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SA Health

# Policy

## Procurement and Contract Management System (PCMS)

Version 4

Approval date: 27 July 2022

PDS Reference No: D0283

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## 1. Name of Policy

Procurement and Contract Management System (PCMS)

## 2. Policy statement

The Procurement and Contract Management System (PCMS) is SA Health's procurement records management and contract records management system.

PCMS is a mandated system for SA Health procurement and is the central repository for all procurement and contract information.

- > PCMS ensures that all procurement records are accessible and managed in a central repository
- > Information recorded in PCMS is used to support agency reporting requirements

All Contracts must be recorded in PCMS.

## 3. Applicability

This policy applies to all employees and contracted staff of SA Health; that is all employees and contracted staff of the Department for Health and Wellbeing, Local Health Networks (including state-wide services aligned with those Networks), SA Ambulance Service and the attached offices of Wellbeing SA and the Commission on Excellence and Innovation in Health (CEIH), who:

- establish or manage contacts and agreements
- undertake procurement processes for purchasing goods and/or services.

### Exceptions

The following exceptions apply to this policy:

- > Procurements up to and including \$55,000 (inc GST) where a Purchase Order is issued
- > Any contracts where there is a direct employment relationship (contract of employment) and the payment of salary is through the payroll system (CHRIS)
- > Official Orders and related Purchase Orders of any amount for funded positions that result from eRecruitment Vacancy Management processing
- > Lease, Licence or Memorandum of Administrative Arrangement for "occupied space"
- > Sale of land or buildings

## 4. Policy principles

SA Health's approach to Procurement and Contract Management System (PCMS) Policy is underpinned by the following principles:

- > We exercise probity in all stages of procurement
- > We conduct our work with transparency and accountability
- > We act with honesty and integrity

## 5. Policy requirements

### Contracts

PCMS must be used for recording contract documentation, managing contracts and agreements or performing associated administration, regardless of the:

- > value (including nil value contracts)

- > type or format of contract, or agreement
- > purpose of the contract.

### **Procurements up to and including \$55,000 (inc GST)**

There is no requirement to use PCMS for procurements up to and including \$55,000 (inc GST) unless an executed contract results (instead of a purchase order) and then a Contract record only is required to record the contract details. This includes engagements from across Government contracts.

### **Procurements Over \$55,000 (inc GST)**

PCMS must be used to record all procurement processes over \$55,000 (inc GST) and approvals for the purchase of goods and/or services, including those for 'contracted health services' with Not-for-Profit providers, and secondary procurement processes under established panel contracts.

Procurements over \$55,000 (inc GST) must be recorded in a Sourcing record at the beginning of the procurement process. This includes engagements from across Government contracts such as the Temporary Staff Services contract.

PCMS must be used to record the relevant information as the procurement process progresses.

### **Grants**

All grants, regardless of the amount, must be recorded and all associated grant payments must be authorised in PCMS. A Sourcing record and a Contract record must be created. A Multiple Grant Set-up Process Template is used to configure multiple grant contracts.

### **Process templates and Workflow Generation**

A number of Process Templates exist within PCMS that must be followed depending on procurement type. Appendix 1 – Process Templates Overview Table provides a summary of the PCMS process templates, what type of record is created and when each should be used.

Additionally, the [PCMS - Process Templates and Workflows Ready Reference](#) provides users greater detail regarding the selection of Process Templates at the commencement of the procurement, contract or grant process.

### **Contract Records and Sourcing Records**

Contract records must be created as soon as practicable after the execution of any contract (other than the exceptions listed in this policy) or the issue of a Purchase Order, detailing the contract value, options (if any), the execution date of the contract, the Purchase Order issue date and number.

A Sourcing record must be created at the acquisition/grant planning stage via the appropriate Procurement or grant workflow.

Procurement Owners and Contract Managers must use PCMS for monitoring, managing and recording all aspects of contract management, and supplier reporting obligations, including the requirements of the [South Australian Industry Participation Policy](#) and SA IPP documentation.

The requirements within the [PCMS - Process Templates and Workflows Ready Reference](#) and [PCMS - Sourcing Records and Contract Records Quick Guide](#) must be adhered to.

Further information regarding Contract records in PCMS, refer to the [Contract Management Framework](#).

### **Approvals**

Procurement approvals must occur within PCMS, including acquisition plans, purchase recommendations and contract variations. Evidence of additional approvals obtained outside of PCMS must be uploaded into PCMS.

PSSA approvals and SA Health committee approvals must be recorded as soon as practicable after approval confirmation is received.

For further information regarding approvals, please refer to the [PCMS – Approvals Fact Sheet](#).

## Documentation

All relevant, pertinent and final documentation related to recordable procurement processes and contract(s) must be uploaded into PCMS, including procurement and grant documentation, acquisition plans, final invitation tender documents, evaluation plans, probity plans, risk plans, SA IPP documentation and reports, briefings, approvals and contracts.

