



ANNUAL / **18**
REPORT / **19**

VICTORIAN GOVERNMENT
PURCHASING BOARD
ACHIEVING EXCELLENCE IN
GOVERNMENT PROCUREMENT

V G P B

Victorian Government Purchasing Board Annual Report 2018–19

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BETTER PROCUREMENT PRACTICE

Effective procurement saves time and money, reduces risk and supports a well-functioning government and a thriving Victorian community.

The Victorian Government Purchasing Board (VGPB) sets the policies that govern procurement of non-construction goods and services across all Victorian Government departments and some public bodies.

Our vision is to provide leadership in government procurement of goods and services to deliver value-for-money outcomes for Victoria.

We recognise that many people inside and outside of government are affected by Victorian Government procurement. We strive to work with all our stakeholders to optimise procurement practices and activities, for the benefit of all Victorians.

ABOUT THIS REPORT

The *VGPB Annual Report 2018–19* describes our work and activities between 1 July 2018 and 30 June 2019.

It summarises work carried out to meet our legislative obligations and achieve our vision. We also report on the purchasing activity and procurement performance of the major organisations mandated or accredited to apply VGPB policies: all Victorian Government departments, Cenitex, Public Transport Victoria, VicRoads and Victoria Police.

The VGPB is a Victorian Government-owned body corporate. This report is required under section 54M of the *Financial Management Act 1994*.

As part of our commitment to sustainability, we print a limited number of copies of this report. An online version and accessible text format of this report is available from buyingfor.vic.gov.au/annual-reports

This report has been slightly restructured from last year and will continue to evolve as we increase the number of organisations reporting to the VGPB.

MESSAGE FROM THE CHAIR

The VGPB has been working on several exciting procurement reform projects over the past year. Our aim is to reduce complexity for suppliers and buyers, deliver Victoria's Social Procurement Framework and drive effective use of technology to enhance procurement decision-making.

We have continued to progress several priority procurement projects under our five core procurement workstreams. The VGPB is the steering committee across this program of work and has overseen several achievements this year, including:

- extensive planning to extend the reach of VGPB supply policies to include up to 150 extra organisations;
- releasing guidance to help buyers and suppliers understand how to apply Victoria's Social Procurement Framework;
- releasing *A Guide to procuring uniforms and personal protective equipment*, which supports the Government's commitment to creating and retaining local jobs in this sector;
- researching other jurisdictions and collaborating with relevant stakeholders to identify potential opportunities to harmonise construction and goods and services procurement policy, and how best to do so;
- overseeing the development of a government-wide eProcurement strategy, with a phased approach to combine data collection of procurement spend from multiple organisations; and
- developing a procurement capability strategy to grow and develop the skills of buyers across government.

The VGPB worked with departments and other accredited entities during the year, and particularly with chief procurement officers. The Board recognises their contribution to progressing this work along with support from the Procurement Policy and Reform Group in the Department of Treasury and Finance.

Once again, the VGPB had the support of the Assistant Treasurer, Robin Scott MP, who helped drive the procurement agenda, particularly Victoria's Social Procurement Framework. His support and confidence in the VGPB is much appreciated.

I would like to thank outgoing members, Randall Straw and Leanne Price. Both contributed enormously during their tenure and we wish them well.

The dedicated staff in the Procurement Policy and Reform Group have once again shown their commitment to the VGPB and developed new ways to work with the broader government sector to deliver our shared goals.

In 2019-20, the VGPB will continue to drive the strategic outcomes of the procurement reform. A key focus will be overseeing reports that show the outcomes and benefits of Victoria's Social Procurement Framework. The VGPB will also closely monitor implementation of the first phase of the eProcurement strategy. The strategy aims to collect, analyse and categorise procurement data from departments, which will give government meaningful data to improve procurement decision-making.



Antoinette Brandi

Chair, Victorian Government Purchasing Board

ABOUT THE VGPB

The VGPB is a Victorian Government-owned body corporate established under the *Financial Management Act 1994*. We set the policies that govern procurement of non-construction goods and services across all Victorian Government departments and some public bodies.

Our role is to:

- develop, implement and review supply policies and practices;
- monitor compliance with supply policies;
- help organisations build procurement capability; and
- work with stakeholders to make procurement more efficient.

REPORTING STRUCTURE

The VGPB reports to the Assistant Treasurer. We are supported by the Procurement Policy and Reform Group in the Department of Treasury and Finance.

Departments and accredited or specified entities report to us directly on their procurement activities, as shown in Figure 1.

FIGURE 1: VGPB REPORTING RELATIONSHIP



THE VGPB AT A GLANCE

VISION /

Provide leadership in government procurement of goods and services to deliver value-for-money outcomes for Victoria

MISSION /

Ensure government:

- develops procurement capability
- delivers value-for-money and fit-for-purpose outcomes
- minimises risk
- enables access to procurement opportunities for all businesses

PRINCIPLES /

All procurement activity must meet four principles:

- Value for money
- Accountability
- Probity
- Scalability

POLICIES /

Five policies to cover end-to-end procurement activity:

- Governance
- Complexity and capability assessment
- Market analysis and review
- Market approach
- Contract management and contract disclosure

STRATEGY /

Five workstreams with multiple initiatives:

- Victoria's Social Procurement Framework and reporting
- Governance, extending the reach
- Policy and practice
- Procurement technology
- Capability, streamlining processes and practices and leading change management

NETWORK /

The VGPB currently covers 33 government organisations, including all Victorian Government departments, Cenitex, Public Transport Victoria, VicRoads and Victoria Police.

We work closely with our stakeholders to ensure our policies are modern, relevant and easy to apply.

PROCUREMENT AS A CORE BUSINESS FUNCTION

The VGPB sees procurement as a core business function. Effective procurement ensures government uses public money responsibly; procuring the required goods and services to deliver value-for-money outcomes.

The VGPB's procurement model is based on assessing complexity and risk. Each organisation adopts a procurement governance framework scaled to their procurement profile and must have enough capability to carry out their procurements.

Our five policies cover the whole procurement lifecycle (see Figure 2). The policies are underpinned by probity, accountability and scalability, with a strong focus on value for money, more interactive engagement with the market and improving productivity.

Each policy is supported by good practice guides, tools and templates to ensure consistency across government.

SCOPE OF VGPB POLICIES

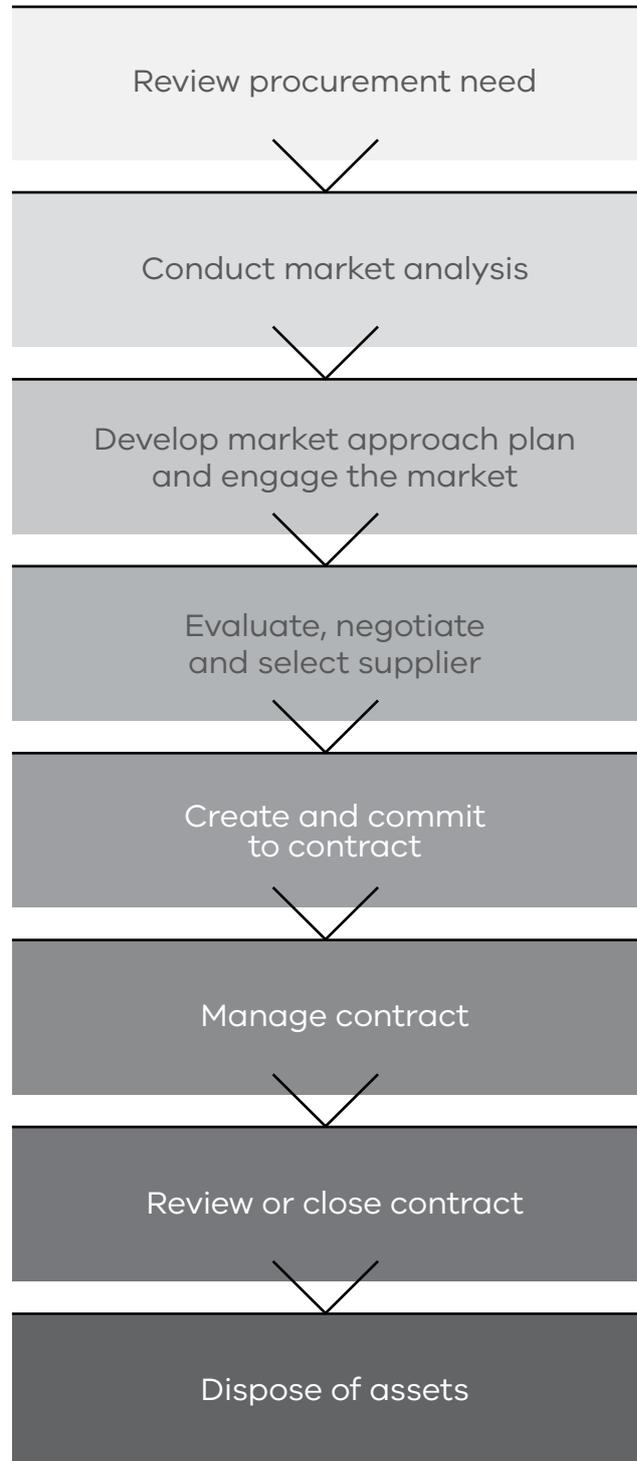
VGPB policies apply to all Victorian Government departments and any entities specified by the Governor in Council, such as Cenitex, VicRoads and Public Transport Victoria.

VGPB policies also apply to the offices or bodies specified in section 16(1) of the *Public Administration Act 2004*. These offices report to the VGPB via their portfolio department, except for the Office of the Chief Commissioner of Police (Victoria Police), which reports directly to the VGPB.

The Victorian Public Sector Commission is also subject to VGPB policies but does not report directly to us.

For a list of organisations bound by VGPB policy, refer to buyingfor.vic.gov.au/goods-and-services-mandated-agencies

FIGURE 2: THE PROCUREMENT LIFECYCLE



BOARD MEMBERS

The VGPB has a chairperson and a minimum of six other members. Board members are selected based on procurement experience and expertise. They can be internal or external to government.

During this reporting period, the VGPB had seven members including the Chair. One member worked for the Victorian Government and the other six were external appointees (see Table 1).

Two member appointments concluded on 30 June 2019:

- Randall Straw; and
- Leanne Price.

The VGPB meets every two months and held six meetings over the reporting period.

TABLE 1: VGPB MEMBERS AT 30 JUNE 2019

Title	Name	Experience	Meetings attended	Appointed
Chair	Antoinette Brandi	<ul style="list-style-type: none"> • Extensive procurement experience in the public and private sectors at the senior and executive level. • Led procurement projects and initiatives across goods and services, mining and construction, including developing procurement supply chain strategies and risk management assurance processes. • First female in Australia to gain fellow status in the Chartered Institute of Procurement and Supply. 	6 of 6	10 October 2015
External appointees	Randall Straw	<ul style="list-style-type: none"> • More than 31 years' experience in government information and communications technology. • Extensive background in technology innovation, policy, planning and implementation with Victorian public sector agencies. • Former Deputy Secretary of Innovation and Technology at the former Department of Business and Innovation. • Current Chair of Cenitex, Member of VicTrack Telecommunications Committee and Member of the Emergency Services Telecommunications Authority ICT Committee. • Awarded the Public Service Medal in 2012. 	6 of 6	1 October 2009
	Claire Thomas	<ul style="list-style-type: none"> • Economics professional with a strong background in public policy and administration and academic research. • Currently an independent public policy consultant, working with organisations such as Infrastructure Australia, the Department of Treasury and Finance and the Essential Services Commission. • Member of the Independent Review Panel that oversees the allocation of gambling licences in Victoria. • Awarded the Public Service Medal for services to public policy in 2009. 	6 of 6	1 July 2018

Title	Name	Experience	Meetings attended	Appointed
External appointees (cont.)	Craig Rooney	<ul style="list-style-type: none"> • More than 25 years' procurement experience in public, private and consulting environments. • Demonstrated success in strong business management, financial management, strategic thinking, customer focus and people leadership skills. • Currently the Victorian Operations Manager for Metricon Homes. • Previously held senior procurement management positions at Porter Davis Homes, CSR Sugar, Madison Cross Corporate Advisory and Coles Group. 	6 of 6	1 October 2012
	Russell Yardley	<ul style="list-style-type: none"> • Successful entrepreneur and business owner. • Strong governance skills and experienced board member. • Career focused on innovation, ideas strategy, business and planning, particularly in the ICT industry. 	6 of 6	1 July 2014
	Timothy Lyons	<ul style="list-style-type: none"> • Extensive experience in government procurement policy and previous member of numerous public and private boards. • Held many directorships and has expertise in industrial relations, financial services, public policy, governance and risk management, not-for-profit management and communications advocacy. 	4 of 6	10 October 2015
Government appointees	Leanne Price	<ul style="list-style-type: none"> • More than 20 years' government procurement experience in the construction sector. • Twelve-year career with the Department of Health and Human Services (formerly the Department of Health), responsible for planning, developing and implementing the health capital program, including oversight of the largest public hospital developments in Victoria's history. • Significant public transport experience, including working on the development of Southern Cross Station. 	6 of 6	1 July 2016

PROCUREMENT REFORM PROGRAM AND ACTIVITIES

In 2017–18, the VGPB established five core workstreams to support the procurement reform program:

1. Victoria’s Social Procurement Framework and reporting;
2. Governance, extending the reach;
3. Policy and practice;
4. Procurement technology; and
5. Capability, streamlining processes and practices and leading change management.

In this section, we discuss the activities that took place under each workstream in 2018-19. Figure 3 shows some of our highlights.

Each workstream has a VGPB subcommittee driving the objectives for that workstream. Subcommittee members include a range of government representatives.

