# Accreditation assessment tool: Goods and services

## Instructions

Public bodies (hereafter referred to as organisations), when seeking to gain accreditation under the Victorian Government Purchasing Board (VGPB) policy framework, are required to submit a completed accreditation assessment tool as part of their formal submission to the VGPB. The VGPB will determine each organisation's readiness to become accredited based on its assessment of the information contained in the assessment tool and its review of the Procurement strategy, which includes the following documents:

* procurement activity plan;
* supplier engagement strategy;
* capability development plan; and
* contract management planning strategy.

The structure of the tool is related to the five supply policies and requires organisations to assess their capacity and capability to comply with the mandatory policy requirements.

The tool has two parts:

* Part A – Mandatory requirements
* Part B - Key and further considerations

**Part A – Mandatory requirements** requires the organisation to confirm that it complies with or is developing the necessary capability to comply with the mandatory requirements. If the response to one or more mandatory requirements is 'do not comply', the organisation should not commence preparing a submission to the VGPB to become accredited until it is in a position to demonstrate it is developing the necessary capability.

**Part B – Key and further considerations** allows the organisation to demonstrate the extent to which it satisfies the mandatory requirements commensurate with its procurement profile. There is no requirement to submit Part B to the VGPB for assessment; rather it is intended as a guide to assist organisations in developing their procurement strategy.

The tool can also be used to satisfy internal audit and inform management of areas for development and improvement.

**Attestation statement** - All accreditation assessment tool submissions are required to include the attestation statement signed by the Accountable Officer (AO) or their equivalent, as part of the submission.

## Using this tool

This tool accompanies the [aligning with the VGPB procurement framework - Goods and services procurement guide.](https://buyingfor.vic.gov.au/obtaining-vgpb-accreditation-goods-and-services-procurement-guide)

## Attestation statement

**Instruction**: All accreditation assessment tool submissions are required to include the attestation statement (as shown below), signed by the Accountable Officer (AO) or their equivalent, as part of the submission.

I, (insert AO name) attest that (insert Organisation name) has completed a thorough analysis of its procurement activities, profile and governance and advise the organisation will comply with the Victorian Government Purchasing Board’s (VGPB’s) supply policies. The organisation’s procurement capabilities, including resourcing, systems, processes and internal policies are commensurate with its procurement profile. The organisation is committed to a regular review of its capability to ensure it can continue to deliver on its procurement objectives and operates in compliance with VGPB supply policies.

The organisation’s internal audit committee verifies this attestation.

[Name]

Accountable Officer

## Part A: Mandatory requirements

|  |  |  |  |
| --- | --- | --- | --- |
| Policy entry  | Mandatory requirement | Level of compliance | Comment - action being taken to comply |
| **Governance policy** |
| Application of procurement directives | How does the organisation apply the procurement directives across the organisation? | Note if:comply, under development or do not comply |  |
| Governance framework - CPO role | Has the organisation established the CPO role?  | Note if:comply, under development or do not comply |  |
| Governance framework – IPU or equivalent | Has the organisation established its IPU with terms of reference and operating structure that implement scope of policy tasks? | Note if:comply, under development or do not comply |  |
| Governance framework - procurement strategy | Has the organisation adopted a governance framework incorporating a procurement activity plan, capability development plan, supplier engagement plan and contract management planning strategy? | Note if:comply, under development or do not comply |  |
| Governance framework - Complaints management | Has the organisation established a complaints management framework? | Note if:comply, under development or do not comply |  |
| **Complexity and capability policy** |
| Complexity assessment | Has the organisation adopted a complexity assessment methodology? | Note if:comply, under development or do not comply |  |
| Procurement capability  | Has the organisation adopted a capability assessment methodology and established a capability development plan? | Note if:comply, under development or do not comply |  |
| **Market analysis and review policy** |
| Sourcing  | Has the organisation adopted a methodology for gaining information and understanding the market? | Note if:comply, under development or do not comply |  |
| Aggregated purchasing demand | Does the organisation apply processes to identify aggregated supply opportunities? | Note if:comply, under development or do not comply |  |
| Asset disposal | Has the organisation developed an asset disposal process? | Note if:comply, not comply or under development |  |
| **Market approach policy** |
| Market approach | Has the organisation adopted processes that satisfy standards of probity? | Note if:comply, under development or do not comply |  |
| Evaluation, negotiation and selection | Has the organisation developed processes to identify the optimal supplier for the required goods/services? | Note if:comply, under development or do not comply |  |
| Critical incidents | Does the organisation have a procurement process in place to operate during periods of critical incidents? | Note if:comply, not comply or under development |  |
| **Contract management and contract disclosure policy** |
| Contract Management | Has and the organisation developed a framework for the contract management of individual procurement activity aligned with the Contract management planning strategy? | Note if:comply, under development or do not comply |  |
| Contract disclosure | Does the organisation have a process in place to address contract disclosure requirements?  | Note if:comply, under development or do not comply |  |