The requirements of the [PCMS – Overview Fact Sheet](#) must be adhered to.

## Release of payments

Contracts for goods must not have payments made via PCMS. PCMS has a payment interface that enables processing of payments against service-based contracts, including the Non-Government Organisation funding contracts.

## User Access

The level of PCMS user access is dependent on their role and delegation level.

User access levels must be reviewed twice a year by P2P – Business Systems Support.

## Training

Prior to using the system, PCMS Training must be undertaken by all users performing procurements. Training is commensurate with system access requirements.

## 6. Mandatory related documents

The following documents must be complied with under this Policy, to the extent that they are relevant:

- > [Treasurer's Instruction 18 - Procurement](#)
- > [South Australian Industry Participation Policy](#)
- > [PC027 Disclosure of Government Contracts](#)
- > [Contract Variation Policy](#)
- > [Panel Contracts Policy](#)
- > [PSCM responsibility matrix for SA Health procurements](#)

## 7. Supporting information

- > [Consultant Contractor Engagement Fact Sheet](#)
- > [Contract Management Framework.pdf \(sahealth.sa.gov.au\)](#)
- > [Limiting the Market Approach Fact Sheet](#)
- > [Managing Contractors Fact Sheet](#)
- > [PCMS – Approvals Fact Sheet](#)
- > [PCMS – Overview Fact Sheet](#)
- > [PCMS - Process Templates and Workflows Ready Reference](#)
- > [PCMS – Sourcing Records and Contract Records Quick Guide](#)
- > [PCMS – Types of Contracts & Agreements Fact Sheet](#)
- > [Purchase Orders and PCMS Fact Sheet](#)

## SA Health Intranet

- > [Non-Government Organisation resources](#)
- > [Procurement and Contract Management System \(PCMS\)](#)
- > [PCMS training, registration and resources](#)

## 8. Definitions

**Statewide services** includes Statewide Clinical Support Services, Prison Health, SA Dental Service, BreastScreen SA and any other state-wide services that fall under the governance of the Local Health Networks

## 9. Compliance

This policy is binding on those to whom it applies or relates. Implementation at a local level may be subject to audit/assessment. The Domain Custodian must work towards the establishment of systems which demonstrate compliance with this policy, in accordance with the requirements of the [System-wide Integrated Compliance Policy](#).

Any instance of non-compliance with this policy should be reported to the Domain Custodian for the Policy and Reporting, Procurement and Supply Chain Management, Corporate & System Support Services and the Domain Custodian for the Risk, Compliance and Audit Policy Domain.

## 10. Document ownership

Policy owner:	Policy and Reporting, Procurement and Supply Chain Management, Corporate & System Support Services as Domain Custodian for the Procurement and Supply Chain Management Policy Domain.
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## 11. Document history

Version	Date approved	Approved by	Amendment notes
V4.0	27/07/2022	Deputy Chief Executive, Corporate & System Support Services	Update to new Policy Framework Simplify the policy with essential information only, non-essential information will be covered by a guideline.  Update references to PSSA requirements
V3.0	07/07/2021	Deputy Chief Executive, Corporate and System Support Services	Incorporated minor changes to align with SA Health's new Internal Procurement Framework
V2.0	15/11/2018	SA Health Policy Committee	Objective Document: A951404 - Endorsed by ED, Procurement and Supply Chain Management Policy reformatted to decrease size. Supported by additional subordinate documents. Transferred to new Policy template
V1.2	02/11/2016	Executive Director, Procurement and Supply Chain Management	Threshold for recording procurements in PCMS changed to greater than \$33,000
V1.1	05/05/2016	N/A	Fixed links
V1.0	01/11/2012	Portfolio Executive	Original approved version.

## 12. Appendices – Mandatory Instructions

### 1. *Appendix 1 – Process Templates Overview*

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## 1. Appendix 1 – Process Templates Overview Mandatory Instruction

Process Templates	PCMS Record Generation from Workflow	Notations
Simple Procurement valued over \$55,000 (inc GST) up to and including \$550,000 (inc GST)	Sourcing record with procurement approval tasks Convert to Contract record	The correct workflow must be selected at commencement of procurement, for all procurements, including secondary procurements (other than exceptions)
Procurement valued over \$550,000 (inc GST)		
Direct Contract Engagement	Sourcing record Contract record	Use only for Contracts up to \$55,000 inc GST where a Sourcing record is desired and a Contract record is required
Existing Contract Set-Up	Contract record only	Use only for Contracts up to \$55,000 inc GST where no Sourcing record is required nor desired
Contract Variation	Sourcing record (additional)	Needs to be linked to original Contract record at completion
Multiple Contract Set-Up	Contract record configuration	Use where the one procurement has resulted in more than one contract.