FIGURE 3: ACTIVITIES IN 2018–19

DELIVERING SOCIAL PROCUREMENT

6 new guides for buyers



5

Social Traders regional roadshows



7 information sessions for buyers and suppliers on social procurement and uniforms and personal protective equipment (with Local Jobs First)



A new measuring and reporting framework to capture social procurement metrics

1



report with case studies showing social procurement in action

5

newsletters



BETTER NETWORKING AND LEARNING FOR BUYERS

A new online group for buyers



Attendance at forums has doubled since last year



3 community of practice forums



IMPROVING COMPLIANCE



Implemented an engagement model to strengthen compliance

IMPROVING POLICIES, GUIDES AND TEMPLATES

New

4 goods and services guides



1 

goods and services arbitration clause for international agreements

Updated

14

goods and services guides



1

goods and services tool



2

goods and services templates



4

goods and services contracts (agreements)



Gazetted

3

VGPB policies



OTHER ACHIEVEMENTS



New ethical supplier register for textiles



Model clauses for uniforms and personal protective equipment

Five-year procurement capability strategy focused on growing the professional workforce



Addressed modern slavery in the Supplier Code of Conduct

New government-wide eProcurement strategy to look at ways to combine data collection of procurement spend from multiple organisations



WORKSTREAM 1: VICTORIA'S SOCIAL PROCUREMENT FRAMEWORK AND REPORTING

Building on the momentum from the launch of Victoria's Social Procurement Framework in April 2018, we oversaw the release of a comprehensive suite of guidance material to support buyers in applying social procurement throughout the procurement process. These guides are available on the Buying for Victoria website at buyingfor.vic.gov.au/social-procurement-framework

During the year, organisations were invited to attend several information sessions and workshops to build social procurement capability in their organisations.

We continued to work with the Department of Jobs, Precincts and Regions and industry partners to increase social procurement opportunities. The department released a suite of supplier fact sheets and is developing a social procurement supplier communications and engagement strategy to support industry. Subcommittee representatives also participated in several regional roadshows for buyers and suppliers hosted by Social Traders across Victoria.

Social procurement reporting

In August 2018, an interim report was published with examples of social procurement in action. The report highlights some of the ways government buyers and suppliers are working together to deliver social and sustainable outcomes. *Victoria's social procurement case studies and highlights* is available on the Buying for Victoria website at buyingfor.vic.gov.au/social-procurement-framework

In consultation with chief procurement officers (CPOs), a measurement and reporting methodology was developed to support Victoria's Social Procurement Framework. This methodology includes agreed metrics, guidelines and templates. Over time, all departments and some agencies will report on their social procurement activities, submitting data to the Department of Treasury and Finance, which will publish a whole of government annual report on Victoria's Social Procurement Framework. The first annual report is expected to be released in late November 2019.

WORKSTREAM 2: GOVERNANCE, EXTENDING THE REACH

We are working to bring more organisations under the VGPB umbrella, to ensure government agencies are following best practice procurement processes, managing risk and achieving value for money when buying non-construction goods and services.

This year's work is well underway with plans to extend the VGPB's policy reach to up to 150 extra agencies. A scalable framework is being developed to help agencies efficiently transition and enable the VGPB to monitor ongoing policy compliance.

Hospitals and health agencies are out-of-scope, as they follow Health Purchasing Victoria's procurement policies, which are already aligned with VGPB policies.

WORKSTREAM 3: POLICY AND PRACTICE

Aligning and harmonising goods and services and construction procurement

Buyers currently apply two different sets of policies, principles and procedures based on whether they are procuring goods and services, or construction works and services. This workstream is about exploring opportunities to harmonise Victorian Government procurement.

Working with the Public Construction Policy Team in the Department of Treasury and Finance, we analysed the procurement landscape in Victoria and compared this to other jurisdictions, both nationally and internationally. To support this research, targeted stakeholder consultations were conducted to inform the future direction of this work.

Alternate procurement paths

Improving procurement methods is a key focus of what we want to achieve. One objective of this workstream is to identify new and improved ways to enhance procurement processes and market approach methods. We are exploring alternative market approach methods such as pre-commercial procurement, simple auctions, economic design and pre-tender market engagement. Table 2 describes work occurring in this space.

TABLE 2: ALTERNATE PROCUREMENT PATHS

Procurement path	Description	Actions and next steps
Pre-commercial procurement	Government works with businesses to stay on the front foot, by researching or developing new, innovative solutions together, before they are commercially available to the market.	<p>Research has begun to broaden the scope of the VGPB's <i>Guide to innovation in the procurement process</i> to include pre-commercial procurement.</p> <p>This will be largely informed by work being done by CivVic Labs Accelerator. CivVic is a new accelerator program that brings Government and start-ups together to solve public sector challenges. While still in its infancy, it is hoped that CivVic will enable government buyers to procure and implement solutions to address challenges.</p>
Simple auctions and economic design	<p>An auction is a process used to buy or sell goods or services by offering them up for bids.</p> <p>Economic design is a situation-specific auction that is individually designed based on market characteristics, type of good or service and objectives of the procurement.</p>	<p>Detailed research was carried out on both simple, off-the-shelf auctions and complex economic design auction programs. This included collaborating with New South Wales and Queensland governments to investigate best practice auction processes.</p> <p>Based on this research we began drafting buyer guidance on auctions and have heightened the awareness of procurers and looked for more opportunities to conduct auctions. Several of these opportunities are being investigated in more detail.</p>
Pre-tender market engagement	Gives buyers a more sophisticated understanding of market dynamics and products, and gives suppliers the ability to showcase contemporary and competitive solutions.	The VGPB <i>Guide to category management</i> will be reviewed and amended to give buyers more certainty on how to engage with potential suppliers, while also complying with government requirements for transparency, probity and process.

Uniforms and personal protective equipment

In 2018–19, we oversaw the publication of the *Guide to procuring uniforms and personal protective equipment (PPE)*. The guide requires all organisations subject to the Standing Directions to procure locally manufactured uniforms and PPE, wherever possible.

To further support local job creation for the manufacture of uniforms and PPE, an ethical supplier register was established, listing accredited suppliers or suppliers in the process of achieving accreditation. Registered suppliers provide locally manufactured corporate clothing, uniforms, workwear and PPE and comply with relevant labour laws relating to wages, awards and working conditions.

For more information on uniforms and PPE or the ethical supplier register, visit the Buying for Victoria website at buyingfor.vic.gov.au/uniforms-and-personal-protective-equipment-ppe

The Department of Treasury and Finance is supporting this work through the appointment of a uniforms monitor. The monitor works with buyers to build capability and understanding of the local market. The department has also established a strategic partnership with the Australian Fashion Council to build economic value and employment in the textiles and clothing industries. The Australian Fashion Council is the national peak industry body in this sector. Together, it is intended that direct mentoring and technical training will be provided to build capability, improve knowledge and develop the industry.

CASE STUDY: LOCALLY MADE GOODS PUT MONEY BACK INTO THE VICTORIAN ECONOMY

In 2018–19, VicRoads awarded a contract to Bluegum Clothing for 100 per cent locally manufactured corporate uniform and PPE. The three-year contract provides a range of garments that are fresh, vibrant and complement and support VicRoads' primary and secondary colours.

Contracts for locally made goods can create local jobs and increase local sales figures, both directly with the company and with their key partners.

Bluegum currently employs 28 staff and expects to create 2.5 more staff positions to handle warehousing, distribution, pick and packing, administration and design demands. Their key partners, such as fabric manufacturers, packing companies and local freight and couriers, are also expected to increase their employee levels to meet this extra demand.

VicRoads can be assured that Bluegum complies with Australian environmental regulations and follows ethical labour practices as the company is accredited with Ethical Clothing Australia and registered on the ethical supplier register.

WORKSTREAM 4: PROCUREMENT TECHNOLOGY

Under this workstream, plans for a Victorian procurement data centre are being developed to collect, consolidate and analyse procurement data. This will give Government a reliable view of spend and the ability to make informed procurement decisions. The Department of Treasury and Finance will run several pilots in partnership with other departments to test classifying raw data against an agreed taxonomy.

In October 2018, the Department of Premier and Cabinet delivered stage one of the Buying for Victoria website. The website is the first step in a broader harmonisation project to bring together information for government suppliers and buyers on procuring goods and services, and construction works and services. The departments of Treasury and Finance and Premier and Cabinet are working together to complete the second stage of the website, which is expected to be finalised in early 2020. Visit buyingfor.vic.gov.au

A new Buying for Victoria Supplier Portal (formerly Tenders VIC) was released in late 2018. The portal provides a registration point for suppliers that buyers can access. This is an interim solution while a broader government integrated procurement platform is sourced. Visit tenders.vic.gov.au

WORKSTREAM 5: CAPABILITY AND STREAMLINING PROCESSES, PRACTICES AND LEADING CHANGE MANAGEMENT

With support from CPOs, a five-year procurement capability development strategy was produced, with a focus on growing a professional procurement workforce.

A key deliverable of this strategy is developing a procurement capability framework. A working group with representation from across Victorian Government departments is developing this framework, which is expected to be released in late 2019.

An online module to support professional procurement development in the public service was developed in collaboration with the Department of Premier and Cabinet, the Public Sector Innovation Fund and RMIT. The module is currently being tested and once launched, will give buyers who are new to government procurement enough knowledge to start their first procurement activity.

Supporting government procurement capability

Buyers and procurement staff are invited to share knowledge and practical advice at our procurement community of practice forums. The forums are now run jointly with the Public Construction Policy Team to cover procurement of goods and services, and construction works and services. We were happy to see attendance and participation increase steadily throughout the year.

Topics covered at this year's forums included:

- Local Jobs First;
- Victoria's Social Procurement Framework supply partners; and
- international trade agreements.

A buyer group was also launched on the Innovation Network (the Victorian Government's new internal social media platform) to give buyers an online space to share procurement information and discuss procurement challenges.

CASE STUDY: SAVING MONEY THROUGH GOOD PROCUREMENT

The Department of Education and Training's procurement team made substantial savings when it took on the procurement process to outsource a two-year assessment service – savings that will be redirected to other related initiatives to help make Victoria the Education State.

One of the department's business units approached the procurement team to lead this significant end-to-end procurement activity. The team opted for an open market approach to encourage responses from a range of different supply markets, and to refine the future operating model of the assessment program.

Shortlisted suppliers were invited to present to the evaluation team to clarify aspects of their proposed service delivery; allowing the team to clarify the technical aspects of each offer and amend their evaluation score accordingly.

When the team had chosen a preferred supplier, pricing was disclosed to the procurement team, which then began negotiating using a best and final offer approach. The supplier submitted their revised offer with assurance that the original project scope and specifications would remain the same.

OTHER VGPB ACTIVITIES IN 2018–19

Alongside its procurement reform program, the VGPB continues to perform other activities in accordance with its legislative function, as described below.

Addressing modern slavery in the Supplier Code of Conduct

We reviewed the Supplier Code of Conduct (the Code) and strengthened the Code's labour and human rights section to incorporate modern slavery, recognising the requirement for suppliers to comply with the *Modern Slavery Bill 2018* passed by the Australian Parliament in late 2018.

The Code explains to suppliers that the Victorian Government is committed to ethical, sustainable and socially responsible procurement and we expect the same high standards of suppliers. It applies to whichever jurisdiction, country or territory where goods are procured, or services performed.

To help buyers implement this change, a new *Guide to handling issues of possible non-compliance with the Supplier Code of Conduct – process guide for government buyers* was released with the updated Code. For more information, visit the Buying for Victoria website at buyingfor.vic.gov.au/supplier-code-conduct

Moving to an engagement model

To strengthen compliance, the VGPB moved from an organisational oversight model based on risk and complexity to an engagement model in 2018–19. The new model involves organisations engaging with the VGPB on a broader range of procurement activities, providing the opportunity for the VGPB to monitor compliance more widely, engage and interact with procurement personnel across government and give strategic advice.

Under the new model, CPOs are encouraged to meet with the VGPB at least once a year to discuss their procurement strategy, individual strategic procurements or any other procurement related matters. An organisation can also invite a VGPB representative to visit their organisation and address their procurement governance unit directly, if it has made significant reforms or changes to its procurement strategy.

State purchase contracts (SPCs) remain under VGPB oversight as stipulated in the VGPB's market analysis and review policy.

To help organisations implement the engagement model and understand the SPC oversight requirements, a *Guide to governance of state purchase contracts and the VGPB's engagement model* was developed and released. This guide is available on the Buying for Victoria website at buyingfor.vic.gov.au/market-analysis-and-review-policy

Updating the probity guide

A new probity guide was released in June 2019 to address findings from a Victorian Auditor-General's Office (VAGO) audit to increase transparency of probity reports on major transactions. The roles of probity adviser and probity auditor have been clarified, so buyers can more easily differentiate between the two. The new probity guide replaces two probity guides that previously existed making buyer guidance simpler.

The *Guide to probity in procurement* is available at buyingfor.vic.gov.au/plan-probity

The VAGO audit into safety and cost effectiveness of private prisons is available at audit.vic.gov.au/report/safety-and-cost-effectiveness-private-prisons

International trade agreements

To uphold the Victorian Government's obligations under international trade agreements, the Public Construction Policy Team collaborated with the VGPB on new buyer guidance. Numerous VGPB policies and guides have been updated with this new content. These changes were well publicised, including at the community of practice forum.

For more information on international trade agreements, visit buyingfor.vic.gov.au/source-supplier

Working with Local Jobs First

In August 2018, the Victorian Government amended the *Local Jobs First Act 2003* to include the Victorian Industry Participation Policy. Working with Local Jobs First, all applicable VGPB guides and templates have been updated to help buyers identify and implement the changes. Victoria's Social Procurement Framework requirements were also added during the update process.

