



ACT
Government

Procurement Accreditation Program Goods and Services Procurement

Procurement Reform Program

September 2022

Contents

Purpose.....	3
Introduction	3
Performance Categories and Principles.....	4
Scope of the Program.....	4
Accreditation Levels	5
Accreditation Process Overview.....	10
Responsibilities of Accredited Territory Entity	11
Annual Assurance Program	11
Reporting Requirements	12
Annual Accreditation Confirmation	12
Accreditation Impact Reporting and Management	13

Purpose

The Procurement Accreditation Program (the Program) supports the operation of the ACT Government Procurement Framework. The Program outlines the levels of accreditation, the requirements for accreditation, the responsibilities of Procurement ACT as the owner of the Framework and the responsibilities of accredited Territory entities.

The Framework applies to all Territory entities and should be read in conjunction with the Procurement Accreditation Program Toolkit.

Introduction

The objective of the Program is to ensure that Territory entities have the capability and capacity to undertake procurement in an efficient and effective manner that pursues value for money. With a focus on supporting continuous improvement, the Program and associated Tiered Service Delivery Model allows Territory entities to develop sustainable enhancements in their procurement practices, risk management and procurement capability to increase their levels of accreditation and, where appropriate, to achieve lead buyer status for their category of procurement.

The Program sets the minimum requirements at each level of accreditation. The Program is based on procurement performance and best practices principles that support the delivery of transparent, efficient, effective and timely procurement on behalf of the ACT Government.

The Program consists of a three-year accreditation cycle with an annual assurance program and reporting obligations. Accredited Territory entities undertake procurements in accordance with their level of accreditation. Tiered service delivery will be commensurate with the scale, scope and risk of the procurement.

To obtain accreditation, a Territory entity uses an Accreditation Assessment Tool to provide sufficient information and evidence. This is reviewed by Procurement ACT, with recommendations provided to a governance body for consideration. The governance body will determine the level of accreditation and assign either an “accredited” or “accredited subject to conditions being met” status. One option might be to revise the role of the Government Procurement Board such that it can undertake the governance role regarding accreditation.

Accreditation may be subject to conditions where a Territory entity does not meet the requirements in a particular performance category, but actions can be identified to address this within a time period set by the governance body.

Performance Categories and Principles

The Program is based on seven high level performance categories that are used to assess a Territory entity's procurement capability and capacity to deliver efficient, effective and timely procurements that pursue value for money. The categories are:

- Strategy
- Supplier Relationship
- People and Governance
- Risk Assessment
- Process and Systems
- Performance and Contract Management
- Continuous Improvement

The performance categories define the objectives that Territory entities should meet to attain accreditation. Each performance category has supporting procurement principles that describe the various levels of performance in procurement operations. The Accreditation Assessment Tool provides suggested evidence sources to support Territory entities to evaluate their performance against each performance category.

For the purposes of accreditation, Territory entities will be assessed on their approach to achieving each procurement principle.

Scope of the Program

The scope of this version of the Program is goods and services procurements only. It does not cover construction procurements at this stage. Further iterations will include construction related works. The Program covers the entire lifecycle of procurement.

Some tiers of Service that offer a higher level of support and involvement from Procurement ACT during the plan and the source phase of a procurement (for example, the managed tier) are provided based on a Territory entity's approved forward procurement plan. Where a procurement is not on a Territory entity's approved forward plan, Procurement ACT will negotiate the provision of Managed or Assured services on a case-by-case basis. This will be subject to resource availability at Procurement ACT and may require the Territory entity to pay to obtain services either through Procurement ACT or a third party.

Unless a Territory is accessing managed services, all Territory entities are responsible for:

- releasing and closing tenders through the system provided by Procurement ACT
- reporting Notifiable contract and amendments through the system provided by Procurement ACT

Accreditation Levels

The Program provides four levels of accreditation. These levels prescribe the value and risk profile of procurements that a Territory entity undertakes with self-service support only, as well as the value and risk profile of procurements that require an assured or managed level of support. Accreditation is granted on a three-year cycle. However, compliance with the Program is assured annually for the first three years of the Program. The Program assessment comprises 24 questions. Each question is assessed at one of four levels:

1. Developing
2. Conforming
3. Better Practice
4. Advanced (Lead Buyer)

The Accreditation Assessment Tool is part of the Accreditation Program Toolkit. To achieve level 1 accreditation Territory entities must be assessed at least at the Developing level across all 24 questions. All Territory entities will be supported to achieve at least level 1 Accreditation.

