

# Not-for-Profit Quality Assurance Framework Guideline

## Purpose

The purpose of this Guideline is to provide practical guidance to public authorities on quality assurance accreditation for procurements involving the Not-For-Profit (NFP) sector.

## What is Quality Assurance Accreditation?

Quality assurance accreditation (accreditation) provides a framework to assist organisations to develop best practice systems, gives confidence to the community who use the services of the organisation, and over time, it creates a culture of continuous improvement for all aspects of an organisation's activities.<sup>1</sup>

Accreditation is a form of external quality assurance process under which services and operations of organisations or programs are evaluated by an external body (accrediting agency) to determine if applicable standards are met. Accreditation is both a status and a process.<sup>2</sup>

## How does Accreditation Apply to Sourcing?

When undertaking a procurement process involving the NFP sector, public authorities should ensure NFP accreditation has been properly considered in the market analysis, evaluation planning, market documentation, specification development, contract development and contract management.<sup>3</sup>

Formal accreditation held by NFPs should be recognised as part of the sourcing process. This creates administrative efficiencies for both parties but particularly for NFP's.

If an NFP is accredited under a particular quality standard, their accreditation should be taken by the public authority as evidence that the NFP satisfies the requisite quality standard and should not be requested to provide further evidence of its ability to meet that standard. In practice, this means that during the market approach (e.g. an invitation to supply) an accredited NFP should not have to supply certain information which would have already been provided and assessed as part of their accreditation process.

Public authorities have the flexibility to include specific evaluation requirements regarding accreditation in procurements where appropriate. Some public authorities may determine that for certain procurements NFPs that are accredited do not have to provide detailed information on general organisational policies/procedures. A public authority may also determine that further information such as quality, workplace health and safety, recruitment, training and screening practices is also not required.

---

<sup>1</sup> [Quality accreditation \(sa.gov.au\)](http://sa.gov.au)

<sup>2</sup> [Center for Learning Innovations & Customised Knowledge Solutions](#)

<sup>3</sup> Refer to the NFP Quality Assurance Framework Checklist Tool for further assistance

## Not-for-Profit Quality Assurance Framework Guideline

### Types of Quality Standards and Levels of Accreditation

The level/type of accreditation required for the delivery of goods or services may vary from procurement to procurement. It is the responsibility of the public authority to undertake effective market research to ensure they understand any relevant quality standards or accreditation associated with the good or service being procured.

The standards detailed below are examples only. This guideline does not provide an exhaustive list and public authorities are able to utilise other relevant quality assurance standards.

#### Australian Service Excellence Standards (ASES)

ASES is a quality improvement program that aims to assist non-government organisations to improve their business systems, management practices and service delivery. NFP organisations often use ASES due to the affordable, easy to understand and internationally benchmarked community standards and related support resources.<sup>4</sup>

There are two ASES accreditation levels, Certificate level and Award level. An NFP must achieve accreditation at the Certificate level before they can be assessed at the Award level. Public Authorities should go directly to the [DHS ASES website](#) to obtain specific information about the ASES standards that NFP organisations must achieve to receive accreditation. A quick comparison between Certificate and Award levels can be found on the Website. Public authorities can use these standards as a guide when assessing and recognising the quality assurance accreditation of NFP's as part of the tendering process. Where an NFP has been accredited with ASES, certain information may not need to be further supplied during the sourcing process.

#### STARservice Development Program

The DHS [STARservice Development Program](#) (STARservice) aims to build capacity and improve work practices in small community organisations and is excellent preparation for organisations considering accreditation in the ASES program<sup>5</sup>. STARservice provides a step-by-step guide for the essential elements and the development tool tests community organisations in five areas: promoting sustainable and effective work environments for employers, staff, volunteers, clients and customers.

#### Quality Innovation Performance

Quality Innovation Performance Limited (QIP) is a not-for-profit health promotion charity with experience in community service accreditation and in primary and

---

<sup>4</sup> [Quality accreditation \(sa.gov.au\)](#)

<sup>5</sup> [ibid](#)

## Not-for-Profit Quality Assurance Framework Guideline

secondary health care accreditation and related services.<sup>6</sup>

QIP offers accreditation services against a variety of standards, including:

- Diagnostic Imaging Accreditation Scheme (DIAS) Standards
- National Disability Insurance Scheme (NDIS) and NDIS Practice Standards
- National Safety and Quality Health Service (NSQHS) Standards
- National Standards for Mental Health Services (NSMHS), and
- QIC Health and Community Services (QIC) Standards.

### International Organisation for Standardisation

[International Organisation for Standardisation \(ISO\) standards](#) are a formula that describes the best way of doing something. For example, making a product, managing a process, delivering a service or supplying materials.

Standards are established by those with expertise in their subject matter and who know the needs of the organisations they represent – people such as manufacturers, sellers, buyers, customers, trade associations, users or regulators.

Organisations turn to standards for guidelines, definitions, and procedures that help them achieve objectives such as:

- Satisfying their customers' quality requirements;
- Ensuring their products and services are safe;
- Complying with regulations;
- Meeting environmental objectives;
- Protecting products against climatic or other adverse conditions; and
- Ensuring that internal processes are defined and controlled.

The table below lists some of the ISO standards and provides a brief summary of what each standard aims to provide. For further detailed information in regard to the ISO standards please visit the [ISO website](#).