## Part B: Key and further considerations

Part B allows organisations to demonstrate the extent to which they satisfy the mandatory requirements noted in Part A. 'Supporting documents' refer to existing organisational policies, processes, tools and systems that could be noted in or appended to the submission to the VGPB.

|  |  |  |  |
| --- | --- | --- | --- |
| Policy entry  | Detailed assessment criteria | Comments | Supporting documents |
| **Application of procurement directives** |
| **Objective:**To record how the organisation takes into account the procurement directives.  | **Key considerations** * Detail the systems, processes, documents, training and induction the organisation applies to ensure the application of the procurement directives across the organisation.
 |  |  |
|  | **Further considerations*** How do those systems and processes align with the organisation's procurement profile, the complexity of procurement undertaken or the operations of the procurement function?
* How does the organisation ensure standards of probity across the procurement function?
 |  |  |
| **Establishment of a Chief Procurement Officer (CPO) role** |
| **Objective:**To report how the CPO role operates and value-adds in providing oversight of the procurement function across the organisation.  | **Key considerations** * What reporting relationship does the CPO have with the Accountable Officer?
* Does the CPO role clearly define responsibility for oversight and management of the governance framework, development of the procurement strategy and contract management planning strategy?
* Do the qualifications and experience of the CPO align with the complexity and scope of procurement activity conducted by the organisation?
 |  |  |
|  | **Further considerations*** Detail any other key responsibilities associated with the role.
* Can the role interface with/input to the broader business planning tasks undertaken by the organisation?
* What systems and processes alert the CPO to emerging strategic or business critical issues?
* Does the role include external relationships and communications functions?
* Is the CPO role shared with other roles? How is the procurement role managed in a shared arrangement?
 |  |  |
| **Establishment of an Internal Procurement Unit (IPU)** |
| **Objective:**To report how the role, responsibilities, operation and structure of the IPU is integrated into the operation of the procurement function across the organisation.  | **Key considerations** * Does the capability and experience of the IPU align with the procurement profile of the organisation and the range of tasks referred to it?
* How does the IPU communicate procurement issues to senior management?
* Does the role of the IPU clearly define responsibility for managing the preparation of a capability assessment and capability development plan?
* Does the role of the IPU clearly define responsibility for the identification of procurement categories and activities which are strategic or critical to the business within categories?
 |  |  |
|  | **Further considerations** * What is the scope of matters/issues required to be referred to the IPU? What systems and processes ensure that relevant matters/issues are brought to the attention of the IPU?What is the extent of 'call in powers' available to the IPU and how are those powers applied?
* How does the IPU ensure its decisions and recommendations are implemented and delivered? What other responsibilities does the IPU have outside of goods and service procurement?
* What are the performance and reporting obligations on the IPU?
 |  |  |
| **Creation of a procurement strategy** |
| **Objective:**To record the systems and processes adopted by the organisation to manage the development of a procurement strategy.  | **Key considerations** * How does the organisation manage the development of its procurement strategy (processes, systems, organisational structure, timing, reporting arrangements, etc.)?
* How does the organisation ensure the currency and relevance of its procurement strategy?
* To what extent is the procurement strategy embedded into the broader business strategy/agenda of the organisation?
* To what extent is the vendor/supplier analysis supported by a supplier communication plan?
 |  |  |
|  | **Further considerations** * How does the organisation ensure that the procurement strategy is understood and referred to across the organisation?
* What are the processes to inform the accountable officer of performance/deliverables against strategy plan KPIs?
* How does the organisation ensure that its procurement activity plan is an accurate reflection of the organisation's procurement priorities?
* How does the organisation inform the supplier market of its forward procurement activity and points of contact for further information/advice?
 |  |  |
| **Objective:**To report on the processes adopted by the organisation to ensure all major categories of procurement and strategic/business critical procurements are subject to an assessment of complexity. | **Key considerations** * How is the assessment of procurement complexity managed within the organisation?
