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SA Health

# Policy

## Procurement Departure Policy

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Version 6

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Government  
of South Australia

SA Health

## 1. Name of Policy

Procurement Departure Policy

## 2. Policy statement

The purpose of this document is to detail the management, approval and reporting of a departure from:

- > The requirements of the Procurement Services SA [PSSA Procurement Planning Policy](#); or
- > The approved sourcing strategy outlined in the acquisition plan or evaluation plan that occurs prior to contract execution.

Any departure from the [PSSA Procurement Planning Policy](#) or an approved acquisition plan or evaluation plan requires endorsement to proceed.

## 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)

The policy applies to all procurement processes valued above \$55,000 (inc GST) for the procurement of goods, services (including consultancies) and construction projects (up to \$165,000 (inc GST)).

## 4. Policy principles

SA Health's approach to departure from PSSA policy requirements or approved plans is underpinned by the following principles:

- > We ensure all departures are assessed, documented and approved.
- > We maintain probity, accountability and transparency in all procurement activity.
- > SA Health commits to ethical conduct in all procurement processes.

## 5. Policy requirements

A procurement departure occurs:

- > Where the requirements of the SA Government Procurement framework are not adhered to
- > Where there has been a change in an approved procurement strategy.

Any departure must only occur in exceptional circumstances and an effort must be made in the acquisition planning phase to ensure the acquisition plan reflects the appropriate procurement strategy and process.

Where a departure from an approved acquisition plan is deemed necessary, an assessment of the departure must be undertaken to determine the procurement approval required.

The person managing the procurement process is responsible for undertaking the assessment of the departure.

*See Mandatory Instruction 1: Assessment of a departure for further instructions.*

### Approval of the Departure

The outcome of the departure assessment will determine the action and approval requirements

- > Departures must be detailed in the [PSSA Purchase Recommendation \(Template\)](#) / [Acquisition Plan](#) for the final purchase recommendation to the original approving authorised delegate
- > Crown Solicitors Office must be engaged for major departures from contracts

- > Negotiations must occur with suppliers to resolve any departures from contract specifications
- > The approved departure must be recorded in the SA Health Departures Register
- > The approved Procurement Departure template must be uploaded along with file notes into the DTF Procurement Activity and Reporting System [Nimblex 6 \(procurement.sa.gov.au\)](https://nimblex6.procurement.sa.gov.au) (PARS)
  - Maintain detailed documentation of the departure from the original strategy
  - With the exception of low impact assessments, where an approved departure involves a change to the evaluation criteria (including weightings) during the market approach, an addendum must be issued in PARS to notify the market of the change as soon as practical.

In approving a departure, delegates must be satisfied that the level of departure has been correctly assessed and that the proposed remediation strategy is appropriate.

Where the approved departure involves a change to the evaluation criteria (including weightings) during the market approach, an addendum must be issued notifying the market of the change as soon as practicable.

See *mandatory instruction 2: Approval of departure actions required for further instructions*.

## 6. Mandatory related documents

The following documents are either referenced or related to this document:

Whole of Government – Policy and Guidelines

- > [Treasurers Instruction 18 Procurement](#)
- > [PSSA Procurement Planning Policy](#)
- > [PSSA Contract Management Policy](#)
- > [PSSA Sourcing Policy](#)
- > [Treasurers Instruction 8 Financial Authorisations](#)
- > [State Records Act 1997](#)
- > [Public Finance and Audit Act 1987](#)

SA Health – Policy and Guidelines

- > [Internal Procurement Framework](#)
- > [Procurement and Contract Management System Policy](#)
- > [Contract Variation Policy](#)

SA Health – Related Documents

- > [PSCM Departure Assessment Matrices](#)
- > [Procurement Departure Approval template](#)

## 7. Supporting information

- > [Procurement Records Management Factsheet](#)

## 8. Definitions

Terms defined in the Public Finance and Audit Act 1987 and used in T118 will have the same meaning in the instructions detailed herein.

**Material departure** occurs where there is a significant variation from the original strategy approved in the acquisition plan prior to contract execution.