To achieve level 2 accreditation, Territory entities must be assessed at least at the Conforming level across all 24 questions. To achieve level 3 accreditation Territory entities must be assessed at least at the Better Practice level for all 24 questions. Territory entities should strive to achieve level 3 accreditation.

Territory entities that achieve level 4 (Lead Buyer) accreditation will be required to share their knowledge, strategies and processes to drive continuous improvement across the ACT Public Service. Where relevant, they will also manage whole of government arrangements in a category of expertise, for example, information and communication technology.

Where a Business Unit is supporting Territory entities with their procurements (for example under a tiered service delivery model), the Business Unit will be required to achieve level 4 accreditation in the category(ies) in relation to which they are providing support to other Territory entities.

A Chief Executive may elect to obtain a higher accreditation for a specific business unit within their Territory entity that demonstrates a higher level of maturity. Where the higher accreditation given is a level 4 accreditation, the Chief Executive may elect for the relevant business unit to support all procurements for the Territory entity.

Territory entity accreditation levels will be published on the Procurement ACT's Intranet page.

IMPORTANT NOTE: The subsequent reduction or withdrawal of accreditation does not prevent a Territory entity from conducting procurement activities. For further information, refer to page 13.

Level 1 Accreditation - Developing

Level 1 accredited Territory entities can undertake their procurements in accordance with the following. Tiered services are provided by Procurement ACT.

Procurement Risk	Support
Low	<p>Enabled Procurement Tier:</p> <ul style="list-style-type: none"> • Procurement from standing offer contracts and whole of government arrangements of any total estimated value • Other procurement with a total estimated value of less than \$500,000¹ <p>Managed Service Tier: Procurement with a total estimated value of \$500,000 or more.</p>
Medium	<p>Enabled Procurement Tier:</p> <ul style="list-style-type: none"> • Procurement from standing offer contracts and whole of government arrangements of any total estimated value • Other procurement to a total estimated value of less than \$200,000¹ <p>Assured Service Tier: Procurement with a total estimated value between \$200,000 and less than \$500,000</p> <p>Managed Service Tier: Procurement with a total estimated value of \$500,000 or more</p>
High	<p>Enabled Procurement Tier:</p> <ul style="list-style-type: none"> • Procurement from standing offer contracts and whole of government arrangements of any total estimated value • Other procurement to a total estimated value of less than \$200,000¹ <p>Managed Service Tier: Procurements with a total estimated value of \$200,000 or more, excluding procurement from whole of government arrangements</p>

¹ Includes procurements where an exemption is sought under Part 2 of the Government Procurement Regulation 2007.

Level 2 Accreditation - Conforming

Level 2 accredited Territory entities can undertake their own procurements in accordance with the following. Tiered services are provided by Procurement ACT:

Procurement Risk	Support
Low	<p>Enabled Procurement Tier:</p> <ul style="list-style-type: none"> • Procurement from standing offer contracts and whole of government arrangements of any total estimated value • Other procurement with a total estimated value of less than \$5M² <p>Assured Service Tier:</p> <ul style="list-style-type: none"> • Procurement with a total estimated value between \$5M and less than \$10M <p>Managed Service Tier:</p> <ul style="list-style-type: none"> • Procurement with a total estimated value of \$10M or more
Medium	<p>Enabled Procurement Tier:</p> <ul style="list-style-type: none"> • Procurement from standing offer contracts and whole of government arrangements of any total estimated value • Other procurement with a total estimated value of less than \$1M² <p>Assured Service Tier:</p> <ul style="list-style-type: none"> • Procurement with a total estimated value between \$1M and less than \$5M <p>Managed Service Tier:</p> <ul style="list-style-type: none"> • Procurement with a total estimated value of \$5M or more
High	<p>Enabled Procurement Tier:</p> <ul style="list-style-type: none"> • Procurement from standing offer contracts and whole of government arrangements of any total estimated value • Other procurement with a total estimated value of less than \$500,000² <p>Assured Service Tier:</p> <ul style="list-style-type: none"> • Procurement with a total estimated value between \$500,000 and less than \$1M <p>Managed Service Tier:</p> <ul style="list-style-type: none"> • Procurement with a total estimated value of \$1M or more

Level 3 Accreditation – Better Practice

Level 3 accredited Territory entities can undertake their own procurements in accordance with the following. Tiered services are provided by Procurement ACT:

