



Government of **Western Australia**
Department of **Health**

Forward Procurement Planning Guide

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Section 1 - Introduction

A structured and planned approach to procurement activity will deliver a range of benefits across WA Health¹. At the beginning of each financial year, WA Health Executives and Managers should form a clear list of the procurements required by their Division² over the coming year. With a clear view of upcoming procurement requirements, WA Health Executives will have an improved ability to:

- effectively prioritise procurement processes to ensure contract outcomes are aligned to the Division’s strategic vision;
- allocate sufficient resources and time to procurement processes to ensure their success;
- ensure compliance with [State Supply Commission \(SSC\)](#) policies, [WA Health procurement processes requirements](#) and relevant legislation;
- seek early advice from the [relevant procurement support function](#) on the procurement strategies that will best allow a procurement process to meet its stated objectives whilst complying with relevant policies, processes and legislation; and
- manage budgets with visibility of future spend requirements.

Purpose of this Guide

The WA Health Forward Procurement Planning Guide (this Guide) is designed to assist WA Health Executives and Managers to undertake and structure effective forward procurement planning for their Division. This Guide provides supporting information on the processes required to successfully complete a Forward Procurement Plan, and is to be used when completing the [Forward Procurement Plan Template](#).

This Guide:

- focuses on forward procurement planning at a Divisional level to assist with the strategic management of WA Health resources. Guidance and advice relating to procurement planning for a specific procurement process is provided in the [WA Health Guide to Procurement and Contract Management](#).
- provides a step-by-step approach to outlining the forward procurement planning process. Useful prompts highlight key considerations at each step to ensure that the final Forward Procurement Plan is thorough and accurately reflects the strategic direction of your Division. There are four key steps covered in this Guide:

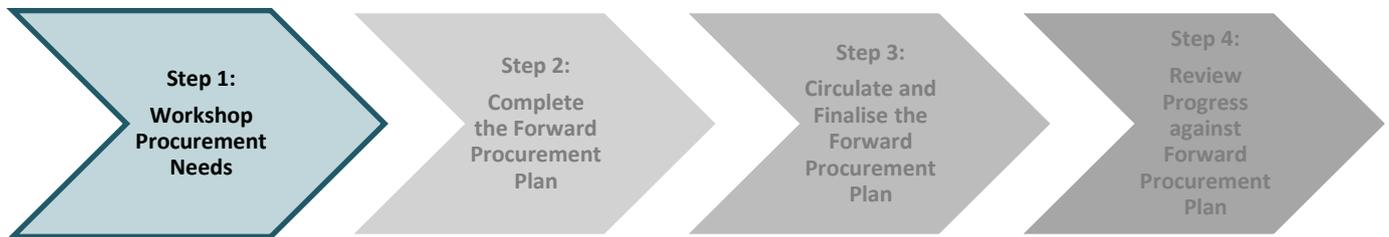


¹ WA Health is defined as including Health Services, Department of Health Directorates and State-wide Services. For the purposes on this Guide it is an all-encompassing term.

² Division is used as a generic term in this document to refer to the work area or directorate completing a Forward Procurement Plan Template.

Section 2 – Forward Procurement Planning Process

Step One – Workshop Procurement Needs



The first step in forward procurement planning is to identify the procurement activities that will be required for your Division to deliver on its strategic vision for the year. A group workshop approach will help to ensure that you can form a complete picture of these requirements. The group workshop should involve a sufficient cross-section of your team members to capture the full breadth of your Division's operational requirements.

The following steps provide a suggested structure for the workshop which will assist with extracting the information required to complete the [Forward Procurement Plan Template](#).

1. Requirement Identification

The workshop should commence with identifying the goods, services and works which will need to be procured by your Division in the coming financial year, noting that some of the planned procurements will run into the next financial year. The following questions will help to tease out these requirements:

- What procurement processes are currently underway? What phase are these processes in (business case/procurement planning/contract formation etc.)? When are they expected to be completed?
- What contracts are currently in place which are due to expire in the year ahead? Will the contracts need to be redeveloped and replaced?
- Are there any new projects commencing this year? Will these projects necessitate the procurement of new goods, services or works?
- What is being frequently purchased or funded across the Division through direct engagements, quotation processes and grants? Can these procurements or funding arrangements be aggregated to improve savings and efficiency?
- Which Common Use Arrangements (CUAs) and Whole of Health contracts are being frequently used across the division? Does the CUA or Whole of Health contract offer benefits for purchasing in bulk? Can these purchases be aggregated?