Overall, 13 guides, three templates, one tool and three supply policies were updated all of which are available on buyingfor.vic.gov.au

Accrediting departments

The Department of Jobs, Precincts and Regions and the Department of Transport began operating on 1 January 2019 after significant machinery of government changes. They replace the former Department of Economic Development, Jobs, Transport and Resources.

Both departments started working with the VGPB to undertake accreditation to ensure implementation and compliance with supply policies. We expect accreditation to be achieved in 2020.

Other engagements

As well as attending six board meetings per year, VGPB members engaged directly with stakeholders by:

- attending relevant procurement governance unit meetings of accredited organisations to present and discuss VGPB strategic priorities;
- chairing some of the workstream subcommittees and participating as members in others;
- giving expert advice on developing and implementing SPC renewals;
- opening and participating in procurement community of practice sessions; and
- presenting the VGPB strategic plan at an accredited organisation's procurement planning day.

Assessing VGPB performance

Each year, VGPB members self-assess their individual performance and that of the VGPB as a whole over the past 12 months and identify opportunities for improvement.

Members assessed the VGPB as operating effectively in 2018–19, with an appropriate mix of skills and experience and with an appropriate level of support from the Procurement Policy and Reform Group in the Department of Treasury and Finance.

The VGPB acknowledges the challenge of managing and responding to an increasing range of matters tabled at board meetings. This was partly due to the VGPB's dual role in monitoring government departments and agencies' compliance with supply policies and acting as program steering committee for the procurement reform program. To address these demands, the VGPB made use of out-of-session processes and held extra meetings, using a smaller cohort of members with the relevant expertise to review each matter.

The addition of three new members from 1 July 2019 will bring fresh perspectives and additional vigour for the year ahead.

MONITORING COMPLIANCE

Under the *Financial Management Act 1994*, mandated organisations must comply with VGPB supply policies when procuring goods and services. The VGPB monitors compliance through six mechanisms as shown in Figure 4 and explained in Table 3.

FIGURE 4: COMPLIANCE MECHANISM



TABLE 3: MONITORING COMPLIANCE WITH VGPB POLICIES

Compliance mechanism	Details
Annual supply report (ASR)	Organisations submit an ASR to the VGPB at the end of each financial year summarising their procurement activity, performance measure results and compliance with the VGPB supply policy framework.
Performance measures	Organisations monitor performance against six performance measures and report results in their ASR.
Audit program	Organisations audit compliance with VGPB policies and submit an audit report to the VGPB every three years.
Engagement	The VGPB's engagement model has replaced the former oversight process. CPOs are encouraged to meet with the VGPB every year to discuss their procurement strategy, individual strategic procurements or any other procurement matters.
Complaints management	Organisations maintain a complaints management system for supplier complaints related to the process and probity applied during a procurement activity. Organisations list complaints in their ASR.
Review of procurement activity plans	Organisations submit procurement activity plans every year for review by the VGPB.

COMPLIANCE REPORTED IN ANNUAL SUPPLY REPORTS

Organisations complete an annual supply report (ASR) at the end of each financial year (as described in Table 3).

In the ASR, organisations report on whether they have all required components of the VGPB supply policy framework in place. Unlike the VGPB audit process, it does not assess how well organisations comply with these components, but gives the VGPB an overview of compliance.

In 2018–19, organisations showed a high level of compliance with the VGPB supply policy framework, as shown in Table 4.

TABLE 4: COMPLIANCE WITH VGPB POLICIES IN 2018–19

Organisation	Governance	Complexity and capability assessment	Market analysis and review	Market approach	Contract management and contract disclosure	Other mandatory requirements	Overall compliance
Education and Training	✓	✓	✓	✓	✓	✓	100%
Environment, Land, Water and Planning	✓	✓	✓	✓	x	✓	96%
Health and Human Services	✓	✓	✓	✓	✓	✓	100%
Jobs, Precincts and Regions*	n/a	✓	✓	✓	✓	✓	100%
Justice and Community Safety	✓	✓	✓	✓	✓	✓	100%
Premier and Cabinet	✓	✓	✓	✓	x	✓	96%
Transport*	n/a	✓	✓	✓	x	✓	96%
Treasury and Finance	✓	✓	✓	✓	✓	✓	100%
Cenitex	✓	✓	✓	✓	✓	✓	100%
Public Transport Victoria	✓	✓	✓	✓	✓	✓	100%
VicRoads	✓	✓	✓	✓	✓	✓	100%
Victoria Police	✓	✓	✓	✓	✓	✓	100%

*The Department of Jobs, Precincts and Regions and the Department of Transport began operating on 1 January 2019 after significant machinery of government changes. Both are developing new procurement strategies and procurement activity plans and will be assessed against these components of the governance framework from 2019–20.

Compliance by policy area

Policy 1: Governance

All organisations complied with the requirements of this policy in 2018–19.

Following a reorganisation of their procurement team, the Department of Premier and Cabinet set up a new internal procurement unit in 2018–19.

TABLE 5: COMPLIANCE WITH GOVERNANCE REQUIREMENTS IN 2018–19

Policy requirement	Organisations complying
Did the organisation have a CPO throughout the year?	12 out of 12
Does the CPO have appropriate procurement qualifications and/or experience?	12 out of 12
Does the organisation have an Internal Procurement Unit?	12 out of 12
Is the Procurement Strategy in place? This includes a: <ul style="list-style-type: none"> • procurement activity plan covering the next 12–24 months of planned procurements • contract management planning strategy • supplier engagement plan • capability development plan 	10 out of 10*
Did the organisation review its procurement activity plan in 2018–19?	10 out of 10*
Is a high-level version of your procurement activity plan published on your website?	12 out of 12
Is your complaints management system in place?	12 out of 12

* The Department of Jobs, Precincts and Regions and the Department of Transport are not included here as they are developing their procurement strategy and activity plan following machinery of government changes.

Policy 2: Complexity and capability assessment

All organisations complied with the requirements of this policy.

TABLE 6: COMPLIANCE WITH COMPLEXITY AND CAPABILITY ASSESSMENT REQUIREMENTS IN 2018–19

Policy requirement	Organisations complying
Does the organisation have a complexity assessment methodology?	12 out of 12
Is the complexity assessment methodology being applied to all procurement activity?	12 out of 12
Does the organisation have a procurement capability assessment methodology?	12 out of 12
Does the organisation have an appropriate level of procurement expertise, resources, systems and processes that enable procurement activities to be completed successfully?	12 out of 12

Policy 3: Market analysis and review

All organisations complied with the requirements of this policy.

The Department of Justice and Community Safety reported that its process to identify aggregated purchasing opportunities is a work in progress. The department continues to work on identifying categories and improving datasets to enable the Office of the CPO to identify further categories for aggregation.

TABLE 7: COMPLIANCE WITH MARKET ANALYSIS AND REVIEW REQUIREMENTS IN 2018–19

Policy requirement	Organisations complying
Does the organisation have a market analysis methodology?	12 out of 12
Does the organisation have a process to identify aggregated purchasing opportunities (state purchase contracts and/or sole entity purchase contracts)	12 out of 12
Does the organisation have an asset disposal process?	12 out of 12

Policy 4: Market approach

All organisations complied with the requirements of this policy.

TABLE 8: COMPLIANCE WITH MARKET APPROACH REQUIREMENTS IN 2018–19

Policy requirement	Organisations complying
Does the organisation have a market approach strategy?	12 out of 12
Does the organisation have critical incidents protocols and processes	12 out of 12
Were all critical incidents managed in accordance with the market approach policy?	3 out of 3
Does the organisation have an evaluation plan, supplier negotiation and selection process?	12 out of 12
Were all market submissions managed in compliance with the market approach policy?	12 out of 12

Note: Only three departments purchased goods and services under the critical incident policy in 2018–19.

Policy 5: Contract management and contract disclosure

Nine out of 12 organisations were fully compliant with the requirements of this policy.

Two departments failed to disclose contracts valued over \$100 000 on the Buying for Victoria Supplier Portal within 60 days:

- The Department of Environment, Land, Water and Planning did publish all contracts but not all within 60 days, due to poor contract management and changes in contract management staff. The procurement team monitored and followed up with the relevant business team to arrange publishing. The department is planning to roll out a new sourcing and contract management tool (Zycus) in 2019–20.
- The Department of Premier and Cabinet also delayed disclosing contracts in 2018–19 due to staff turnover. This has been resolved with the onboarding of new staff and all relevant contracts have since been disclosed.

The Department of Transport reported that while its procurement policy requires all contracts to be managed in compliance with contract management policy, its procurement system lacks the visibility to show whether this happened across the organisation.

This will be addressed through the planned delivery of procurement training, which includes the department's contract management requirements, to the new department. Contract management technology systems that improve visibility of contract management activities will also be investigated.

TABLE 9: COMPLIANCE WITH CONTRACT MANAGEMENT AND DISCLOSURE REQUIREMENTS IN 2018–19

Policy requirement	Organisations complying
Does the organisation have a contract management framework?	12 out of 12
Were all contracts managed in compliance with the contract management policy?	11 out of 12
Does the organisation have a contract disclosure process?	12 out of 12
Did the organisation disclose all contracts valued over \$100 000 (incl. GST) within 60 days on the Buying for Victoria Supplier Portal website?	10 out of 12

Other mandatory requirements – Supplier Code of Conduct

All organisations complied with this requirement.

TABLE 10: COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS IN 2018–19

Policy requirement	Organisations complying
Did all suppliers responding to market approaches sign a Supplier Code of Conduct commitment letter?	12 out of 12

AUDITS

Our three-year rolling audit program:

- verifies compliance with VGPB supply policies;
- minimises risks; and
- improves processes to drive better procurement outcomes.

The audit measures how well organisations are delivering benefits, efficiencies and better service delivery as a result of improved supplier engagement, increased market engagement and greater rigour in driving value from contracts.

Table 11 lists the audit program schedule and results to date.

TABLE 11: AUDIT PROGRAM SCHEDULE AND RESULTS AT 30 JUNE 2019

Audit year	Organisation	No. of findings	Risk rating of findings	No. of recommendations	Recommendations implemented
2016-17	Health and Human Services	3	Two low, one medium	3	Complete
	Environment, Land, Water and Planning	6	One low, four high, one significant	7	Six complete, one in progress
	Economic Development, Jobs, Transport and Resources	2	One low, one moderate	2	Complete
2017-18	Justice and Community Safety	1	Low	3	Complete
	VicRoads	2	One low, one medium	6	Complete*
2018-19	Treasury and Finance	5	Low	4	In progress
	Victoria Police	5	Medium	10	In progress

*Audit report submitted in 2019 following resolution of the findings and is under VGPB review.

Audit findings in 2018–19

Department of Treasury and Finance

The result was positive overall with opportunities for improvement identified in relation to:

- better developed contract management guidance and planning;
- enhanced monitoring of contract management risks;
- opportunities for a more structured contract management training program; and
- closer monitoring of insurance certificate expiry.

The Department has started refining its contract management guidance and planning advice to clarify roles and responsibilities relating to:

- documentation and monitoring of contract risks;
- better education and training for contract managers; and
- monitoring insurance certificate expiry dates.

This work is expected to be completed during 2019–20.

Victoria Police

The result was positive overall with opportunities for improvement identified in relation to:

- better risk identification and mitigation strategies in market approach plans;
- showing evidence of due diligence for all procurement activities;
- strengthening record keeping to show value-for-money outcomes for procurements valued under \$100 000;
- reconciling contract values to amounts agreed as part of the procurement process; and
- training contract managers to ensure contracts are better managed.

Victoria Police has started addressing these by:

- updating its market approach plans with information on identifying risks and mitigation strategies;
- releasing a custom-built due diligence tool to help procurement practitioners identify commercial risk in procurement activities;
- agreeing to implement an Oracle cloud-based procurement and contract management solution so all low-value procurements will be systematically captured and managed, with end-to-end functionality and assurance; and
- considering broadening the use of contract management plans and requiring compliance attestations from business units managing significant higher risk or higher complexity contracts.

PERFORMANCE MEASURES

Organisations track their procurement performance each year using the six performance measures and methodology listed in Table 12. Results from 2018–19 are listed in Table 13.

More information on organisational performance, including a comparison with the previous two years, can be found under each organisation's profile in the *Procurement profiles* section.

In 2018–19, performance measures were reviewed and revised in consultation with CPOs. These revised measures will be used from 2019–20.

TABLE 12: PERFORMANCE MEASURE METHODOLOGY

Performance measure	Organisations complying
1 Value created as a consequence of department procurement activity	Value of direct cost savings and potential costs avoided for department procurements of \$100 000 and greater, conducted during the financial year as a percentage of the total value of department total contracted spend during the financial year.
2 Proportion of the number of transactions at or below \$2 000 through a P-Card or equivalent	Percentage of P-card or equivalent contracted automated electronic transactions at or below \$2 000 against percentage of total department transactions at or below \$2 000.
3 Increase in procurement capability	Annual assessment of the improvement in departmental procurement capability year-on-year, measured by the department score on the VGPB capability assessment tool and template.
4 Cost of department's procurement resources as a percentage of total contract spend	For all staff who spend minimum 80 per cent of their time on procurement, total wage and salary expense (total remuneration package, exclusive of on-costs) as a percentage of total department contracted spend for the financial year.
5 Supplier satisfaction assessment	Satisfaction with quality of service provided by the department procurement function as provided by an annual survey of supplier perception of experience over time.
6 Planned procurement activity as a percentage of actual procurement activity	Number of planned procurements captured in a department's internal forward procurement activity plan against the number of procurement activities awarded to the market.