Procurement Risk	Support
Low	<p>Enabled Procurement Tier:</p> <ul style="list-style-type: none"> All procurement regardless of value, and use of whole of government arrangements regardless of value¹
Medium	<p>Enabled Procurement Tier:</p> <ul style="list-style-type: none"> Procurement from standing offer contracts and whole of government arrangements of any total estimated value Other procurement with a total estimated value of less than \$5M <p>Assured Service Tier:</p> <ul style="list-style-type: none"> Procurement with a total estimated value between \$5M and less than \$10M <p>Managed Service Tier:</p> <ul style="list-style-type: none"> Procurement with a total estimated value of \$10M or more
High	<p>Enabled Procurement Tier:</p> <ul style="list-style-type: none"> Procurement from standing offer contracts and whole of government arrangements of any total estimated value Other procurement with a total estimated value of less than \$1M <p>Assured Service Tier:</p> <ul style="list-style-type: none"> Procurement with a total estimated value between \$1M and less than \$5M <p>Managed Service Tier:</p> <ul style="list-style-type: none"> Procurement with a total estimated value of \$5M or more

Level 4 Accreditation - Advanced (Lead Buyer)

Territory entities with level 3 accreditation may apply for Lead Buyer status for a category of procurement that they frequently procure. Territory entities will need to demonstrate their experience and capability procuring in this category and an audit of recent procurements will be undertaken by Procurement ACT on behalf of the governance body.

Once a Territory entity is accredited to Lead Buyer, it will be able to undertake all procurement in that category regardless of risk and value. For all other procurements not in that category they will defer to the level 3 accreditation requirements or the entity's highest accreditation level outside of that category.

Territory entities accredited to Lead Buyer will be empowered to create and manage whole of government panels in their category of procurement, in accordance with the Whole of Government Arrangements Policy.

Accreditation Process Overview

Territory entities must undertake the following process to apply for or to seek an increase in accreditation:

Step	Description
Submit Statement of Intent	Territory entity e-mails the Accreditation and Assurance Program team, Procurement ACT, and submits a completed Statement of Intent (a template in the Accreditation Program Toolkit) to advise of the Territory entity's readiness to obtain or increase accreditation.
Undertake a planning / information session to discuss the accreditation process and requirements	Following review of the Statement of Intent, the Accreditation and Assurance Program team will meet with Territory entity to discuss the requirements for accreditation including an indicative timeline for completion of the process, based on any current level of accreditation.
Complete the Accreditation Assessment Tool	Using the Accreditation Assessment Tool and the suggested evidence, the Territory entity gathers relevant evidence to support its application for accreditation. Where a Territory entity elects to obtain separate accreditation for one or more business areas, the process to complete the Assessment Tool and gathering the supporting evidence must be completed for each application. The Accreditation Assessment Tool must include a forward procurement plan covering the next 12 months.
Chief Executive approval and submission of completed Accreditation Assessment Tool	The Chief Executive of the Territory Entity approves the complete Accreditation Assessment Tool, including the forward procurement plan and submits this to the Accreditation and Assurance Program team.
Procurement ACT review of Accreditation Assessment Tool	The Accreditation and Assurance Program team reviews the approved Accreditation Assessment Tool to determine if it is sufficient to support the requested accreditation. Review may include conducting interviews with key personnel of the Territory entity, or seeking additional evidence or documentation. Any new information provided by the Territory entity will need to be approved by its Chief Executive.
Recommendation to accreditation governance body	The Accreditation and Assurance Program team will prepare a recommendation on accreditation to the governance body, to approve, reject or approve with conditions the Territory entity's accreditation.

Step	Description
Consideration by the accreditation governance body	The accreditation governance body will consider the recommendations and make a decision on accreditation.
Accreditation Notification	Following the decision by the accreditation governance body, the Accreditation and Assurance Program team will advise the Territory entity in writing of the outcome.

Responsibilities of Accredited Territory Entity

An Accredited Territory entity is responsible for:

- adhering to the ACT Government Procurement Framework
- procuring in accordance with the level of accreditation
- complying with the minimum requirements of their accreditation as defined in the Accreditation Assessment Tool
- using whole of government arrangements and panels, where available, for low risk procurement
- ensuring that any panel they set up complies with the Panel management policy
- performing a risk assessment for each procurement (a risk assessment template is available in the Accreditation Program Toolkit)
- complete all annual and ongoing assurance activities

Annual and Ongoing Assurance

The Accreditation and Assurance Program team, Procurement ACT reviews the completed Accreditation Annual Assurance Reporting Template, annual self-assessment and any Accreditation Impact Management Plan in place to ensure ongoing compliance with the Program. Where a Territory entity has not met the requirements of the Program or implemented the actions from any accreditation impact management plan this will be referred to the accreditation governance body for review.

