compliance;
- (b) an outline of why the non-compliance occurred; and
- (c) an identification of what corrective measures will be taken to ensure future procurements comply with the relevant policy requirement(s).

#### **D.1.3.2 Policy Remains Applicable after Emergency Purchase, Non-Compliance**

For the avoidance of doubt, where procurement activity has been undertaken:

- (a) without complying with relevant policy requirements; or
- (b) on an emergency basis;

all subsequent activity relating to the procurement will remain subject to any applicable policy requirements.

### 3. Defined Terms

The following definitions are relevant to these Procurement Procedures. Some defined terms used within these Procurement Procedures are defined within the Procurement Rules.

Term	Definition
Instrument of Authorisation	The instrument within which a WA health entity sets out whom is able to make a decision, or otherwise exercise the powers of the WA health entity, with respect to a defined decision or action.
Procurement Rules	The Western Australian Procurement Rules set out within General Procurement Direction 2021/01, and issued under section 21 of the <i>Procurement Act 2020</i> (WA).
Procurement Support Function	The entity or area providing support for a procurement, as set out in section B.2.
Total Estimated Procurement Value	<p>The total estimated monetary value of a procurement over its life, including extension options and cost escalation provisions (if applicable).</p> <p>This value is inclusive of GST, unless stated otherwise.</p>
WA health entity	<p>Means any of the following entities:</p> <ul style="list-style-type: none"> <li>• Any Health Service Providers as established by an order made under section 32(1)(b) of the <i>Health Services Act 2016</i>;</li> <li>• Department of Health as an administrative division of the State of Western Australia pursuant to section 35 of the <i>Public Sector Management Act 1994</i>.</li> </ul>
Works	<p>Capital and/or maintenance works.</p> <p>This may include the engagement of expert technical advisors as required to administer, support or inform the performance of the Works.</p>

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