TABLE 13: SUMMARY OF PERFORMANCE MEASURE RESULTS IN 2018–19

	Departments							Agencies			
	Education and Training	Environment, Land, Water and Planning	Health and Human Services	Justice and Community Safety	Premier and Cabinet	Transport	Treasury and Finance	Cenitex	Public Transport Victoria	VicRoads	Victoria Police
1 Value created through procurement (%)	4.2	10.2	2.0	17.3	0.3	4.8	37.2	7.5	4.3	2.7	5.0
2 Transactions below \$2 000 on P-Card (%)	11.2	23.6	16.8	13.0	0	55.7	16.0	45.1	10.6	74.3	3.2
3 Increase in procurement capability (%)	1.5	11.6	-4.0	-24.6	10.0	5.8	6.0	2.7	7.4	5.8	3.6
4 Cost of procurement resources (%)	0.8	2.3	0.9	7.5	0.2	0.2	0.9	1.4	0.6	0.9	0.6
5 Successful suppliers satisfied (%)	80	90	74	100	84	96	90	100	86	86	86
Unsuccessful suppliers satisfied (%)	25	36	73	0	66	24	46	50	46	83	20
6 Planned procurement activity (%)	51.9	17.8	11.6	24.0	30.1	66.7	56.5	22.2	5.0	45.4	65.8

Notes:

For Performance Measure 5: Supplier satisfaction assessment, the survey response rate was low across all departments (7 to 10 per cent response rate), so results are based on a small sample size.

The Department of Jobs, Precincts and Regions was formed on 1 January 2019 and will report performance measures from 2019–20 onwards.

The Department of Transport transitioned out of the former Department of Economic Development, Jobs, Transport and Resources (DEDJTR) on 1 January 2019. Procurement data includes DEDJTR's procurement activity from 1 July to 31 December 2018.

The Department of Premier and Cabinet does not use P-Cards.

COMPLAINTS

A complaint is defined as an issue or concern expressed by a supplier in relation to the process and probity applied by an organisation when carrying out a procurement activity.

Every organisation is required to have a complaints management system, setting out the process for addressing complaints from suppliers. Chief procurement officers are responsible for the complaints management process.

In 2018–19, organisations reported 10 complaints related to procurement activity, as shown in Table 14.

This compares to nine complaints in 2017–18, five in 2016–17, three in 2015–16 and six in 2014–15.

TABLE 14: COMPLAINTS RELATED TO PROCUREMENT ACTIVITY IN 2018–19

Organisation	Number	Nature of complaint	Action taken	Status
Health and Human Services	1	Department did not follow proper procurement process.	Complaint investigated in line with complaints procedure. Responded to complainant in April 2019 stating appropriate and correct processes were followed.	Department investigated and responded. Complaint referred to VGPB by complainant.
Jobs, Precincts and Regions	1	Supplier complained about a low-value engagement and an overdue invoice.	Met with supplier, conducted internal review and resolved matter satisfactorily.	Matter resolved.
Public Transport Victoria	2	Unfair process.	Full independent process review. Evaluation process found to be fair and reasonable, decision to award to alternative supplier upheld.	Matter resolved.
		Late submission.	Full independent process review. Confirmed that submission was late, exclusion from the process upheld.	Matter resolved.
Victoria Police	6	Adhering to indicative timelines in tender documents and price of contract awarded.	Supplier attended debriefing session in late 2018. Supplier advised to lodge complaint as described in the RFT if still needing resolution. No response received.	Matter resolved.
		Tenderer (the incumbent) thought Victoria Police had engaged another supplier and given limited updates and wanted to pause the tender process.	Complaint investigated in line with complaints procedure.	Victoria Police investigated and responded. Complaint referred to VGPB by complainant. Refer below table for the outcome.

Organisation	Number	Nature of complaint	Action taken	Status
Victoria Police (cont.)		Tenderer complained of not hearing back post-submission and rumours that tender will be awarded to a non-compliant tenderer, representing poor value for money for the State.	Obtained probity advice and sent letter advising that tender evaluation still in progress and all offers being evaluated in accordance with the evaluation criteria in the RFT, with no date set for completion of the process at that stage.	Matter resolved.
		Tenderer complained that incumbents should be shortlisted and receive preferential treatment.	Letter sent to advise that all tenders are evaluated against the same criteria. Probity advice also confirmed integrity in the process.	Matter resolved.
		Tenderer with sole supplier status thought other suppliers were responding to tender with same product and concerned that tender structure favoured suppliers providing all categories, over suppliers only supplying some parts.	Obtained probity advice and emailed the tenderer to say that offers are still under evaluation in accordance with the RFT and in order to maintain probity, the current processes needed to continue un-amended.	Matter resolved.
		Wording of response to clarification question implied a preconceived outcome.	Wording of response under examination. No implication made in the wording, only what the tenderer has inferred. Tenderer responded to RFT and evaluations underway.	Still under investigation.
Total	10			

Complaints referred to the VGPB

In the *VGPB Annual Report 2017–18*, two complaints to Victoria Police and the Department of Treasury and Finance were reported that were later escalated to the VGPB by the complainants. In both cases, the VGPB found no breach of compliance, but did identify and recommend areas of improvement.

During 2018–19, the VGPB received a complaint related to the Department of Education and Training, but the complaint was found to be outside the jurisdiction of the VGPB and was not investigated.

A complainant to the Department of Health and Human Services in 2018–19 escalated their complaint to the VGPB during this year. The complaint related to two procurement processes. One was found to be outside the jurisdiction of the VGPB and the second process was still being investigated at the end of 2018–19.

A complainant to Victoria Police in 2018–19 also escalated their complaint to the VGPB. The VGPB investigated the matter and found no material breaches.

PROCURING GOODS AND SERVICES

CAPTURING DATA ON PROCUREMENT OF GOODS AND SERVICES

In 2018–19, the VGPB collected procurement data from 12 organisations – the eight Victorian Government departments, Cenitex, Public Transport Victoria, VicRoads and Victoria Police.

The Department of Jobs, Precincts and Regions was formed on 1 January 2019 and reported six months of data.

The Department of Transport transitioned out of the former Department of Economic Development, Jobs, Transport and Resources (DEDJTR) on 1 January 2019. Transport's procurement data includes DEDJTR's procurement activity from 1 July to 31 December 2018.

Contract approvals

Organisations report all contracts valued at \$100 000 or more (including GST) approved during the financial year. Contract approvals are for non-construction goods and services only.

Aggregated purchasing is grouping together demand for commonly purchased goods and services to make the most of greater economies of scale when procuring from the marketplace.

When reporting on contract value, organisations report the total estimated value of the contract – which can extend over several years – including any options to extend the contract (regardless of whether options are exercised).

The values in this report do not therefore reflect actual yearly spend, but potential spend over multiple years.

One-off supply contract approval data does not include purchases from SPCs.

All figures in the tables and text in the annual report have been rounded. Discrepancies in tables between totals and sums of components reflect this rounding.

Contract types

Organisations report on three types of contracts (Table 15).

TABLE 15: TYPES OF CONTRACT APPROVALS

One-off supply contract	A single purchase of a specific quantity of goods or services, which has been subject to a discrete quotation or tender process.
Sole entity purchase contract (SEPC)	An aggregated arrangement established for one organisation or a business unit/group of business units within an organisation. SEPCs are mandatory for the organisation establishing the arrangement.
State purchase contract (SPC)	An aggregated arrangement for the purchase of goods and services for use by mandated Victorian Government departments and agencies. Other agencies can access the SPC if they agree to the rules of use.

CONTRACTS APPROVED IN 2018–19

In 2018–19, the 12 organisations reported 1 280 procurement contract approvals valued at \$2 577 million, as shown in Table 16.

TABLE 16: TOTAL NUMBER AND VALUE OF CONTRACT APPROVALS IN 2018–19 BY GOODS AND SERVICES

	One-off supplies		SEPCs		SPCs		Totals	
	Number	Value (\$M)	Number	Value (\$M)	Number	Value (\$M)	Number	Value (\$M)
Goods	173	\$189.1	8	\$55.0	3	\$355.0	184	\$599.1
Services	1 066	\$1 060.6	24	\$386.9	6	\$530.8	1 096	\$1 978.3
Total	1 239	\$1 249.7	32	\$441.9	9	\$885.8	1 280	\$2 577.4

Most contract approvals were for one-off supplies (96.8 per cent), followed by SEPCs (2.5 per cent) and SPCs (0.7 per cent). In terms of value, one-off supplies were equivalent to 48.5 per cent of the total value of approved contracts, followed by SPCs at 34.4 per cent and SEPCs at 17.1 per cent.

The difference in proportions between numbers and values is because SPCs and SEPCs generally have higher estimated contract values and span multiple years.

For example, the Department of Premier and Cabinet renewed the End User Computing Equipment Panel SPC in 2018–19. This contract offers five suppliers for buying devices, desktop computers, mobility devices, two-in-one devices and notebook computers.

The contract has an estimated value of \$240 million, but spans three years plus two potential one-year options to extend. The total estimated contract value also reflects potential spend under the panel – the actual yearly spend may look quite different.

The Department of Justice and Community Safety also renewed the Legal Services Panel SPC in 2018–19, with an estimated contract value of \$500 million over three years.

These two high-value contracts make up 84 per cent of the total value of SPCs approved in 2018–19.

For a breakdown of SPCs approved in 2018–19, see *Table 25: SPCs approved in 2018–19*.

Trends in contract approvals

Table 17 shows the number and value of contracts approved over the past three years.

The variance between years can be partly attributed to:

- the differing value of contracts approved each year; and
- bringing more organisations under the scope of the VGPB.

The number and value of SEPC and SPC approvals varies from year to year based on the specific procurement projects that need to be carried out in any given year, and/or the expiry and need for renewal of SEPCs and SPCs.

Public Transport Victoria began reporting from 1 January 2017 and Cenitex from 1 July 2017, following successful accreditation to VGPB supply policies.

TABLE 17: TRENDS IN ONE-OFF SUPPLY, SEPC AND SPC CONTRACT APPROVALS FROM 2016–17 TO 2018–19

	2016–17		2017–18		2018–19	
	Number	Value (\$M)	Number	Value (\$M)	Number	Value (\$M)
One-off supplies	952	\$1 137.7	1 152	\$1 515.8	1 239	\$1 249.7
SEPCs	45	\$537.2	36	\$254.2	32	\$441.9
SPCs	8	\$408.8	9	\$1 241.2	9	\$885.8
Total	1 005	\$2 083.8	1 197	\$3 011.2	1 280	\$2 577.4

The number of SPCs has been consistent over the three years, but the value has increased. In 2018–19, this was due to the renewal of the two high-value SPCs mentioned above (the End User Computing Equipment Panel and the Legal Services Panel). For a breakdown of SPCs approved in 2018–19, see *Table 25: SPCs approved in 2018–19*.

In 2017–18, the Department of Treasury and Finance refreshed or re-established four high-value SPCs: Security Services (\$236 million over five years), Motor Vehicles (\$250 million ongoing), Professional Advisory Services (\$288 million over four years), and Master Agency Media Services (\$462 million over five years).

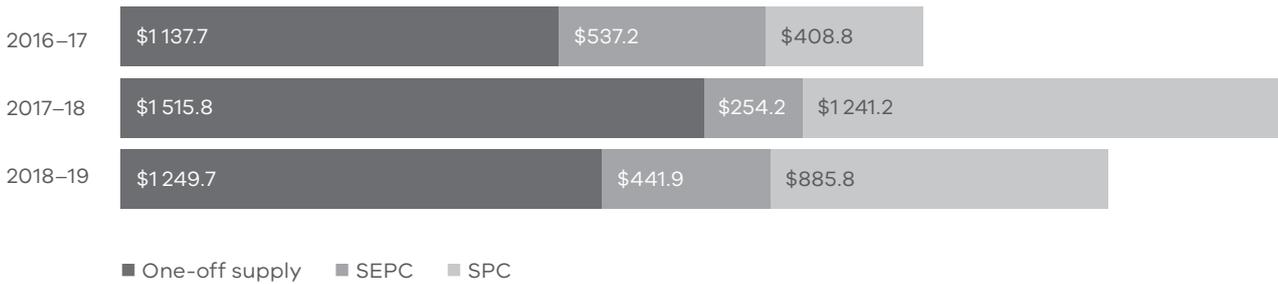
Trends at a glance

FIGURE 5: TRENDS IN NUMBER AND VALUE OF CONTRACT APPROVALS FROM 2016–17 TO 2018–19

Number of contract approvals



Value of contract approvals (\$M)



ONE-OFF SUPPLY CONTRACTS

In 2018–19, organisations reported 1 239 one-off supply contract approvals valued at \$1 250 million. Overall, 14 per cent of one-off supply approvals were for procurement of goods and 86 per cent for services.

This compares to 1 152 one-off supply contract approvals in 2017–18 valued at \$1 516 million.

Table 18 shows the number and value of one-off supply approvals by organisation and by goods and services.

TABLE 18: ONE-OFF SUPPLY CONTRACT APPROVALS BY ORGANISATION AND BY GOODS AND SERVICES IN 2018–19

Organisation	Goods		Services	
	Number	Value (\$M)	Number	Value (\$M)
Education and Training	4	\$4.8	212	\$248.0
Environment, Land, Water and Planning	4	\$0.5	121	\$69.5
Health and Human Services	6	\$40.8	130	\$160.1
Jobs, Precincts and Regions	16	\$5.4	60	\$12.9
Justice and Community Safety	17	\$24.7	164	\$308.6
Premier and Cabinet	4	\$4.6	94	\$50.5
Transport	26	\$23.4	184	\$155.7
Treasury and Finance	0	0	21	\$11.2
Cenitex	23	\$15.9	16	\$7.3
Public Transport Victoria	4	\$19.3	4	\$0.9
VicRoads	57	\$43.1	51	\$26.6
Victoria Police	12	\$6.6	9	\$9.4
Total	173	\$189.1	1 066	\$1 060.6

Note: Discrepancies between totals and sums of totals reflect rounding.