In addition to annual assurance, thematic audits may be undertaken as determined by the accreditation governance body on recommendation of the Accreditation and Assurance Program team. These audits will align with any government strategic priorities in procurement such as Aboriginal and Torres Strait Islander participation or engaging small to medium enterprises. All accredited Territory entities are required to comply with any initiated audits and any requests for data or information.

Reporting Requirements

At the end of each financial year, accredited Territory entities must use the Reporting Template in the Accreditation Assessment Toolkit to report on outcomes relating to performance and efficiency. The Reporting Template details the metrics utilised to measure the outcomes.

The Reporting Template focuses on five performance and efficiency outcomes:

1. Capability Uplift – developing, attracting and retaining procurement talent
2. Timeliness and Transparency – outlining the benefits achieved through procurement
3. Efficiency – effective use of resources to deliver efficient procurement
4. Quality – understanding stakeholder satisfaction
5. The Procurement Values – demonstrating procurement that meets the objectives of the Procurement Values, for example, performance in engaging small to medium enterprises, Aboriginal and Torres Strait Islander participation and combating modern slavery.

Additional performance outcomes and metrics may be determined and added by the Territory entity.

Annual Accreditation Confirmation

Using the Annual Accreditation Confirmation form from the Accreditation Program Toolkit, the Chief Executive of a Territory entity will confirm that the Territory entity has adhered to the minimum standards required for the relevant level of accreditation. Following completion, the Chief Executive provides a copy of the annual accreditation confirmation to the Accreditation and Assurance Program team, Procurement ACT.

Accreditation Impact Reporting and Management

The following events may impact on a Territory entity's level of accreditation:

Event	Definition	Example
Underperformance against the minimum standards required for the relevant level of accreditation	Territory entity does not meet two or more of the 24 questions on the Accreditation Program Assessment Tool	A Territory entity with Level 3 - Best Practice Accreditation, has not met two of the questions under the Strategy and Supplier Management performance categories due to poor engagement with suppliers and industry.
Territory entity organisational change	Any change that negatively impacts the structure, capability or processes of the procurement function	Machinery of Government change may result in a reduction of the procurement function capability
Failure to participate in Annual Assurance Program	Failure to participate in some or all of the Annual Assurance Program after two consecutive requests from Accreditation and Assurance Program team, Procurement ACT	Territory entity does not submit its report on outcomes relating to performance and efficiency
Underperformance against the five performance and efficiency outcomes	Underperformance against two or more of the five performance and efficiency outcomes at a variance of 10% or more	Timeliness and Transparency – procurement not conducted in a timely manner or with probity concerns Sustainability – not demonstrating sustainable procurement objectives relating to engaging small to Aboriginal and Torres Strait Islander participation
Performance conducted outside accreditation	Territory entity conducts procurement that it is not accredited to perform	A Level 1 accredited Territory entity does not refer procurements with a total estimated value of \$200 000 to Procurement ACT
Adverse procurement event	Procurement results in adverse publicity or negative review by the Auditor-General or the Integrity Commission	An Auditor-General report finds probity concerns in relation to a procurement.

Where an accreditation impact has been identified, the Territory entity must complete an Accreditation Impact Management Plan in the Accreditation Program Toolkit and identify options for remediation. The Accreditation Impact Management Plan must be approved by the Chief Executive of the Territory entity and submitted to the Accreditation and Assurance Program team for assessment. The Accreditation Impact Management Plan is referred to the accreditation

governance body, for consideration and decision as to whether the event results in a reduction in or withdrawal of accreditation for some, or all of a Territory entity.

Reduction or withdrawal of accreditation will only occur where the governance body considers that the remedies in the Territory entity's Accreditation Impact Management Plan do not adequately address the relevant event.

Reduction or withdrawal of accreditation will be for the duration of the identified remedy period in the Territory entity's Accreditation Impact Management Plan, and to the extent possible, confined to the relevant business unit where the event arose. While the event is remedied, the remainder of the Territory entity supports the relevant business unit to undertake its procurement, with the same access for support that the Territory entity's level of accreditation provides.

Where the nature and impact of an event is such that it results in the reduction or withdrawal of accreditation for the entire Territory entity, Procurement ACT will work with the Territory entity to determine the specific support required during the remediation period. Where Procurement ACT's resources cannot support the Territory entity, the Territory entity will be responsible for the cost of additional resources required to support its procurement.