



PROCUREMENT PLANNING, EVALUATION REPORTS AND CONTRACT MANAGEMENT

Effective planning at the project initiation stage, quality evaluation processes, and effective contract management post-contract award are critical to facilitating successful contract delivery.

Procurement Planning

Procurement planning and adoption of sound procurement practices lead to consistently better value for money, higher quality project and service delivery, and reduced risks to the agency. Procurement planning involves consulting key stakeholders to define requirements, analysing how the supply market works, assessing risks and ultimately defining the best procurement strategy to meet the agency's business needs.

However, the scale and scope of research, analysis and planning should be proportionate to the importance of the procurement to the agency, the level of risk inherent in the procurement and its value.

A procurement plan must be developed for procurements with a total estimated value of \$5 million and above, except where the Accountable Authority decides the plan would be of no benefit due to the nature of that procurement.

Evaluation Reports

Appropriate records should be kept of the decision-making process leading up to the award of a contract. This decision-making process should be recorded in an evaluation report for all written quotes and public tenders.

An evaluation report must be developed for procurements with a total estimated value of \$5 million and above, including those contracts established through the use of a Common Use Arrangement, (CUA), except where the CUA Buyers Guide states otherwise.

Contract Management Plans

All contract managers should have a good knowledge of the operation and performance of the contracts under their responsibility in order to enhance contract outcomes.

Contract management is an integral part of the procurement cycle. A contract management plan assists contract managers to properly manage contracts by addressing transition management, performance monitoring and by helping to ensure that both parties fulfil their commercial and contractual commitments.

Contract management plans should be developed for all medium to high risk contracts. A public authority should ensure contracts are managed in accordance with the contract management plan, and plans are kept current.

A contract management plan must be developed for procurements with a total estimated value of \$5 million and above, except where the Accountable Authority decides:

- the purchase is a one-off good and/or service that is not the subject of a period contract arrangement; or
- the plan would be of no benefit due to the nature of that procurement.

A contract management plan must also be developed for procurements from a CUA, if that purchase is valued at \$5 million and above, unless the CUA Buyers Guide says otherwise.



Contract Variations

Good contract managers understand their contract should reflect any agreed changes to the contract scope. These changes should be recorded in writing and the contract management plan amended if required.

Partially exempt public authorities are able to exercise a COVID-19 Special Contract Variation for relevant contracts until 31 December 2020. These variations are once-off extensions of contracts with local businesses to support the economy to recover from the impact of COVID-19. COVID-19 Special Contract Variations can:

- be for a period of up to two years from the current expiry date of the contract;
- only be applied to contracts that expire on or before 30 June 2021;
- be applied to contracts of any value; and
- only be applied to standing offer arrangements if all contractors are local businesses.

State Tender Review Committee and the Community Services Procurement Review Committee

Where procurements are valued at \$5 million and above, including procurements from a CUA, a partially exempt public authority¹ must submit:

- a procurement plan²;
- an evaluation report; and
- a contract management plan³.

to the State Tender Review Committee or the Community Services Procurement Review Committee (the latter when procuring using the *Delivering Community Services in Partnership Policy*)⁴.

Where contract variations⁵ are valued at \$5 million and above (either individually or cumulatively), a contract variation memo must be submitted to the State Tender Review Committee or the Community Services Procurement Review Committee, as applicable. This includes contract variations made to contracts established under a CUA, unless the CUA Buyers Guide says otherwise.

The Executive Director, Government Procurement, Department of Finance may, in exceptional circumstances, approve exemptions from any of the documents, above, being submitted to the relevant Committee.

¹ A public authority with a partial exemption from section 19(1) of the *State Supply Commission Act 1991*.

² Except where the Accountable Authority decides the plan would be of no benefit due to the nature of that procurement.

³ Except where the Accountable Authority decides:

- the purchase is a one-off good and/or service that is not the subject of a period contract arrangement; or
- the plan would be of no benefit due to the nature of that procurement.

⁴ If a public authority is procuring pursuant to and in accordance with the Market-Led Proposals policy, the public authority does not have to submit the contract management plan to the State Tender Review Committee or the Community Services Procurement Review Committee.

⁵ A "variation" is defined as any variation in contract spend that exceeds the total contract value or estimated contract value recorded on *TendersWA* at the point of the award of the contract.



COVID-19 Special Contract Variations do not need to be submitted to the State Tender Review Committee or Community Services Procurement Review Committee, regardless of value.

Application to Procurements Pursuant to the Market-Led Proposals Policy

When procuring pursuant to the Market-Led Proposals policy⁶, the following must be complied with:

- An evaluation report must be developed for procurements with a total estimated value of \$5 million and above, unless the Justification for Exclusive Negotiation characteristics⁷ are met and exclusive negotiations will occur:
- A contract management plan must be developed for procurements with a total estimated value of \$5 million and above, except where the Accountable Authority decides:
 - the purchase is a one-off good and/or service that is not the subject of a period contract arrangement; or
 - the plan would be of no benefit due to the nature of that procurement.
- Where contract variations are valued at \$5 million and above (either individually or cumulatively), a contract variation memo must be submitted to the State Tender Review Committee or the Community Services Procurement Review Committee, as applicable.

All other requirements of this policy do not apply to procurements pursuant to the Market-Led Proposals policy.

For assistance in procurement planning and management, public authorities should refer to [About procurement](#)⁸, the central location managed by the Department of Finance that provides procurement-related resources, policies and training.

CHAIRPERSON
STATE SUPPLY COMMISSION
GAZETTAL DATE: 29 May 2020
EFFECTIVE DATE: 2 June 2020

⁶ The Market-Led Proposals policy can be accessed through the wa.gov.au website here:
URL: <https://www.wa.gov.au/government/publications/market-led-proposals-policy>

⁷ “Justification for Exclusive Negotiations characteristics” is defined within the Market-led Proposal policy and details the situations where market-led proposals may be exclusively negotiated.

⁸ URL <https://www.wa.gov.au/organisation/department-of-finance/about-procurement>.