* What methodologies does the organisation use in the assessment of complexity?
* How does the organisation ensure the appropriate capability is applied in the assessment of complexity?
 |  |  |
|  | **Further considerations** * How does the organisation ensure consistency of approach and outcome in the assessment of complexity?
* What processes does the organisation apply in identifying strategic/business critical procurement?
* What are the key categories of spend within the organisation?
* What decision processes does the organisation apply for assessments that are on the boundary of two or more complexity quadrants?
 |  |  |
| **Capability assessment** |
| **Objective:**To report on whether the organisation has the capability to undertake its procurement profile.  | **Key considerations** * How is the assessment of capability initiated and managed within the organisation?
* Does the organisation have a formal capability development plan in place?
* To what levels within the organisation is the capability assessment applied?
 |  |  |
|  | **Further considerations** * What actions does the organisation apply to address any shortfall in capability?
* How is the capability assessment and capability development plan aligned with broader staff development and organisational culture strategies?
* How does the capability assessment data influence the procurement strategy and management decisions across the organisation?
* What processes and actions are taken by the organisation to ensure the appropriate level of capability is applied in the delivery of an individual procurement activity?
 |  |  |
| **Objective:**To report on the strategies and processes adopted by the organisation in conducting an analysis of the market and review of its procurement need.  | **Key considerations** * How does the organisation ensure that its sourcing processes are aligned with and build on the procurement strategy?
* What methodology or process does the organisation apply to identify appropriate market sectors relevant to the procurement/category?
* What processes and conditions does the organisation apply in conducting a limited /restricted approach to the market?
* What frameworks has the organisation adopted to record the outcome of the market analysis, review of requirements and steps to progress the procurement activity?
 |  |  |
|  | **Further considerations** * How does the organisation ensure supply chain issues are given sufficient consideration?
* Has the organisation adopted a structured approach of engaging with the market to assist in refining procurement needs and to better understand market dynamics?
* How does the organisation take into account the participation by SMEs/NFP organisations for relevant procurement activity?
 |  |  |
| **Aggregated purchasing demand** |
| **Objective:**To report on the systems and processes adopted by the organisation to identify and progress aggregated demand opportunities. | **Key considerations** * What systems and processes are applied by the organisation to identify the potential for aggregation of demand?
* What processes does the organisation employ to maximise the scope for internal and/or external buy-in by other departments and non-mandated public bodies?
* What actions does the organisation apply to maximise internal use of an SPC/SEPC?
 |  |  |
|  | **Further considerations** * What actions and processes does the organisation apply to ensure compliance with established arrangements?
* How does the organisation ensure business units/buyers comply with the rules of use developed for established arrangements?
* How does the organisation manage and remedy non-compliant purchases outside established arrangements?
* What action does the organisation employ to promote use of established arrangements across the organisation?
* What action does the organisation take to ensure local and SME business opportunities are taken into account in the establishment of an aggregated arrangement?
 |  |  |
| **Market approach** |
| **Objective:**To report on the processes and systems adopted by the organisation to ensure standards of probity and process are applied in approaching the market. | **Key considerations** * What actions does the organisation employ to ensure a market approach that is transparent, fair and establishes a competitive environment where appropriate?
* What actions does the organisation take to ensure standards of probity in the management of submissions from the supply market?
 |  |  |
|  | **Further considerations** * Does the organisation have clear guidelines for the management of late tenders while maintaining the integrity of the market approach?
* What processes does the organisation apply to manage an unsolicited innovative approach?
* Has the organisation developed guidance material for the conduct of multi-stage 'tenders' in approaching the market?
 |  |  |
| **Evaluation, negotiation and selection** |
| **Objective:**To report on the processes, capability and structures applied in the evaluation and negotiation of supplier submissions.  | **Key considerations** * What processes and checks are applied to ensure that the capability for the evaluation of submissions and the conduct of negotiations are commensurate with the requirements and complexity of the procurement activity?