VARIATIONS

Most variations reported in 2018–19 related to one-off supply contracts, as shown in Table 19. Table 20 shows variations by organisation.

An organisation may vary a contract for numerous reasons:

- the project scope or timeframe may change during the contract lifespan, requiring a variation to the original contract;
- a lack of suitable suppliers may make it more economical to vary a contract than launch a full tender process; or
- a variation can cover a transition period while an organisation prepares for a full tender process.

TABLE 19: TOTAL NUMBER OF CONTRACT VARIATIONS BY VALUE RANGE IN 2018–19

Variations (value range)	One-off supply contracts	SEPCs	SPCs
\$0 – \$9 999	13	0	1
\$10 000 – \$99 999	89	1	0
\$100 000 – \$999 999	111	8	0
> \$1 million	27	10	1
Total	240	19	2

Note: The Department of Education and Training was unable to provide variations data

TABLE 20: NUMBER OF CONTRACT VARIATIONS BY ORGANISATION

Organisation	Number
Education and Training	..*
Environment, Land, Water and Planning	30
Health and Human Services	47
Jobs, Precincts and Regions	19
Justice and Community Safety	37
Premier and Cabinet	17
Transport	30
Treasury and Finance	5
Cenitex	3
Public Transport Victoria	3
VicRoads	30
Victoria Police	40
Total	261

* The Department of Education and Training was unable to provide variations data.

PROCUREMENT COMPLEXITY

Procurement complexity refers to the level of difficulty involved in procuring a good or service. An assessment of complexity considers factors such as risk, total cost of ownership and market dynamics.

When buying goods and services, organisations complete a complexity assessment and categorise procurements into one of four complexity quadrants (Table 21). The quadrant guides the sourcing strategy and how to manage risks and contractual arrangements.

TABLE 21: DESCRIPTION OF COMPLEXITY QUADRANTS

Quadrant	Description
Transactional	Low-value and low-risk transactions where approved suppliers (e.g. SPCs) are not available.
Leveraged	Frequently used goods and services in a competitive marketplace that are procured by an individual organisation or whole of government, where the organisation has the ability to drive value.
Focused	Goods and services where a limited number of suppliers are available or where novel commercial arrangements are in place. May include whole of government contracts.
Strategic	Goods and services in a competitive market that are high value, where business criticality is high, and/or where the good or service is of state significance. May include whole of government contracts.

Overview of complexity

VGPB policies require upfront planning, category management and detailed market analysis. Organisations identify the best approach to market for any given category, while also identifying opportunities to aggregate demand for frequently used goods and services procured from a competitive marketplace, giving them more buying power to drive value for money.

TABLE 22: TOTAL CONTRACT APPROVALS BY COMPLEXITY QUADRANT IN 2018-19

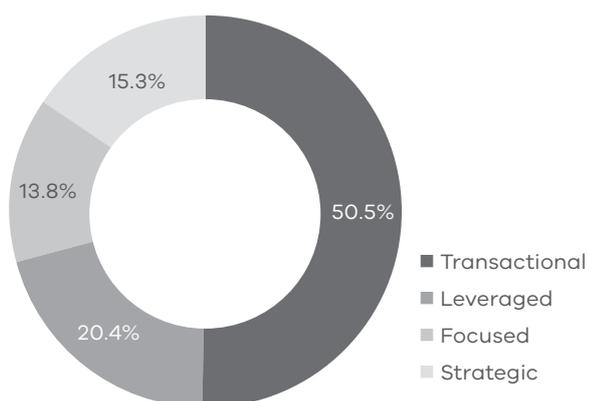
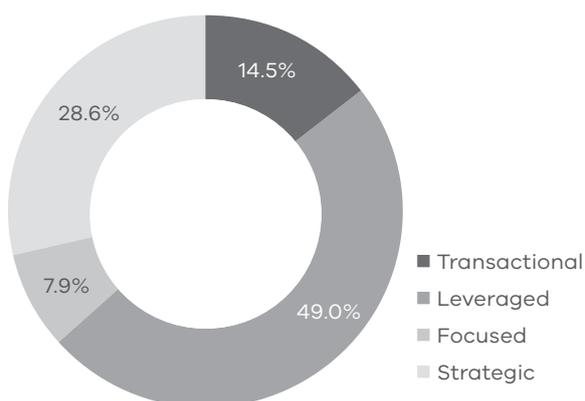
Complexity quadrant	Number	Value (\$M)	Average value per contract (\$M)
Transactional	646	\$372.9	\$0.6
Leveraged	261	\$1 262.9	\$4.8
Focused	177	\$203.3	\$1.1
Strategic	196	\$738.3	\$3.8
Totals	1 280	\$2 577.4	\$2.0

Notes: Discrepancies between totals and sums of totals reflect rounding. The total average value reflects total value divided by total number and not the sum of the average value components.

The leveraged quadrant includes two high-value SPCs in 2018-19: the Legal Services Panel valued at \$500 million and the End User Computing Equipment Panel valued at \$240 million.

Half of all procurement approvals were transactional. Leveraged was the next most common quadrant with 20 per cent of all contract approvals (see Figure 6).

In terms of value, the leveraged quadrant had the highest total value of the four complexity quadrants (49 per cent), followed by strategic at 29 per cent.

FIGURE 6: NUMBER OF CONTRACT APPROVALS BY COMPLEXITY QUADRANT IN 2018-19**FIGURE 7: VALUE OF CONTRACT APPROVALS BY COMPLEXITY QUADRANT IN 2018-19**

Number of procurement approvals by complexity quadrant

Organisations can have very different procurement complexity profiles, as shown in Figure 8.

FIGURE 8: COMPARING COMPLEXITY QUADRANTS (NUMBER) ACROSS ORGANISATIONS IN 2018-19



Trends in procurement complexity

Table 23 and Figure 9 compare value and number of complexity quadrants in 2018–19 with the three previous years.

The number and value in each complexity quadrant varies from year to year based on the specific procurement projects that need to be carried out in any given year.

TABLE 23: TRENDS IN PROCUREMENT COMPLEXITY

Complexity quadrant	2016–17		2017–18		2018–19	
	Number	Value (\$M)	Number	Value (\$M)	Number	Value (\$M)
Transactional	463	246.2	578	674.9	646	\$372.9
Leveraged	245	530.9	316	528.2	261	\$1 262.9
Focused	125	119.8	132	700.7	177	\$203.3
Strategic	172	1 186.8	171	1 107.5	196	\$738.3
Totals	1 005	2 083.8	1 197	3 011.2	1 280	\$2 577.4

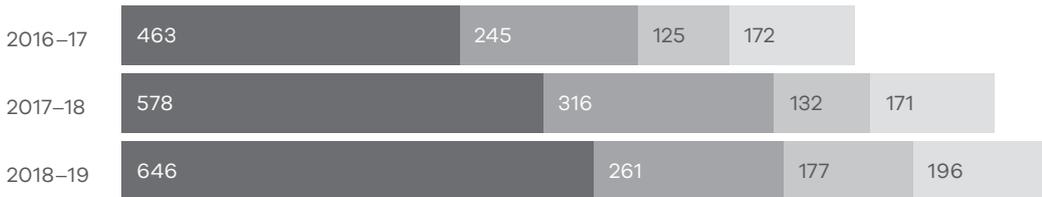
Note: Discrepancies between totals and sums of totals reflect rounding.

Leveraged was the only quadrant to decrease in number in 2018–19, but also the only quadrant to increase in value. The increase in value is due to two high-value SPCs assessed as leveraged: the Legal Services Panel valued at \$500 million and the End User Computing Equipment Panel valued at \$240 million.

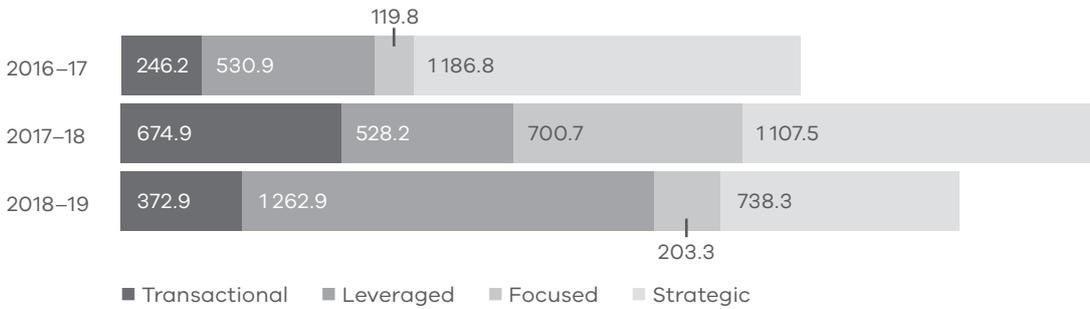
Complexity trends at a glance

FIGURE 9: TRENDS IN NUMBER AND VALUE OF PROCUREMENT COMPLEXITY FROM 2016–17 TO 2018–19

Contract approvals by complexity (number)



Contract approvals by complexity (value \$M)



CRITICAL INCIDENT PROCUREMENT

The VGPB's market approach policy has an alternative procurement process to follow during a critical incident and any subsequent relief effort. It allows for urgent procurement needs, while ensuring the procurement process adopted is reasonable and conducted with appropriate consideration of good practice procurement principles.

Three organisations reported 16 critical incident procurements valued at 4.6 million in 2018–19 as shown in Table 24. Two incidents were reported in 2017–18, valued at \$0.14 million.

TABLE 24: CRITICAL INCIDENT PROCUREMENT IN 2018–19

	Number	Value (\$M)
Goods	3	\$1.9
Services	13	\$2.7
Total	16	\$4.6

The Department of Environment, Land, Water and Planning reported 11 of these contracts in relation to bushfire relief efforts at four bushfire events.

Public Transport Victoria reported four administrative critical incidents related to delivery of transport services.

The Department of Justice and Community Safety reported one critical incident related to the immediate relocation of the team from the State Control Centre after a fire.

HARNESSING THE BUYING POWER OF GOVERNMENT

By combining demand for commonly used goods and services, government can harness greater economies of scale when negotiating with suppliers.

Aggregating purchasing power allows organisations to negotiate lower prices and better terms and conditions and reduces the administrative burden on buyers and suppliers.

The Victorian Government has 34 state purchase contracts (SPCs) for commonly purchased goods and services under 21 spend categories, as shown in Figure 10.

More than 200 organisations benefit from the time and cost savings offered by SPCs. Total annual spend under SPCs is estimated to be about \$1.7 billion (not including spend under the Legal Services Panel).

Who can access SPCs?

All government organisations and agencies can access SPCs provided they commit to the rules of use. For organisations bound by VGPB policies, SPCs are mandatory unless the lead department managing the SPC gives a written exemption.

Other organisations that can access SPCs include local and federal government organisations and not-for-profit organisations.

Who manages SPCs?

The Department of Treasury and Finance manages almost all non-ICT goods and services SPCs. The only exception is the Legal Services Panel, which is managed by the Department of Justice and Community Safety.

The Department of Premier and Cabinet is responsible for ICT SPCs, apart from Rosetta, which is managed by Cenitex.

SPCs can be sole or multiple (panel) supplier arrangements or register arrangements. Panels can be open or closed. Open panels can accept new suppliers at set or other times during the contract period. Closed panels are restricted to the suppliers engaged at the start of the contract.

Registers consist of prequalified suppliers, compliant where required with the eligibility criteria to provide goods and services to Victorian Government.

Looking for new opportunities

Throughout 2018–19, the VGPB continued to review organisations' forward-looking procurement activity plans. This helps the VGPB to continue to support the departments of Treasury and Finance and Premier and Cabinet in identifying additional opportunities for aggregation to drive greater value-for-money outcomes.

About the data in this section

The contract values in the tables are estimates. Expenditure occurs as organisations order and consume goods and services under the SPC/SEPC. This takes place over the contract term. Total estimated value includes the initial contract term, and any options to extend the contract.

FIGURE 10: THE 21 SPC SPEND CATEGORIES

Banking
and
Financial
Services



Document
Mail
Exchange



Electricity
(small sites /
large sites)



Fleet
Disposals



Fuel and
Associated
Products



ICT – eServices and
IT Infrastructure
Registers



ICT –
Hardware



ICT – Software



ICT –
Telecommunications



Legal
Services
Panel



Marketing
Services
Register



Master
Agency
Media
Services



Motor
Vehicles



Multifunction
Devices and
Printers



Natural Gas
(small sites /
large sites)



Print
Management



Professional
Advisory
Services



Security
Services



Staffing
Services



Stationery
and
Workplace
Consumables



Travel
Management
Services



STATE PURCHASE CONTRACTS

In 2018–19, nine SPCs were approved with an estimated total value of \$886 million, as listed in Table 25. This compares to nine SPCs approved in 2017–18 with an estimated total value of \$1 241 million.

TABLE 25: SPCS APPROVED IN 2018–19

Organisation	Total number	Title/description	Total estimated value (\$million)	Contract term (yrs.)	Options	Complexity assessment outcome	Market approach method	Type of arrangement	No. of suppliers
Justice and Community Safety	1	Legal Services Panel	\$500.0M	3	Yes*	Leveraged	RFT	Open	39†
Premier and Cabinet	5	Support for IBM on-prem licences	\$1.5M	1	0	Strategic	Negotiation	Closed	1
		Ballarat Data Centre Lease Agreement	\$6.0M	3	2 yrs	Strategic	Negotiation	Closed	1
		CITRIX Agreement	\$7.2M	3	2x1 yr	Strategic	Negotiation	Closed	1
		Victorian Office Telephony Services	\$11.1M	1.6	0	Strategic	Negotiation	Closed	1
		End User Computing Equipment Panel	\$240.0M	3	2x1 yr	Leveraged	RFT	Closed	5
Treasury and Finance	3	Fleet Disposals Contract	\$5.0M	3	2x1 yr	Transactional	RFT	Closed	1
		Natural Gas – Large Sites	\$30.0M	1	Up to 4 yrs	Strategic	RFT	Closed	1
		Retail Supply of Electricity less than 40MWh	\$85.0M	3	Up to 24 months	Strategic	RFT	Closed	1
Total	9		\$885.8M						

RFT = Request for tender

* The Department of Justice and Community Safety can extend the term for one or more further periods, and in respect of one or more areas of law; and refresh the panel arrangements via any means it thinks fit, including a public tender process, any time after 1 January 2021 and as often as it considers necessary.

