

AUSTRALIAN CAPITAL TERRITORY
GOVERNMENT PROCUREMENT ACT 2001
PROCUREMENT GUIDELINE
APPROVED PROCUREMENT UNITS
INSTRUMENT NO 214 OF 2001
EXPLANATORY STATEMENT

The Government Procurement Act 2001 (the Act) established the Government Procurement Board to develop, implement and review policies and practices for the procurement of goods, services and works by Territory entities.

Section 7 of the Act allows the Board to issue procurement guidelines prescribing policies and practices that must be observed in the procurement of goods, services and works.

Subsection 7 (4) of the Act states that a procurement guideline is a disallowable instrument.

This instrument prescribes the requirement for each Territory entity to establish an Approved Procurement Unit (APU), the procedures for applying to the Board for approval of a procurement unit, the levels in terms of risk and monetary value of APUs, the roles and functions of APU, and the requirement for referral of procurement proposals to the Board.

This instrument applies to Territory entities except those established as corporations under the Corporations Act 2001(Cth) and those that have applied and been exempted by the Board.

Approved Procurement Units Guideline

Issued under the

Government Procurement Act 2001

CONTENTS

Section		Page
1	Name of guideline	2
2	Commencement	2
3	Definitions for this guideline	2
4	Notes	2
5	Procurement by Territory entities	3
6	Approved Procurement Units	3
7	Levels of Approved Procurement Units	3
8	Applications for Procurement Unit Approval	4
9	Approval of Procurement Units	4
10	Competencies for Approval	4
11	Referral to Government Procurement Board	5
12	Application of this guideline	5

Procurement Guideline 2001

1 Name of guideline

This guideline is *Approved Procurement Units*.

2 Commencement

This guideline will commence on the day that it is notified in the Gazette.

3 Definitions for this guideline

In this guideline:

APU means a procurement unit approved by the board.

AS/NZS 4360:1999 means the Australian/New Zealand Standard on risk management.

endorse means the issuing of a statement of compliance of the proposed procurement processes and documentation with applicable guidelines under the Act.

executive—see the *Public Sector Management Act 1994*, subsection 3 (1).

extreme risk means a level of risk as described in AS/NZS 4360:1999 as extreme risk.

high risk means a level of risk as described in AS/NZS 4360:1999 as high risk.

the Act means the *Government Procurement Act 2001*.

the board means the Australian Capital Territory Government Procurement Board.

4 Notes

A note included in this guideline is explanatory and is not part of this guideline.

Note See *Interpretation Act 1967*, s 12 (1), (4) and (5) and *Subordinate Laws Act 1989*, s 90 for the legal status of notes.

5 Procurement by Territory entities

(1) Each Territory entity must have an APU.

Procurement Guideline 2001

- (2) All proposals for the procurement of goods, services and works by Territory entities exceeding a value of \$50,000 must be examined by an APU or the board, as specified in this guideline.

6 Approved Procurement Units

- (1) APUs will examine procurement processes and documentation in respect of the procurement proposals referred to them by Territory entities, for compliance with all procurement guidelines and in doing so:

- (a) review and only endorse procurement proposals for which they are qualified with respect to the monetary and risk thresholds specified in this guideline; and
- (b) review, endorse and then refer procurement proposals exceeding \$1 million and/or those having extreme levels of risk to the board.

- (2) APUs will:

- (a) advise and report to the responsible chief executive for major procurement issues on compliance with, and achievement of, procurement policy objectives;
- (b) promote best practice in procurement in Territory entities and provide input into written procedures having regard to the requirements of procurement guidelines and circulars issued by the board;
- (c) act as a centre of procurement expertise for Territory entities, by reviewing procurement proposals and providing advice in accordance with applicable guidelines and circulars;
- (d) facilitate the acquisition and maintenance of procurement competencies of Territory officers engaged in procurement processes, to ensure their skills are appropriate to the procurement objectives of their Territory entity; and
- (e) report to the board in relation to any procurement process as required by the board from time to time.

7 Levels of Approved Procurement Units

- (1) There will be three levels of APU:

- (a) Level 1 - \$50,000 to \$250,000;
- (b) Level 2 - \$250,000 to \$1million; and

Procurement Guideline 2001

(c) Level 3 - over \$1million.

(2) Any procurement that is likely to carry a high or extreme risk will require endorsement of a Level 3 APU.

8 Applications for Procurement Unit Approval

(1) Responsible chief executives may make applications to the board for the approval of procurement units.

(2) Applications for approval of procurement units submitted by responsible chief executives will include:

- (a) certificates or statements of attainment of competency issued to proposed APU members, against the competencies set out in clause 9 of this guideline;
- (b) statements attesting the procurement experience and expertise of proposed APU members;
- (c) the level of APU sought;
- (d) proposed documentation of procurement processes;
- (e) the executive to whom the APU will be accountable; and
- (f) such other information as the board may require.

9 Approval of Procurement Units

(1) The board may approve a procurement unit of a Territory entity.

(2) The approval must state:

- (a) the level of approval for the procurement unit in accordance with clause 7(1);
- (b) the members of the procurement unit;
- (c) the executive accountable for the operation of the procurement unit; and
- (d) the term of the approval.

10 Competencies for Approval

The competencies required for approval of procurement units for the purpose of this guideline are based on Australian National Training Authority and Public Service Education and Training standards.

Procurement Guideline 2001

11 Referral to Government Procurement Board

- (1) APUs will ensure that all procurement proposals that are referred to them which are in excess of \$1 million (in aggregate with respect to any project) are referred to a Level 3 APU for review and endorsement and then sent to the board.
- (2) APUs will ensure that all procurement proposals that are referred to them which are likely to carry an extreme risk are referred to a Level 3 APU for review and endorsement and then sent to the board.

12 Application of this guideline

- (1) This guideline applies to Territory entities except those established as corporations under the Corporations Act 2001(Cth).
- (2) Territory entities may apply to the board for exemption from this guideline or any provision contained herein.
- (3) The board may grant or refuse exemption.