# Compliance requirements - alignment self‐assessment checklist

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| **Compliance requirement** | **Considerations** |
| **Governance Policy** | **General*** Systems, processes, policies, tools, methodologies, training
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| **Governance framework Roles and responsibilities**1. Chief Procurement Officer role or function*Describes how Chief Procurement Officer role operates and adds value by providing oversight of the procurement function* | **Key considerations*** Is there a dedicated Chief Procurement Officer role or is the function shared with another role e.g. chief financial officer or corporate services manager? If shared, what percentage of the role is procurement?
* Do the qualifications and experience of the Chief Procurement Officer align with the complexity and risk of the agency’s procurement activity?
* Does the Chief Procurement Officer’s role clearly define responsibility for oversight and management of the governance framework and development of the procurement strategy?

**Other*** What reporting relationship does the Chief Procurement Officer (or equivalent) have with the Accountable Officer?
* Does the Chief Procurement Officer role interface with, or provide input to, the agency’s business planning?
* What processes alert the Chief Procurement Officer to emerging strategic or business critical issues?
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| 2. Internal Procurement Unit or function*Describes how the structure and responsibilities of agency’s Internal Procurement Unit or equivalent, integrate within the procurement function* | **Key considerations*** Does the capability and experience of the Internal Procurement Unit membership (or equivalent) align with the agency’s procurement profile and activity?
* How does the Internal Procurement Unit communicate procurement issues to senior management?
* Does the Internal Procurement Unit define responsibility for identification of procurement categories and activities that are strategic or business critical?

**Other*** What is the scope of matters/issues referred to the Internal Procurement Unit?
* What processes alert the Internal Procurement Unit to emerging strategic or business critical issues?
* What is the decision‐making process of the Internal Procurement Unit?
* What are the performance and reporting obligations on the Internal Procurement Unit?
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| **Policy / requirement** | **Considerations** |
| **Procurement Strategy***Agency approach to develop and manage procurement strategy* | **Key considerations*** How does the agency develop and maintain its procurement strategy (processes, systems, reporting, reviews)?
* To what extent is the procurement strategy embedded into the agency’s broader business strategy?
* How does the agency ensure an understanding of the procurement strategy across the agency?
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| 3. Procurement Activity Plan | * Has the agency conducted a spend analysis to understand the main categories of spend?
* Does the agency have a forward procurement activity plan?
* How does the agency ensure its procurement activity plan accurately reflects the agency's procurement priorities?
* How does the agency inform the supplier market of upcoming procurement activity and contacts?
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| 4. Supplier Engagement Plan | * Has agency conducted a supplier analysis to understand where majority of spend is?
* How is supplier analysis incorporated into the supplier engagement plan?
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| 5. Capability development plan | * Does the agency have a capability development plan?
* Is there internal training and/or external procurement professional development available to staff?
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| 6. Emergency procurement plan*An agency’s Emergency Procurement Plan comprises the necessary procurement governance, procedures and procurement support preparation required to respond urgently and effectively to an emergency* | **Key considerations*** Does the agency have an emergency procurement plan that considers different phases in response to an emergency ie immediate reaction, urgent response and recovery?
* Is the plan clear and simple, streamlined, flexible and proportionate?
* How does the agency communicate activation/cessation of its emergency procurement plan and ensure staff are aware that streamlined processes may be applied to allow for relevant procurement activities to happen urgently?
* How does the agency ensure emergency procurement activities are recorded appropriately during an emergency, including disclosure of required contract information?
* How does the agency capture activation and details of Emergency procurement for reporting in the annual report?

 **Other*** How does the agency ensure identification and management of conflict-of-interest issues under emergency procurement?
* How does the Agency prepare for foreseeable types of emergencies?
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| 7. Complaints management process*Process and probity considerations* | **Key considerations*** Does the agency have a documented process to manage supplier complaints?
* Are there measures to ensure the integrity of the complaints process and independent oversight of the complaint?
* Is the agency’s complaints management process publicly available?

**Other*** Does the agency commit to actioning complaints by specific timelines?
* Does the agency use templates to assist complainants in documenting the nature and scope of the complaint?
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| **Complexity and Capability Policy** |  |
| 8. Complexity assessment*Approach to ensure major categories and strategic, business critical procurements are subject to complexity assessment* | **Key considerations*** How does the agency assess complexity of procurement activity e.g. methodologies, tools?
* How does the agency apply the appropriate capability in the assessment of complexity?
* How does the agency identify strategic/business critical procurement?

**Other*** How does the agency ensure consistency in assessment of complexity?
* What decision processes does the agency apply when a complexity assessment cuts across more than one complexity quadrant?
* What are the key categories of spend within the agency e.g. transactional, strategic?
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| 9. Capability assessment*Approach to ensure agency has appropriate capability to undertake procurements, aligned to its profile* | **Key considerations*** What assessments (tools, training etc) does the agency have to ensure it has the right expertise for its procurement activities?
* How far within the agency is capability assessed e.g. agency wide, business units?
* What does the agency do to address any shortfall in capability? Across the agency and in certain procurement activities e.g. process, actions?