**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 PSCM Policy and Reporting Policy Domain.

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## 11. Document history

Version	Date approved	Approved by	Amendment notes
V6.0	27/07/2022	Deputy Chief Executive, Corporate & System Support Services	Updated to new Policy Framework and simplify the policy with essential information only, non-essential information will be covered by a guideline. Update references to PSSA requirements
V5.0	01/07/2021	Deputy Chief Executive, Corporate and System Support Services	Amendments related to the new SA Government Procurement Policy Framework, including Treasurer's Instruction 18 Procurement.
V4.1	30/06/2021	Executive Director, Procurement and Supply Chain Management, Corporate and System Support Services	Incorporated minor changes to align with SA Health's new Internal Procurement Framework.
V4.0	12/05/2020	Executive Director, Procurement and Supply Chain Management, Finance and Corporate Services	Formally reviewed in line with 1-5 year scheduled timeline for review.
V3.0	14/12/2016	Executive Director, Procurement and Supply Chain Management, Finance and Corporate Services	Document links updated in line with State Procurement Board Procurement Reforms.
V2.0	11/12/2014	Chief Procurement Officer, Procurement and Supply Chain Management, Finance and Business Services	Incorporated minor changes from the State Procurement Board's Supplier Selection Guideline. Approved by DCE, FBS.
V1.0	16/06/2011	Portfolio Executive	PE Approved version.

## 12. Appendices

Mandatory Instruction 1: Assessment of Departure

Mandatory Instruction 2: Approval of Departure actions required

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## Mandatory Instruction 1: Assessment of Departure

The assessment of a departure is a 3-step process which requires consideration of:

- > the potential impact on the procurement process and/or the outcome of the procurement exercise (Table 1)
- > the stage in the procurement process (Table 2)
- > the level of departure (Table 3).

**Table 1: Measures of Impact**

Measure	Description
<b>Insignificant</b>	No potential to impact the process and/or the outcome. No risk to perceived or actual probity of the process. No potential to impact the time and effort of suppliers to respond.
<b>Minor</b>	Limited potential to impact the process and/or the outcome. Limited risk to perceived or actual probity of the process. Limited potential to impact the time and effort of suppliers to respond.
<b>Moderate</b>	Moderate potential to impact the process and/or the outcome. Moderate level of risk to perceived or actual probity of the process. Moderate potential to impact the time and effort of suppliers to respond.
<b>Major</b>	High potential to impact the process and/or the outcome. Major risk to perceived or actual probity of the process. High potential to impact the time and effort of suppliers to respond.

**Table 2: Stage in the Procurement Process**

Stage	Description
<b>Prior to Market Approach</b>	Departure occurs after approval of the acquisition plan but prior to approaching the market.
<b>During Tender Call</b>	Departure occurs during market approach but prior to opening tender submissions.
<b>During Evaluation</b>	Departure occurs during the evaluation period but prior to the purchase recommendation.
<b>Post Purchase Recommendation</b>	Departure occurs after purchase recommendation approval but prior to contract execution.

**Table 3: Level of Departure**

Measure of Impact	Stage in the Procurement Process				
		Prior Market Approach	During Tender Call	During Evaluation	Post Purchase Recommendation
Major		High	Extreme	Extreme	Extreme
Moderate		Medium	High	Extreme	Extreme
Minor		Low	Medium	High	High
Insignificant		Low	Low	Medium	Medium

## Mandatory Instruction 2: Approval of Departure actions required

For each level of departure, the following action is required:

Departure level	Description
<b>Low</b>	Maintain a record of the departure. The departure and remedial action taken must be reported in the purchase recommendation.
<b>Medium</b>	<p>For departures <b>prior</b> to Purchase Recommendation:</p> <ul style="list-style-type: none"> <li>&gt; Maintain a record of departure and report the departure in the final purchase recommendation.</li> </ul> <p>For departures <b>post</b> Purchase Recommendation:</p> <ul style="list-style-type: none"> <li>• Complete the Procurement Departure Approval template and submit for approval by the approver of the purchase recommendation before progressing further. Alternative approvers may be specified in the acquisition plan.</li> </ul>
<b>High / Extreme</b>	<p>Complete the Procurement Departure Approval template and submit for approval by the Acquisition Plan's original approving authority prior to progressing further.</p> <p>Note:</p> <ul style="list-style-type: none"> <li>&gt; PSCM Category Management must be consulted in the development of the Procurement Departure Approval template.</li> <li>&gt; Where the departure raises the acquisition plan value above the original approver's procurement authority, approval must be sought from a delegate with the appropriate procurement authority.</li> <li>• The likelihood of departures occurring may be identified and addressed in the original acquisition plan and the delegation of authority to approve such departures sought in the plan.</li> </ul>