* Has the organisation developed clear procedures/guidance material for the conduct of briefing and negotiation processes to maintain the integrity of the sourcing process?
* How does the organisation manage actual and perceived conflicts of interest in the conduct of evaluation and negotiation?
* Has the organisation adopted a systemised approach to Evaluation, Negotiation and Selection that is scalable having regard to the complexity of procurement?
 |  |  |
|  | **Further considerations** * What processes does the organisation apply to consider and evaluate alternative submissions?
* How does the organisation ensure the application of the appropriate evaluation methodology?
 |  |  |
| **Contract management and disclosure** |
| **Objective:**To report on the contract management systems, processes and operational arrangements that ensures supplier performance and delivery against contracted items and services.  | **Key considerations** * Has the organisation adopted a contract planning strategy for its categories of complexity?
* How is the contract planning strategy informed across the organisation?
* How does the organisation ensure alignment between the planning strategy and the contract management approach applied for individual procurement activity?
* What are the systems, oversight, processes, templates and tools the organisation uses to ensure contracts are governed/managed effectively?
* How does the organisation ensure suppliers deliver on Key Performance Indicator obligations and commitments?
* Has the organisation adopted processes and procedures for the management of contract risk and failure in relation to strategy/business critical procurement activities?
* How does the organisation ensure required contract information is disclosed on a Contracts Publishing System within the required time period detailing the required information?
 |  |  |
|  | **Further considerations** * What level of contract performance information is provided to the accountable officer and senior management?
* Does the organisation have a formal process for escalating contract management risks and issues?
* Does the organisation have a process for post-contract evaluation/supplier performance assessment?
 |  |  |
| **Complaints management** |
| **Objective:**To report on the framework for considering third party complaints regarding probity and process in the management of procurement activity. | **Key considerations** * What processes does the organisation apply to ensure the integrity of the complaints process and independent oversight of the complaint?
* Has the organisation made all information about complaints management easily available to suppliers and the public?
 |  |  |
|  | **Further considerations** * Does the complaints framework commit the organisation to process action by specific timelines in the investigation and management of the complaint?
* Has the organisation established proformas or standard templates to assist complainants in documenting the nature and scope of the matters in dispute?
 |  |  |
| **Objective:**To record how the organisation ensures appropriate standards of probity and process for the delivery of goods and services during an emergency. | **Key considerations** * How does the organisation communicate the declaration of a critical incident and the procurement processes that apply?
* What processes does the organisation adopt to ensure appropriate standards of probity and process are applied to procurement during a critical incident?
* What systems and processes has the organisation adopted to ensure adequate records of procurement action are made during a critical incident?
 |  |  |
|  | **Further consideration*** How does the organisation ensure identification and the management of conflict of interest issues during a critical incident?
 |  |  |
| **Objective:**To record how the organisation addresses standards of probity and environmental considerations in the disposal of redundant assets.  | **Key considerations*** How does the organisation ensure that sufficient consideration has been given to recycling or transferring a redundant asset to another organisation or Non-For-Profit organisation?
* Has the organisation communicated its assets disposal procedures across all the business units?
* How does the organisation manage and maintain the currency of its assets data base?
 |  |  |
|  | **Other consideration*** What process has the organisation adopted to prevent a conflict of interest in the transfer or sale of a redundant asset?
 |  |  |

© State of Victoria 2017 (Victorian Government Purchasing Board)



This work is licensed under a [Creative Commons Attribution 4.0 licence](http://creativecommons.org/licenses/by/4.0/). You are free to re-use the work under that licence, on the condition that you credit the State of Victoria as author. The licence does not apply to any images, photographs or branding, including the Victorian Coat of Arms, the Victorian Government logo and the Department of Treasury and Finance logo.

Copyright queries may be directed to IPpolicy@dtf.vic.gov.au