† The Legal Services Panel has suppliers in the following areas of law: construction (14), employment (10), commercial and contracts (15).

SOLE ENTITY PURCHASE CONTRACTS

SEPCs are similar to SPCs but apply to one organisation. In 2018–19, six organisations reported 32 SEPC approvals valued at \$442 million, as listed in Table 26.

Victoria Police reported one contract approval – the Aviation Service Continuity Project valued at \$45 million – which is a lease agreement.

This compares to 36 SEPCs approvals in 2017–18 valued at \$254 million.

A breakdown of SEPC contracts approved in 2018–19 is provided in the Appendix.

TABLE 26: SEPCS APPROVED IN 2018–19

Organisation	Number	Value (\$M)
Education and Training	2	\$28.5
Environment, Land, Water and Planning	7	\$163.3
Health and Human Services	2	\$41.8
Transport	3	\$93.4
Treasury and Finance	2	\$13.7
Victoria Police	16	\$101.2
Total	32	\$441.9

PROCUREMENT PROFILES

Organisations can have vastly different procurement profiles. This section summarises the procurement profile and performance of the 12 organisations that report directly to the VGPB at the end of each financial year.

The accountable officer (AO), chief procurement officer (CPO) and internal procurement unit chair (IPU Chair) listed under each organisation is the person in that role at 30 June 2019.

Organisations generally operate a centralised or decentralised procurement model, or somewhere in between. In a centre-led model, procurement is typically managed by a single dedicated part of the business. In a decentralised model, procurement is carried out across the business. For some organisations, high value procurements may be carried out centrally, while lower value transactional procurements are carried out by the relevant business unit.

For the performance measure related to supplier satisfaction, the survey response rate was low across all departments (7 to 10 per cent response rate), so results are based on a small sample size.

DEPARTMENT OF EDUCATION AND TRAINING

The Department of Education and Training (DET) is committed to building an education system that gives every Victorian the best learning and development experience. Education remains a cornerstone to ensuring all Victorians have the skills and knowledge they need to actively participate in and contribute to our rapidly changing economy and society. DET offers learning and development support, services and resources for all Victorians, from birth through to adulthood.

Procurement profile in 2018–19

216

One-off supply contract approvals valued at \$253 million*

Top categories of spend

- Professional services
- Contract recruitment
- IT services
- Education and training services

Highlights

- Refreshed procurement content on DET's intranet to give staff better guidance.
- Upgraded spend analytics capability.
- Held community of practice forums for staff to learn more about procurement and share ideas.

2

SEPC approvals valued at \$29 million*

Transactional and leveraged complexity profile

Centre-led procurement function

* Contracts valued at \$100 000 or more.

AO: Jenny Atta, Secretary, Office of Secretary

CPO: Tarkan Koman, CPO, Procurement Division

IPU Chair: Kate Rattigan, Deputy Secretary, People and Executive Services

Performance

Table 27 sets out DET's performance in 2018–19, compared with the two previous years.

TABLE 27: DET'S PERFORMANCE IN 2018–19

	2016–17	2017–18	2018–19	
	(%)			
Value created from department procurement activity				
DET's new tracking measure enabled the department to track individual procurements and related savings, which were directly influenced by negotiations led by the procurement team.	2.0	3.5	4.2	
Proportion of P-Card (or equivalent) transactions at or below \$2 000				
The decrease in volume of invoices paid under \$2 000 may be attributed to the year-on-year increase of agency staff and invoices received as a result.	4.3	15.1	11.2	
Increase in procurement capability				
Using the 70:20:10 model, team members are supported and guided to run sourcing events end-to-end, with peer reviews and support from managers, complemented by formal training to improve capability. The procurement team has become more proactive at engaging stakeholders.	0.0	2.4	1.5	
Cost of procurement resources				
Business units across DET are approaching the procurement team to help deliver their strategic projects. The procurement team led a number of high-value sourcing activities, delivering on time and budget and driving cost savings.	0.8	0.8	0.8	
Supplier satisfaction assessment				
DET's procurement procedures have been updated and made more prominent on the new corporate procurement portal. For unsuccessful suppliers, the procurement team need to work with the department to ensure unsuccessful suppliers are notified promptly and offered the chance to debrief.	Successful satisfied	78	70	80
	Unsuccessful satisfied	50	31	25
Planned procurement activity as a percentage of actual procurement activity				
The procurement team worked with the Strategy and Planning Division to embed procurement planning into the business planning process. The team has much more collaboration with divisions on their planning cycles, but is still working with them to improve transparency of procurement planning.	31.7	52.8	51.9	

DEPARTMENT OF ENVIRONMENT, LAND, WATER AND PLANNING

The Department of Environment, Land, Water and Planning (DELWP) brings together Victoria's energy, environment, climate change, water, planning and local government functions into a single department to deliver services that support liveable, inclusive and sustainable communities and thriving natural environments.

DELWP is an organisationally diverse department with a broad and operationally extensive procurement profile.

The energy portfolio in DELWP plays a key role in supporting a significant transformation of the energy sector in Victoria. In line with Victorian Government commitments, DELWP will work to ensure Victoria can achieve 50 per cent renewable energy by 2030, as well as leading the nation to make energy pricing fairer for Victorians. This has led to an increase in the engagement of professional services to meet demand for energy sector-related expertise and specialist capabilities.

Procurement profile in 2018–19

125

One-off supply contract approvals valued at \$70 million*

Top categories of contract approvals

- Professional services
- Aviation services
- ICT services
- Fire fleet expenses

7

SEPC approvals valued at \$163 million*

Mostly **transactional** complexity profile

Centre-led procurement function

Highlights

- Added a new 'Introduction to procurement' training course.
- Expanded the central procurement team to add more strategic sourcing and category management skills.
- Procurement greater than \$3 million is now led by the central strategic sourcing team, increasing compliance, capability and savings.

AO: John Bradley, Secretary, Office of the Secretary

CPO: A.J. Karliner, CPO, Finance

IPU Chair: Helen Vaughan, Deputy Secretary, Water and Catchments

* Contracts valued at \$100 000 or more.

Performance

Table 28 sets out DELWP's performance in 2018–19, compared with the two previous years.

TABLE 28: DELWP'S PERFORMANCE IN 2018–19

	2016–17	2017–18	2018–19	
	(%)			
Value created from department procurement activity				
The strategic sourcing team in the central procurement team now leads or advises on all procurements greater than \$3 million and has generated clear savings through this process. Encouraging staff across DELWP to use a best and final offer approach (through training and a new guide) has also resulted in procurement savings. DELWP will capture more savings when the new sourcing and contract management tool (Zycus) is rolled out in 2019–20.	..	7.5	10.2	
Proportion of P-Card (or equivalent) transactions at or below \$2 000				
DELWP plan to update the corporate card policy next year in line with the new enterprise resource planning system, and will recommend purchases less than \$25 000 be made by corporate card.	19.7	21.0	23.6	
Increase in procurement capability				
The strategic sourcing team has led to better planning and capability when conducting high-value procurements. DELWP has a better understanding of relevant markets after engaging external firms to provide market analysis through subscription services.	13	16	11.6	
Cost of procurement resources				
DELWP operate a centre-led procurement model, which is decentralised for procurement less than \$3 million. Other than the central procurement team, only 13 other staff spend more than 80 per cent of their time on procurement. This measure does not take into account staff who do procurement as part of their full-time other role and does not therefore fully reflect DELWP's procurement costs.	0.03	1.5	2.3	
Supplier satisfaction assessment				
Low response rate limits validity of data. DELWP will reinforce the requirement for supplier feedback to be provided to unsuccessful suppliers to improve this score.	Successful satisfied	82	83	90
	Unsuccessful satisfied	37	42	36
Planned procurement activity as a percentage of actual procurement activity				
The accuracy of DELWP's planned procurement activity was affected by 24 contracts being excluded due to the contract manager being unaware of this requirement. DELWP will continue to follow up with the business each six months to refresh and update the plan.	63.2	28.6	17.8	

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The Department of Health and Human Services (DHHS) is responsible for developing and delivering policies, programs and services that support the health, wellbeing and safety of all Victorians.

Procurement profile in 2018–19

136

One-off supply contract approvals valued at \$201 million*

Top categories of contract approvals

- Specialist providers
- IT systems, software and support
- Training
- Medical supplies

2

SEPC approvals valued at \$42 million*

Centre-led procurement function

Highlights

- Procurement officers began the Procurement Fundamentals Skill Set training.
- Completed a business case to seek funding for an end-to-end procurement system.
- Set up five strategic alliance contracts covering distinct but related domains of organisational improvement, health and community services.
- Began engaging on-hire workers through a central model managed by the procurement services unit to save money and improve compliance with the Staffing Services SPC.

Primarily **strategic complexity** profile

AO: Kym Peake, Secretary

CPO: Genine Wallinga, Director, Procurement, Contract and Business Services Branch

IPU Chair: Greg Stenton, Deputy Secretary, Corporate Services Division

* Contracts valued at \$100 000 or more.

Performance

Table 29 sets out DHHS performance in 2018–19, compared with the two previous years.

TABLE 29: DHHS PERFORMANCE IN 2018–19

	2016–17	2017–18	2018–19	
	(%)			
Value created from department procurement activity				
DHHS identified \$9.3 million in savings. The increase in savings identified this year is due to embedding the savings reporting within DHHS' procurement initialisation process.	0.2	0.8	2.0	
Proportion of P-Card (or equivalent) transactions at or below \$2 000				
DHHS continues to support P-Cards as a payment mechanism for low-value transactions. Results reflect the department's risk appetite in relation to use of P-Cards.	12.3	16.5	16.8	
Increase in procurement capability				
Capability decreased slightly in 2018–19 from 150 to 144 (out of a maximum score of 150). This was due to the introduction of the social procurement framework. These new policy initiatives will be included in the capability plan to ensure DHHS increase procurement capability in these areas.	6.6	2.7	-4.0	
Cost of procurement resources				
Results continue to reflect a low cost for driving compliant procurement processes conducted in accordance with VGPB policies.	0.7	0.7	0.9	
Supplier satisfaction assessment				
Significant increase in satisfaction of unsuccessful suppliers.	Successful satisfied	82	78	74
	Unsuccessful satisfied	53	38	73
Planned procurement activity as a percentage of actual procurement activity				
Procurement Services continues to refine procurement planning and encourages business owners to identify procurement jobs well in advance. This has seen an increase year-on-year. DHHS is refreshing its Relationship Management Model (RMM). One of the aims of the RMM is to strengthen relationships with DHHS business partners and increase the department's ability to forward plan its procurement activity.	5.7	9.3	11.6	

DEPARTMENT OF JOBS, PRECINCTS AND REGIONS

The Department of Jobs, Precincts and Regions (DJPR) is firmly focused on growing Victoria's economy and ensuring it benefits all Victorians – by creating more jobs for more people, building thriving places and regions, and supporting inclusive communities.

DJPR was established on 1 January 2019, under machinery of government changes. Some parts of DJPR transitioned from the former Department of Economic Development, Jobs, Transport and Resources (DEDJTR).

DJPR is currently being accredited by the VGPB to ensure compliance with VGPB polices and will report performance measures from 2019–20.

Procurement profile in 2018–19

76

One-off supply contract approvals valued at \$18 million*

Top categories of contract approvals

- Professional services
- Staffing services
- Utilities, property and land
- Scientific research
- IT and telecoms

Highlights

- Developed a dynamic spend and category analysis dashboard tool to help the procurement team identify and develop category related opportunities.
- Supported new business areas to adopt DJPR's procurement framework, following machinery of government changes.
- Launched an online community of practice on Yammer to connect buyers across DJPR and share procurement news and information.

Centre-led procurement function

Mostly transactional procurement profile

* Contracts valued at \$100 000 or more.

AO: Simon Phemister, Secretary

CPO: Jessica Lambous, Executive Director – Finance and Procurement, Corporate Services

IPU Chair: Jessica Lambous, Executive Director – Finance and Procurement, Corporate Services

DEPARTMENT OF JUSTICE AND COMMUNITY SAFETY

The Department of Justice and Community Safety (DJCS) has extensive service delivery responsibilities which range from managing the State's prison system to providing consumer protection and enforcing court warrants.

It has productive partnerships with more than 60 statutory entities and has the support of more than 100 000 volunteers.

DJCS underwent a major restructure in 2018–19, with a change in program focus and organisational structure to reflect the renewed focus on community safety. New divisions include Aboriginal justice, family violence, justice and social services coordination and workplace safety, and the Community Safety Building Authority.

Major project teams were split across the organisation and procurement staff from across the department were re-appointed to the Office of the CPO, as DJCS moves to a centralised procurement model.

Procurement profile in 2018–19

181

One-off supply contract approvals valued at \$333 million*

Top categories of contract approvals

- Professional services
- Communications and technology
- Outsourced services
- Repairs and maintenance

Highlights

- Renewed the Legal Services Panel SPC.
- Rolled out Zycus contract management module and workflow to all procurement people in DJCS.
- Restructured the DJCS procurement model with new reporting structure and moving to a centralised procurement model. This will continue in 2019–20.