Topic:	Standard:
<a href="#">Quality Management Standards/Systems</a> Standards in quality management and quality assurance to assist organisations effectively maintain an efficient quality system. Standards can assist an organisation in satisfying its customers, meet regulatory requirements, and achieve continual improvement, working more efficiently and reduce product failures.	<a href="#">ISO 9000</a> <a href="#">ISO 9001:2005</a>

<sup>6</sup> [QIP | Quality Innovation Performance Limited](#)

## Not-for-Profit Quality Assurance Framework Guideline

<p><a href="#">Auditing Management Systems</a></p> <p>The standard contains guidance on managing an audit program, the principles of auditing, and the evaluation of individuals responsible for managing the audit programs.</p>	<p><a href="#">ISO 19011</a></p>
<p><a href="#">Environmental Management</a></p> <p>Aims to promote effective environmental management systems in organisations. The standards seek to provide cost-effective tools that make use of best practices for organising and applying information about environmental management.</p> <p>The standards specify requirements for establishing an <a href="#">environmental management policy</a>, determining environmental impacts of products or services, planning environmental objectives, implementing programs to meet objectives, and conducting corrective action and management review.</p>	<p><a href="#">ISO 14000</a></p>
<p><a href="#">Risk Management</a></p> <p>This standard provides principles and generic guidelines on risk management and can be applied to any type of risk, whatever its nature, whether having positive or negative consequences.</p>	<p><a href="#">ISO 31000</a></p>
<p><a href="#">Social Responsibility</a></p> <p>Standard to assist organisations effectively assess and address <a href="#">social responsibilities</a> that are relevant and significant to their mission and vision, including operations and processes, customers, employees, communities, other <a href="#">stakeholders</a>, and environmental impact.</p>	<p><a href="#">ISO 26000</a></p>
<p><a href="#">Food Safety</a></p> <p>Approach to manage food safety that describes the requirements of a food safety management system and explains the steps organisations must take to demonstrate its ability to control food safety hazards to help ensure that food is safe.</p>	<p><a href="#">ISO 22000</a></p>

### How to Consider Accreditation in a Procurement Process

#### Acquisition Planning

It is important for public authorities to consider and understand the applicable quality standards and/or accreditation requirements during the planning process. Public authorities should identify any applicable product/service requirements to be addressed and carried through to the sourcing and contract management stages of the procurement process. The sections below detail how this might look in practice.

## Not-for-Profit Quality Assurance Framework Guideline

### Market Analysis and Specification

When considering accreditation at the market analysis stage, public authorities should consider the following:

- What (if any) quality assurance standards are associated with the good/service being procured? For example, specific industry standards and what is the relevant industry standard?
- Ensure procurement officers have a good understanding of the required standard(s) and what is assessed as part of the accreditation. For example, is the supply value high enough or is the contract attractive enough for suppliers to want/be willing to seek the required level of accreditation? Is the standard critical in that it should be considered mandatory in an evaluation?
- Determine the importance of the procurement to the supply market through supplier preferencing, which in turn helps to increase the number and quality of the suppliers willing to compete for the procurement.

### Market Documentation

The selection of evaluation criteria should be identified through the market documentation. For example, if an NFP organisation is already accredited to a particular standard, certain questions requesting the same information, should be removed from the market documentation or identified as questions that do not have to be answered by the NFP organisation.

### Contract Development and Contract Management

When considering accreditation during the contract development stage, the public authority should consider:

- Accreditation requirements included within the specification;
- Information provided, or any commitments made in relation to accreditation by the supplier through the sourcing, evaluation and negotiation stages.
- Including accreditation requirements as part of the NFP Funded Services Agreement goods/service specification or funded services description<sup>7</sup>.
- For suppliers that are not currently accredited to a quality framework, incorporating the requirement to achieve accreditation within a certain timeframe (i.e. within three months) of the commencement of the contract in the goods/service specification or funded services description.

When considering accreditation during the contract management stage, public

<sup>7</sup> Public Authorities wanting to address accreditation requirements by adding additional terms and conditions to the government's standard agreements must not do so without first consulting with the Crown Solicitor's Office or Procurement Services SA.

## Not-for-Profit Quality Assurance Framework Guideline

authorities should:

- Ensure contract managers have a good understanding of the required standard(s) and what is assessed as part of the accreditation. This is important for a range of reasons, including:
  - Accreditation requirements may change over time (i.e. since the sourcing process).
  - Reporting processes should be streamlined as far possible for suppliers, and not duplicate reporting/contract management requirements that are covered through an accreditation process.
  - The focus of many accreditation processes is often at an organisational/governance level and it cannot be assumed that the supplier's ability to obtain quality assurance accreditation will automatically result in the achievement of contract outcomes. Contract management processes need to consider both accreditation requirements, and contract-specific outcomes.
- Implement contract management and administration processes to ensure the supplier maintains the required accreditation throughout the contract term.
- Ensure there are processes in place to address circumstances where a supplier loses (or does not maintain) accreditation during the contract term. This risk should be identified and addressed within the Contract Management Plan. This may include measures such as:
  - Withholding payments until accreditation is obtained;
  - Withholding or limiting any extension options until accreditation is obtained;
  - More frequent contract management meetings and/or reporting;
  - Assessing the ongoing need for the supplier to remain accredited through that quality assurance program, and the risk of the supplier operating while not accredited; and
  - Implementing contract termination and transition processes.

If a supplier does lose their required accreditation during the contract term, the public authority should undertake a review to understand how the supplier got to that point, whether this risk was identified by the public authority and the supplier, and whether any contract management processes were implemented prior to the loss of accreditation to mitigate the risk.