2. Policy and Process Implications

Once a list of the procurement requirements has been formed, the group can consider the policy and process implications of the procurements. Any questions arising out of this

analysis can be directed to [relevant procurement support function](#) for early advice. The following should be considered:

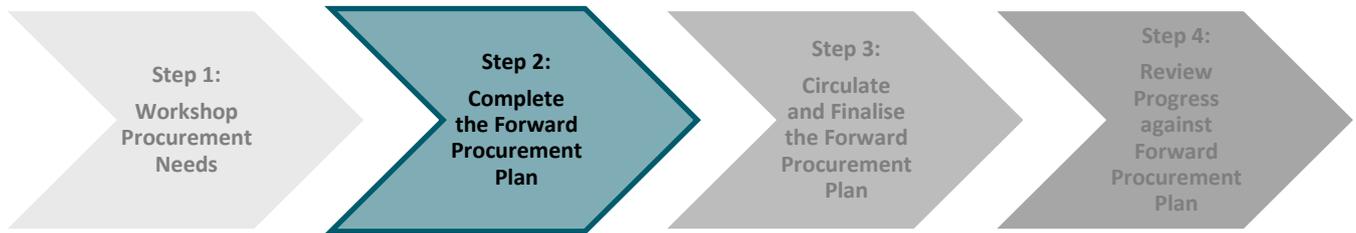
- Will the procurement fall within the commercial framework, the community services framework or is it a works procurement?
- What are the expected whole-of-life costs for the contract and what implications does this have for the procurement timeline?
- Will the Department of Finance need to be involved in the procurement process? (Consider here the required documentation and approvals based on value thresholds – see the [WA Health Guide to Procurement and Contract Management](#) and the WA Health [Delegation Schedule](#) for details.)
- Will the procurement process be undertaken in the Perth metropolitan area or in regional WA? How will the [Buy Local](#) apply to this procurement process?

3. Resource Allocation

With a view of the upcoming procurement activities and their associated policy and process implications, the group can then consider the resourcing requirements for the procurement processes. Key considerations include the following:

- Where will the budget come from for each procurement process? Will it be drawn from recurrent or capital funding?
- What is the level of risk associated with each procurement process? Will you need to seek assistance from probity advisors, technical advisors and/or legal advisors to ensure strong procurement outcomes?
- Who will be assigned from within the Division to the procurement processes? Do the nominated personnel have the required skills and knowledge? Would they benefit from enrolling in procurement training available through the [Office of the Chief Procurement Officer](#) (OCPO)?
- Will any other stakeholders need to be involved in the procurement process? For example, should a Client Reference Group be put together to inform the specification drafting process? Will there need to be a sector-wide consultation and engagement process?
- What is the expected term of the resultant contract? Who will be responsible for contract management? Are there personnel available in your division with contract management expertise and skills? Should you prepare someone for contract management by suggesting they attend relevant training such as that offered through the [OCPO](#)?

Step Two – Complete the Forward Procurement Plan Template



The group workshop should have elicited sufficient information for you or your workshop attendees to begin filling out the Forward Procurement Plan Template. The Forward Procurement Plan Template includes a 'Notes' tab with explanations of the information that is expected in each field.

Filling out the Forward Procurement Plan Template will highlight any details which have not yet been considered or decided about each procurement process. This will act as a prompt to follow-up with the officer responsible to address any areas of uncertainty.

Step Three – Circulate and Finalise Forward Procurement Plan



Once completed, the Forward Procurement Plan will provide a picture of your Division's procurement activity for the years ahead. This will be a very useful tool for a number of stakeholders and you may consider circulating the Forward Procurement Plan to:

- Managers within your division who may use the plan to assist with workflow management and performance planning for their personnel;
- the Office of the Chief Procurement Officer who can provide strategic advice on the application of SSC policies within a WA Health context;
- Health Corporate Network Supply (HCN Supply) who will be able to plan ahead for the personnel they will allocate to assist you with your commercial procurement processes valued between \$50,000 and \$250,000 (inc GST);
- the Community Services Procurement Directorate (CSPD) who will be able to provide preliminary advice on your planned community services procurements and grants;

- the Department of Finance Cluster 2 or ICT Sourcing who will be able to plan ahead and allocate sufficient staff to assist you with your commercial procurement processes valued over \$50,000 for ICT procurements and over \$250,000 (inc. GST) for other goods and service procurements; and
- the Regional Buying Centre(s) in the relevant regional area who will be able to plan ahead for the personnel they will allocate to assist you with your commercial procurement processes (not ICT) valued over \$50,000 (inc. GST).

Step Four –Review Progress against Forward Procurement Plan



Throughout the financial year, you can measure your Division's progress on its procurement activities against the Forward Procurement Plan. It is recommended that you undertake reviews against the plan on a quarterly basis. Inevitably, some procurement process will not be delivered exactly according to plan, whether they take longer than expected, cost more than expected or do not deliver the outcomes which were expected. Identifying and learning from these issues will allow you to improve performance and build procurement capability within your Division over time.

Each time you complete a Forward Procurement Plan you should be better informed of the policy, process and resource implications of your procurement needs and therefore better placed to lead your Division in achieving efficient, value for money contract outcomes which align with your strategic vision.



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