1

SPC approval valued at \$500 million

Moving from **devolved** to a **centralised** procurement function

Mainly **focused** complexity profile

* Contracts valued at \$100 000 or more.

AO: Rebecca Falkingham, Secretary

CPO: Andrew Whitbourn, Acting CPO, Office of the CPO

IPU Chair: Andrew Whitbourn, Acting CPO, Office of the CPO

Performance

Table 30 sets out DJCS' performance in 2018–19, and a comparison with the two previous years.

TABLE 30: DJCS' PERFORMANCE IN 2018–19

	2016–17	2017–18	2018–19	
	(%)			
Value created from department procurement activity				
The increase in 2018–19 is partly due to better recording of savings. However, DJCS did achieve large savings from a small number of procurements.	0.4	0.4	17.3	
Proportion of P-Card (or equivalent) transactions at or below \$2 000				
DJCS has increased the number of catalogues used by the department.	10.4	12.7	13.0	
Increase in procurement capability				
DJCS reported a –24.6 per cent drop in procurement capability. This was attributed to resourcing constraints, which resulted in a slowdown of procurement reform activities, including capability review and uplift. This has since been addressed and a new chief procurement officer has been recruited who will focus on capability review and uplift.	..	–3.3	–24.6	
Cost of procurement resources				
The process to centralise procurement has reduced the number of procurement staff, but a fall in procurement value from 2017–18 resulted in a slight increase in procurement cost.	3.8	7.0	7.5	
Supplier satisfaction assessment				
Low response rate limits validity of data, but DJCS will work with its unsuccessful suppliers to understand the reasons for the drop in satisfaction.	Successful satisfied	70	73	100
	Unsuccessful satisfied	50	40	0
Planned procurement activity as a percentage of actual procurement activity				
The department introduced an online procurement activity register tool to capture this data and encouraged staff to record data in this tool, as well as the procurement activity register and in contract management systems.	10.6	22.0	24.0	

DEPARTMENT OF PREMIER AND CABINET

The Department of Premier and Cabinet (DPC) leads the public service in delivering the Government's agenda and works across the public service to promote the public interest and create public value. DPC does this by delivering on the public service mandate to uphold integrity, act with purpose and remain uncompromising in the provision of robust, high-quality advice and service delivery.

DPC also leads the information and communications technology (ICT) SPC arrangements for ICT goods and services used across government, such as software applications and licensing, hardware, telecommunications, and eServices and IT infrastructure registers.

DPC supported several machinery of government changes from 1 January 2019, but these did not affect DPC's procurement profile.

Procurement profile in 2018–19

98

One-off supply contract approvals valued at \$55 million*

Top categories of contract approval

- Professional services
- Outsourced services
- Labour contractor services
- Marketing and promotion

5

SPC approvals valued at \$266 million

Mostly **transactional** complexity profile

Decentralised procurement function

Highlights

- Implemented DPC's Procurement Reform Project to improve process awareness and compliance across the organisation.
- In consultation with Whole of Victorian Government (WoVG), developed and implemented the ICT Procurement Strategy 2019–21 for ICT SPCs.

AO: Chris Eccles, Secretary

CPO: Kylie Callander, CPO, Corporate Services

IPU Chair: Andrew Campbell, Executive Director, Corporate Services; Governance, Policy and Coordination

* Contracts valued at \$100 000 or more.

Performance

Table 31 sets out DPC's performance in 2018–19, compared with the two previous years.

TABLE 31: DPC'S PERFORMANCE IN 2018–19

	2016–17	2017–18	2018–19	
	(%)			
Value created from department procurement activity				
Value was created as a result of eProcurement and negotiating the best value for money for the Victorian Government. This result is inclusive of corporate procurement expenditure and savings.	39.2	6.6	0.3	
The result also reflects the challenge of capturing this information using current systems. Improved tracking of savings, cost avoidance and benefits will follow the implementation of planned procurement systems in 2019–20.				
Proportion of P-Card (or equivalent) transactions at or below \$2 000				
DPC does not use P-Cards.	0	0	0	
Increase in procurement capability				
Training sessions for portfolio agencies has increased process awareness and compliance across the organisation. Further capability uplift is planned for 2019–20.	..	17.6	10.0	
Cost of procurement resources				
Resourcing in corporate procurement remained stable. DPC completed a review of the WoVG ICT procurement team in 2018–19.	12	0.5	0.2	
The value of contracts established in 2018–19 increased.				
Supplier satisfaction assessment				
Improvement in satisfaction in both measures. DPC has increased use of eProcurement and eServices platforms which automate the tender and award processes.	Successful satisfied	73	78	84
	Unsuccessful satisfied	36	25	66
Planned procurement activity as a percentage of actual procurement activity				
Entity engagement and planning is improving. Changes in the WoVG ICT SPC activity cycle through the year impacted actual activities against the plan.	50.0	48.4	30.1	

DEPARTMENT OF TRANSPORT

The Department of Transport (DoT) is responsible for the integrated planning, delivery and management of transport across Victoria.

DoT was formed on 1 January 2019 from a machinery of government change in the former Department of Economic Development, Jobs, Transport and Resources, resulting in a substantial change to its procurement profile.

One of DoT's key programs of work is the Major Transport Infrastructure Agency (MTIA) which is delivered through the Office of the Director-General.

MTIA is responsible for executing the Government's 'big build' transport construction program across five key projects: North East Link Project, Level Crossing Removal Project, Westgate Tunnel Project, Major Road Projects Victoria and Rail Projects Victoria. DoT's accountable officer has appointed two CPOs – an overall DoT CPO and dedicated MTIA CPO.

DoT's procurement data incorporates six months of the former DEDJTR's procurement activity, from 1 July to 31 December 2018, and six months of DoT's procurement activity, from 1 January to 30 June 2019.

Procurement profile in 2018–19

210

One-off supply contract approvals valued at \$179 million*

Top categories of contract approvals

- Rolling stock
- Professional services
- Human resources
- Legal services
- Utilities

3

SEPC approvals valued at \$93 million*

Centre-led
procurement
function

Highlights

- MTIA set up multiple panel arrangements for MTIA projects, streamlining the procurement process across project offices and reducing the time and cost for supplier participation.
- DoT used SharePoint technology to collaborate with about 50 internal stakeholders when evaluating responses to a technical and advisory services panel.

Mainly **transactional**
complexity
profile

AO: Paul Younis, Secretary

CPO (DoT): Lisa Williams, CPO, Investment and Technology

CPO (MTIA): Juliana Tiong, CPO

IPU Chair (DoT): Robert Pearce, Deputy Secretary, Legal and Commercial

IPU Chair (MTIA): Arthur Apted

* Contracts valued at \$100 000 or more.

Performance

Table 32 sets out DoT's performance in 2018–19, compared with the two previous years. Values from 2016–17 and 2017–18 were reported by the former DEDJTR.

TABLE 32: DOT'S PERFORMANCE IN 2018–19

	2016–17	2017–18	2018–19	
	(%)			
Value created from department procurement activity				
The current restructure of DoT's procurement function following the machinery of government change and introducing a new operating model should support increased value creation in 2019–20.	..	5.3	4.8	
Proportion of P-Card (or equivalent) transactions at or below \$2 000				
The increase in the percentage of transactions is due to a change in the spend profile following the machinery of government change.	29.9	44.6	55.7	
Increase in procurement capability				
The increase in capability is due to increased capability of key procurement personnel and training provided to the business to support awareness of changes to the procurement policy and procedure.	..	3.0	5.8	
Cost of procurement resources				
The change in this performance measure is due to the impact of the machinery of government change and the high value of contract spend within MTIA.	0.2	0.5	0.2	
Supplier satisfaction assessment				
Low response rate limits validity of data.	Successful satisfied	90	71	96
	Unsuccessful satisfied	46	45	24
Planned procurement activity as a percentage of actual procurement activity				
Further improvements in the accuracy of planning should come from the implementation of a forward procurement planning process in 2019–20.	29.3	40.0	66.7	

DEPARTMENT OF TREASURY AND FINANCE

The Department of Treasury and Finance (DTF) provides economic, financial and resource management advice to help the Government deliver its policies.

DTF's innovative, expert advice balances economic, social and environmental goals within a framework of responsible financial management.

DTF's procurement profile focuses largely on professional services to support these functions and is primarily transactional.

DTF is also the lead agency for most SPCs through its Strategic Sourcing Group.

Procurement profile in 2018–19

21

One-off supply contract approvals valued at \$11 million*

Top categories of contract approval

- Professional advisory services
- Staffing services
- eServices
- Oracle systems
- Print management and associated services

Highlights

- Introduced several policy initiatives to support procurers and DTF to meet their commitments under DTF's Social Procurement Strategy.
- Successfully completed a VGPB compliance audit, with only minor suggested improvements.
- Revised the IPU terms of reference and renewed its membership, including a new IPU Chair.

2

SEPC approvals valued at \$14 million*

Decentralised procurement function

3

SPC approvals valued at \$120 million

Transactional complexity profile

AO: David Martine, Secretary

CPO: Steven Harris, CPO, Corporate and Government Services

IPU Chair: Andrew Witchard, Executive Director, Revenue Group, Economic Division

* Contracts valued at \$100 000 or more.

Performance

Table 33 sets out DTF's performance in 2018–19, compared with the two previous years.

TABLE 33: DTF'S PERFORMANCE IN 2018–19

	2016–17	2017–18	2018–19	
	(%)			
Value created from department procurement activity				
DTF continues to encourage procuring teams to improve their commercial approach to creating contracts with suppliers.	21.5	24.3	37.2	
Proportion of P-Card (or equivalent) transactions at or below \$2 000				
DTF encouraged use of P-Cards across the department in 2018–19, and this is reflected in the increase in this measure.	12.3	9.8	16.0	
Increase in procurement capability				
DTF continues to focus on improving procurement capability across the department. The IPU noted some improvements in capability in the areas of sourcing and contract management. This remains an area of continued effort.	..	-4.3	6.0	
Cost of procurement resources				
DTF continues to provide an efficient centralised procurement approval function.	0.3	0.6	0.9	
Supplier satisfaction assessment				
DTF focused on improving the quality of feedback to suppliers over the year which may have led to the increase in satisfaction of unsuccessful suppliers.	Successful satisfied	67	91	90
	Unsuccessful satisfied	50	36	46
Planned procurement activity as a percentage of actual procurement activity				
DTF actively works with procuring teams to plan ahead. However, DTF's role as a central agency requires responsiveness to emerging priorities.	60.5	47.2	56.5	

CENITEX

Cenitex is an information and communications technology (ICT) shared services agency, providing integrated and reliable ICT infrastructure, application hosting and desktop services for Victorian Government departments and agencies.

Procurement profile in 2018–19

39

One-off supply contract approvals valued at \$23 million*

Top categories of contract approvals

- Software
- Networking equipment products and services
- Server/storage equipment and services
- Project and professional services

Highlights

- Updated the approval framework to align clearly with VGPB policy.
- Implemented a procurement initiation document guide to support staff through the pre-market approval process, which includes complexity assessment guidance.
- Implemented a contract disclosure process guide and improved reporting.

Centre-led procurement function

Mostly transactional and leveraged procurement profile

* Contracts valued at \$100 000 or more.

AO: Catherine Ho, Chief Executive (Acting), Executive

CPO: Rachel Garland, General Manager – Finance & Procurement (Acting), Finance & Business Services

IPU Chair: Sharon Copeland-Smith, Director, Strategy and Governance

Performance

Table 34 sets out Cenitex's performance in 2018–19. Cenitex transitioned to the VGPB on 1 July 2017, making this the second year of performance data.

TABLE 34: CENITEX'S PERFORMANCE IN 2018–19

	2017–18	2018–19	
	(%)		
Value created from department procurement activity			
Cenitex revised its benefits register to improve the quality of reporting, introduced a 'benefits rationale' signoff between the business stakeholders and procurement, and published a process guide to support the team with managing benefit reporting.	6.9	7.5	
Proportion of P-Card (or equivalent) transactions at or below \$2 000			
Compared to last year, Cenitex had about 100 less total P-Card transactions, but about 200 more transactions were processed via electronic funds transfer or P-Card, giving an improved ratio.	32.0	45.1	
Increase in procurement capability			
Cenitex worked to improve its engagement with the business and deliver on their objectives, by involving stakeholders in procurement activity critical to Cenitex's future operating model. Cenitex also improved its reporting and benefits management by taking a broader view than just a financial one.	..	2.7	
Cost of procurement resources			
Staff numbers and resource costs remained consistent with comings and goings, but procurement is managing almost twice the value of contracted spend. The procurement team continues to manage a high-volume, high-value contract workload with the allocated resources.	2.4	1.4	
Supplier satisfaction assessment			
A small sample size showed a small improvement. Vendor debriefs were offered more frequently. Cenitex will consider the areas of improvement suggested in the survey results as part of continuous improvement.	Successful satisfied	100	100
	Unsuccessful satisfied	33	50
Planned procurement activity as a percentage of actual procurement activity			
Procurement is now better connected to forward business planning and this should be reflected in the quality of the 2019–20 procurement activity plan.	18.0	22.2	

PUBLIC TRANSPORT VICTORIA

Public Transport Victoria (PTV) is a statutory authority that acts as a system authority for all public transport and an advocate for public transport users.

From 1 July 2019, PTV will transition into the Department of Transport under Transport for Victoria.

PTV's corporate, facilities, IT and professional services expenditure, including engaging professional services for construction-related activities, come under VGPB governance. Whereas construction expenditure is subject to the *Project Development and Construction Management Act 1994*. Franchise contracts are governed by DTF's High Value High Risk Investment Framework process.

