

# GOVERNMENT PURCHASING

**A STRONG PLAN  
FOR REAL CHANGE.**



## **We're ready.**

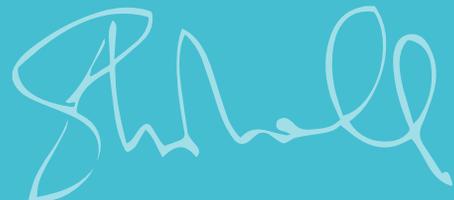
Over the last four years, we've been working hard developing our vision for the future of South Australia.

Not just policies, but a series of achievable milestones that have been crafted for the long-term benefit of our state.

*Our focus will be*

**MORE JOBS.  
LOWER COSTS.  
BETTER SERVICES.**

We've got a strong plan for real change.

A handwritten signature in white ink, appearing to read 'Marshall', is positioned in the lower right quadrant of the page. The signature is fluid and cursive, with a prominent 'M' and 'A'.



## WHAT WE'LL DO

If elected in March 2018, a Marshall Liberal Government will implement a series of reforms to enable South Australian businesses to better participate in government procurement by providing more opportunities more simply.

These reforms will involve:

- Reviewing the aggregation of contracts;
- Requiring selective market approaches to include South Australian businesses;
- Establishing a pre-registration system for tenderers and contractors;
- Reviewing the status of prescribed public authorities, and;
- Establishing a unit within the department to assist small to medium businesses in preparing their tenders.

Together, these reforms will improve the ability of South Australian businesses to compete for and

win government contracts while also delivering the same or better outcomes for taxpayers, resulting in more jobs and more opportunities for South Australians.

### 1. Aggregation of contracts

By reviewing aggregated contracts (such as those for stationary and maintenance contractors), we will identify procurements that can be broken into smaller contracts, increasing the level of competition between providers and allowing local businesses (which may not have sufficient scale to fill the entire tender) to take on smaller parcels of work. In assessing whether a procurement should be broken into smaller parts, value-for-money will still need to be demonstrated to ensure taxpayers' money is used efficiently.

## **2. Selective tenders**

We will introduce a requirement that at least one local supplier must be involved in every tender process involving a selective approach to market to ensure South Australian businesses always have an opportunity to bid for State Government contracts. In the event a suitable local supplier cannot be identified, the State Procurement Board will be required to identify this outcome in its annual reporting, ensuring South Australian businesses have the opportunity to learn about potential market opportunities.

## **3. Pre-registration**

A pre-registration system will allow existing and new users of the SA Tenders and Contracts website to pre-load their business details, making the process of bidding for government tenders simpler, quicker and easier. This will reduce the cost of submitting tenders and allow businesses to focus on selling their value proposition.

## **4. Reviewing prescribed public authorities' status**

Review the status of prescribed public authorities will ensure some of those authorities currently operating outside government procurement rules are brought into line with other public sector agencies, improving the transparency and quality of outcomes achieved in public procurement. Any entity wishing to retain its status as a prescribed public authority will need to demonstrate why it is in the public interest to do so.

## **5. A new unit to assist small to medium businesses preparing tenders**

A new unit will be established to assist small to medium businesses looking to lodge consortia bids for projects that would otherwise be too large for tenderers to bid for individually. In many cases these firms have the capability of delivering these projects, but are written off because of their lack of scale.

In implementing this reform, all appropriate probity requirements will be observed.

## **WHY WE'RE DOING IT**

The South Australian Government spends over \$4 billion a year on purchasing goods and services.

This spending to provide a range of services to the public is a significant investment made on behalf of taxpayers, who expect government to deliver the best outcomes possible from their hard-earned tax dollars.

It is crucial that the government makes purchasing decisions that deliver on the following criteria:

- Value-for-money - purchases should deliver an efficient price over the life of the procurement, including both the initial purchase and lifecycle costs such as sustainment, maintenance and input costs;
- Fit-for-purpose – purchases should consistently deliver on the requirements for which the procurement was made, and;
- Compliance with all legal requirements – the government must observe its legal obligations in undertaking public procurement to avoid exposing taxpayers to any unnecessary risks.

Delivering on these criteria for public procurement is essential, but there are other opportunities to maximise the benefits from this spending and

to make sure South Australians get the best outcomes from every dollar spent.

In particular, South Australian businesses must have every opportunity to be involved in the supply of goods and services to the government.

More South Australian goods, services and labour used in more government purchases means more local jobs and more opportunities for South Australians.

That is why the State Liberals have a plan for increasing the level of local involvement in government procurement while also delivering on the essential criteria outlined above.



**STEVEN MARSHALL MP**

State Liberal Leader

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