**Other*** Is the procurement capability assessment and development plan aligned with broader staff development?
* How does the capability assessment data influence the procurement strategy and management decisions?
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| **Policy / requirement** | **Considerations** |
| **Market Analysis and Review Policy** |  |
| 10. Market analysis process*Strategies and processes used in market analysis and review of procurement needs* | **Key considerations*** How does the agency ensure its sourcing processes align with and build on the procurement strategy?
* What method or process does the agency apply to identify appropriate market sectors/opportunities relevant to the procurement/category?
* What processes and conditions does the agency apply when approaching the market?
* What are the frameworks/processes to record the outcome of the market analysis, review of requirements and steps to progress the procurement activity?
* How does the agency consider participation by small to medium enterprises, social benefit suppliers and not for profits?

**Other*** How does the agency consider supply chain issues and risks?
* Is there a structured approach of engaging with the market to assist in refining procurement needs and to better understand market dynamics?
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| 11. Aggregated purchasing*Systems and processes to identify and progress aggregated demand opportunities* | **Key considerations*** How does the agency create awareness and promote use of established arrangements such as state purchase contracts and sole entity purchase contracts across the agency?
* How does the agency ensure business units and buyers know the rules of use for mandatory State Purchase Contracts? This may include transition arrangements for expansion agencies.
* What are the processes used to ensure compliance with established arrangements and contracts?
* Does the agency have a process to manage non‐compliant purchases outside established arrangements?

**Other*** How does the agency ensure local/regional/small to medium enterprise business opportunities are considered when establishing aggregated arrangements?
* Does the agency have systems and or processes in place to identify potential aggregation opportunities?
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| 12. Asset disposalProcess to address probity and environmental considerations for redundant assets | **Key considerations*** Has the agency communicated its asset disposal procedures across all business units?
* How does the agency manage and maintain the currency of its assets data base?
* What process has the agency adopted to prevent a conflict of interest in the transfer or sale of a redundant asset?
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| **Policy / requirement** | **Considerations** |
|  | **Other*** Does the agency process consider recycling or transferring a redundant asset to another agency or not‐for‐profit agency?
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| **Market Approach Policy** |  |
| 13. Market approach process*Process and systems to ensure best practice and high standards of probity in approaching the market* | **Key considerations*** What are the processes the agency uses to inform the potential supply market about its procurement needs e.g. request for quote, open tender, multi‐stage tenders etc.
* What are the processes the agency uses to identify the most suitable market approach and to support buyers in making these decisions?
* What is the agency approach to ensure its market approaches are transparent, fair and establish a competitive environment where appropriate?
* How does the agency ensure standards of probity in the management of submissions from the supply market?
* Does the agency use consistent language, templates in its approaches to market where appropriate?

**Other*** Does the agency have clear guidelines for managing late tenders and maintaining the integrity of the market approach?
* What processes does the agency apply to manage an unsolicited innovative approach?
* Has the agency developed guidance material for the conduct of multi‐stage 'tenders' in approaching the market?
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| 14. Process for secure lodgement of tender submissions | **Key considerations*** How does the agency ensure standards of probity in the management and security of submissions from the supply market?
* How does the agency ensure security protocols are adequate for handling tender submissions?
* What are the approaches an agency takes to managing and communicating receipt of submissions and late submissions with suppliers?

**Other*** How does the agency ensure the process is communicated and understood across the agency?
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| **Policy / requirement** | **Considerations** |
| 15. Evaluation, negotiation and selection process*Processes and capability applied in evaluation and negotiation of supplier submissions* | **Key considerations*** What are the processes and checks to ensure that the capability for the evaluation of submissions and the conduct of negotiations align with the requirements and complexity of the procurement activity?
* Has the agency developed clear guidance material for briefing and negotiation processes to maintain the integrity of the sourcing process?
* How does the agency manage actual and perceived conflicts of interest in the conduct of evaluation and negotiation?
* Is the agency approach to evaluation, negotiation and selection scalable to the complexity of the procurement?

**Other*** What processes does the agency apply to consider and evaluate alternative submissions?
* How does the agency ensure the application of the appropriate evaluation methodology?
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| **Contract Management and Contract Disclosure Policy** |  |
| 16. Contract management at the agency level and at individual contract level*Operational arrangements to ensure supplier performance against contractual agreement* | **Key considerations*** Has the agency implemented a contract planning strategy for its categories of complexity?
* How is the contract planning strategy communicated across the agency?
* How does the agency ensure the planning strategy and the contract management approach align for individual procurement activity?
* What are the systems, oversight, processes, templates and tools the agency uses to ensure contracts are managed effectively?
* How does the agency ensure suppliers deliver on key performance indicator obligations and commitments?
* Has the agency implemented processes and procedures for the management of contract risk and failure in relation to strategy/business critical procurement activities?

**Other*** What level of contract performance information is provided to the accountable officer and senior management?
* Does the agency have a formal process for escalating contract management risks and issues?
* Does the agency have a process for post‐contract evaluation/supplier performance assessment?
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| **Policy / requirement** | **Considerations** |
| 17. Contract register | **Key considerations**How does the agency manage, monitor and report on its contracts? |
| 18. Process to publish contracts on Tenders Vic (greater than or equal to $100k and greater than or equal to $10m) | **Key considerations**How does the agency ensure disclosure of required contract information on the Contracts Publishing System within the required time period |

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