Procurement profile in 2018–19

8

One-off supply contract approvals valued at \$20 million*

Top categories of contract approvals

- Corporate services
- Professional services
- Marketing

Highlights

- Successfully implemented a source-to-contract eProcurement system.
- Implementation of contract management framework and process.
- Capability training for probity and procurement process, with added focus for financial delegates around probity.

Mostly **decentralised** procurement model

Mainly **focused** and **strategic** complexity profile

* Contracts valued at \$100 000 or more.

AO: Jeroen Weimar, CEO,
Office of the CEO

CPO: Ken Tuke, CPO,
Corporate Services

IPU Chair: Dean Tillotson,
Executive Director,
Corporate Services

Performance

Table 35 sets out PTV's performance in 2018–19. PTV gained accreditation to the VGPB supply policy framework on 1 January 2017, so this is the second year of reporting performance measures.

TABLE 35: PTV'S PERFORMANCE IN 2018–19

	2017–18	2018–19	
	(%)		
Value created from department procurement activity			
The procurement team continued to encourage the business to consult and, where possible, involve procurement specialists in the contract negotiation. Procurement confidence and partnership with the business has increased and the procurement skillset is constantly growing.	0.2	4.3	
Proportion of P-Card (or equivalent) transactions at or below \$2 000			
Reduced number of P-Cards available in the business as new staff were recruited and needed training on financial delegation and credit card responsibility.	19.7	10.6	
Increase in procurement capability			
A better understanding of the role of procurement within the business has increased capability. PTV provides ongoing resource training on procurement and probity requirements. As PTV transitions to DoT, this should be expanded as a mandatory requirement for all employees.	..	7.4	
Cost of procurement resources			
Increased procurement processes and more reliance from the business on procurement resources saw a high throughput with the same resource levels.	0.7	0.6	
Supplier satisfaction assessment			
PTV increased turnaround time on responses to submissions. Further face-to-face interaction pre- and post-engagement will create a better supplier engagement process.	Successful satisfied	82	86
	Unsuccessful satisfied	23	46
Planned procurement activity as a percentage of actual procurement activity			
PTV had five planned procurements and three unplanned procurements which went to market in 2018–19. PTV buys most goods and services from SPCs and did not include these purchases in its procurement planning, reflecting in the low score here.	4.5	5.0	
PTV's future focus will be on accurately forecasting procurement activity as a group under DoT.			

VICROADS

VicRoads plans, develops and manages the arterial road network delivering road safety initiatives and customer focused registration and licensing services. VicRoads aims to make Victorians' lives better, through journeys that are safe, reliable, efficient and sustainable, supporting economic prosperity and liveability, and shaping the development and use of Victoria's road system as an integral part of the overall transport system.

Procurement is a key function of the organisation. VicRoads undertakes \$1.4 billion of building and construction-related procurement (80 per cent) and \$357 million (20 per cent) of goods and services-related procurement each year across a broad range of categories.

On 1 July 2018, the VicRoads Major Projects area moved from VicRoads to form Major Roads Projects Victoria. While this resulted in a decrease in project-related expenditure, other road spend increased significantly during the same period.

From 1 July 2019, VicRoads will transition into the Department of Transport.

Procurement profile in 2018–19

108

One-off supply contract approvals valued at \$70 million*

Top categories of contract approvals

- People services
- Professional services
- ICT goods and services

Highlights

- Established a social procurement team in the Procurement Services unit, to support implementation of VicRoads' Social Procurement Strategy.
- Developed a procurement management framework to help staff and new starters understand VicRoads' procurement function.
- Set up procurement spend dashboards so business areas can understand their historical procurement function and find opportunities for improvement.
- Established a VicRoads Community of Practice group to work towards a business-wide category management approach to procurement.

Centre-led procurement function

Transactional and leveraged complexity profile

* Contracts valued at \$100 000 or more.

AO: Robyn Seymour, Chief Executive

CPO: Chris McNally, Director, Procurement Services

IPU Chair: Louise Gartland, Executive Director, People, Culture and Strategy

Performance

Table 36 sets out VicRoads' performance in 2018–19, compared to the two previous years.

TABLE 36: VICROADS' PERFORMANCE IN 2018–19

	2016–17	2017–18	2018–19	
	(%)			
Value created from department procurement activity				
Savings may vary from year to year depending on the contracts established during the period. VicRoads reviewed the methodology for calculating savings and is now applying a method that will increase consistency in future reporting.	17.0	5.2	2.7	
Proportion of P-Card (or equivalent) transactions at or below \$2 000				
VicRoads continued to encourage and support use of P-Cards for all low-risk transactions below \$2 000.	72.9	65.7	74.3	
Increase in procurement capability				
Improvements over the past year included further development and improvements to the Procurement Assurance program and procurement staff capability development planning and training.	1.0	1.0	5.8	
Cost of procurement resources				
Lower result for 2018–19 as total salary captures only procurement services personnel, whereas previous years included staff from business areas with partial procurement responsibility (but less than 80 per cent).	1.3	1.7	0.9	
VicRoads operates a centre-led procurement function where most procurement activities are carried out by business areas across the organisation. In many cases these positions include procurement as part of their role and also may incorporate a broad range of other responsibilities. The process to identify resources that spend at least 80 per cent of their time on procurement is challenging.				
Supplier satisfaction assessment				
The percentage of unsuccessful suppliers satisfied with the VicRoads process overall has dramatically increased from 25 to 83 per cent and remained consistently high with the successful suppliers.	Successful satisfied	88	88	86
	Unsuccessful satisfied	25	25	83
Among all suppliers (successful and unsuccessful), satisfaction with VicRoads' overall invitation to supply experience is 86 per cent, which is higher than the average satisfaction rate across all organisations (71 per cent).				
Planned procurement activity as a percentage of actual procurement activity				
Same methodology used, but Major Projects activity removed from VicRoads planned activity for 2018–19.	42.5	22.6	45.4	

VICTORIA POLICE

Victoria Police is the primary law enforcement agency of Victoria. It was formed in 1853 and operates under the *Victoria Police Act 2013*. It provides policing services to the Victorian community 24 hours a day, seven days a week, working to keep over 5.9 million Victorians safe.

Procurement profile in 2018–19

21

One-off supply contract approvals valued at \$16 million*

Top categories of contract approvals

- Transportation
- Information technology
- Communications
- Uniform and equipment
- Properties

16

SEPC approvals valued at \$102 million*

Centre-led procurement function

Highlights

- Created two high-value, high-risk projects as a result of the Community Safety Statement – aircraft, aircraft systems and support services and a police advice line call centre and online reporting facility.
- Upgraded equipment including deploying mobile automatic number plate recognition in police cars and new ballistic vests to police members.
- Released a new custom-built due diligence tool to help procurement practitioners better identify commercial risk in procurement activities.

Transactional complexity profile

AO: Graham Ashton AM, Chief Commissioner of Police

CPO: Byron Crawford, Director Procurement and CPO, Procurement Department

IPU Chair: Chris O'Farrell, Executive and Chair of the Police Procurement Board, Executive Services and Governance Department

* Contracts valued at \$100 000 or more.

Performance

Table 37 sets out Victoria Police's performance in 2018–19 compared with the two previous years.

TABLE 37: VICTORIA POLICE PERFORMANCE IN 2018–19

	2016–17	2017–18	2018–19	
	(%)			
Value created from department procurement activity				
Continued to ensure procurement practitioners look for savings as part of the procurement process. When a procurement activity has concluded, procurement practitioners report on the value and type of savings that resulted from the procurement activity.	15.4	5.4	5.0	
Proportion of P-Card (or equivalent) transactions at or below \$2 000				
Corporate Finance Division reviewed policy on the use of P-Cards and changed where appropriate.	3.0	2.9	3.2	
Increase in procurement capability				
Procurement capability has increased due to retaining staff or recruiting new staff with equivalent or better procurement skills and experience. Tools and templates have been refined to improve efficiency and more professional development opportunities offered.	-11.4	-5.1	3.6	
Cost of procurement resources				
Resource level has stayed the same, but the number of tasks increased with the time taken to complete procurements reduced.	2.4	0.7	0.6	
Supplier satisfaction assessment				
Most successful suppliers are satisfied, but there is scope to better define the scope, reduce time taken to respond to submissions, keep suppliers better informed during evaluation and give suppliers better quality feedback.	Successful satisfied	86	82	86
	Unsuccessful satisfied	0	0	20
Planned procurement activity as a percentage of actual procurement activity				
Unplanned procurement activity has mainly been linked to government-funded projects announced after the planning process has concluded, such as Blue Connect and projects stemming from the Community Safety Statement.	85.2	74.2	65.8	

APPENDIX

SEPC DATA BREAKDOWN

Table 38 details the 32 SEPC contracts approved in 2018–19.

TABLE 38: BREAKDOWN OF SEPCS APPROVED IN 2018–19

Dept	Number	Title/description	Total estimated value (\$ million)	Contract term (yrs.)	Options (yrs.)	Complexity assessment outcome	Market approach method	Type of arrangement	Number of suppliers
DELWP	7	Winter service and repairs for heavy forest fire tanker fleet	\$0.8	2	0	Focused	RFT	Closed	1
		Occupational rehabilitation and wellbeing services panel	\$4.3	4	0	Transactional	RFT	Closed	4
		Crawler dozers – first attack	\$9.8	5	1	Focused	RFT	Closed	2
		Forest survey protection panel	\$18.1	5	1	Focused	RFT	Open	7
		Large aircraft tankers	\$24.5	3	0	Strategic	RFQ	Closed	3
		Ninth generation panel of valuers	\$42.0	3	0	Transactional	RFT	Open	57
		Type 1 helicopter services	\$63.9	3	0	Strategic	RFQ	Closed	3
DET	2	eLearn development panel	\$3.5	5	2x1	Leveraged	RFT	Closed	9
		Evaluation panel	\$25.0	3	2x1	Leveraged	RFT	Closed	32
DHHS	2	Positive and fair workplace panel	\$0.8	2	1	Strategic	RFT	Closed	23
		Professional services strategic alliances	\$41.0	3	0	Strategic	RFT	Closed	5
DoT	3	People, culture and safety services (MTIA)	\$11.2	3	2	Leveraged	RFT	Closed	14
		Technical advisory services panel	\$40.0	2	4x2	Strategic	RFT	Open	25
		Specialist Advisory Services (MTIA)	\$42.3	3	2	Leveraged	RFT	Closed	34

Dept	Number	Title/description	Total estimated value (\$ million)	Contract term (yrs.)	Options (yrs.)	Complexity assessment outcome	Market approach method	Type of arrangement	Number of suppliers
DTF	2	Infrastructure projects experts panel	\$4.2	3	3	Transactional	RFT	Open	72
		Economic and technical services panel	\$9.5	3	2	Leveraged	RFT	Open	21
Victoria Police	16	Trekking tours and flights for training program in Papua New Guinea	\$0.2	1	0	Transactional	RFQ	Closed	1
		Alpine cold and wet weather clothing	\$0.3	3	2	Transactional	RFQ	Closed	4
		Change management specialist	\$0.3	0.9	0	Transactional	RFQ	Closed	1
		Underwater remotely operated vehicle	\$0.4	3	5	Transactional	RFQ	Closed	1
		Manufacture and supply of police medals and awards	\$0.5	3	2	Transactional	RFQ	Closed	1
		Geelong Kokoda Youth Program, Australian Kokoda Tours (replacing previous arrangement above)	\$0.5	2	4	Transactional	RFQ	Closed	1
		Language services – translators	\$0.6	3	2	Transactional	RFQ	Closed	1

Dept	Number	Title/description	Total estimated value (\$ million)	Contract term (yrs.)	Options (yrs.)	Complexity assessment outcome	Market approach method	Type of arrangement	Number of suppliers
Victoria Police (cont.)		Employee assistance program	\$0.8	0.6	0	Transactional	RFQ	Closed	1
		Visual audio recorded evidence equipment	\$0.8	2	4	Transactional	RFT	Closed	1
		Specialist tactical ensemble for specialist police units	\$0.8	3	2	Focused	RFQ	Closed	1
		Tracking, listening and optical devices	\$0.8	5	0	Transactional	RFQ	Closed	1
		Information brokerage services	\$1.0	5	2	Transactional	RFT	Closed	1
		Recycling and waste brokerage services	\$3.1	1	4	Transactional	RFT	Closed	1
		Removalist brokerage services	\$4.5	1	4	Transactional	RFT	Closed	1
		Ballistic vests	\$41.6	3	2	Strategic	RFT	Closed	1
		Aviation service continuity project (lease agreement)	\$45.2	1	0.6	Strategic	RFQ	Closed	1
	32		\$441.9						

RFQ = Request for quote, RFT = Request for tender

ACRONYMS

AO	Accountable officer	GST	Goods and services tax
ASR	Annual supply report	ICT	Information and communications technology
CPO	Chief procurement officer	IPU	Internal procurement unit
DEDJTR	Department of Economic Development, Jobs, Transport and Resources	IT	Information technology
DELWP	Department of Environment, Land, Water and Planning	MTIA	Major Transport Infrastructure Authority
DET	Department of Education and Training	PPE	Personal protective equipment
DHHS	Department of Health and Human Services	PTV	Public Transport Victoria
DJCS	Department of Justice and Community Safety	RFQ	Request for quotation
DJPR	Department of Jobs, Precincts and Regions	RFT	Request for tender
DPC	Department of Premier and Cabinet	SEPC	Sole entity purchase contract
DoT	Department of Transport	SPC	State purchase contract
DTF	Department of Treasury and Finance	VGPB	Victorian Government Purchasing Board
		WoVG	Whole of Victorian Government

For a full glossary of terms, refer to procurement.vic.gov.au/About-the-VGPB/Glossary

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