

Procurement Glossary

The following terms (and their common acronym where applicable) are used throughout the South Australian Government Procurement Policy Framework and related documents.

Term	Definition	References
Accountability	'Accountability' means that public officers are responsible for the actions and decisions that they take in relation to the procurement process and outcomes.	Procurement Governance Policy. Probity and Ethical Procurement Guideline.
Acquisition	The acquiring of goods or services (including construction) via a contract by a public authority to meet an identified need.	
Acquisition Plan	'Acquisition plan' means a document that outlines the procurement methodology and sourcing strategy to be undertaken in a proposed procurement, prepared in accordance with the Procurement Planning Policy.	Procurement Governance Policy. Procurement Planning Policy.
Acquisition Planning	'Acquisition Planning' means the process to plan a procurement. It begins by defining what need the goods, services or works will address, associated risks, complexity, market analysis, market approach, evaluation and contract management. The planning may commence months or years prior to the approval of an acquisition plan.	Procurement Planning Policy
Across Government Contracts	'Across-government contracts are a form of standing offer developed by a central public authority. The objective of these contracts is to achieve strategic outcomes for the public sector through procurement activity and centralise the evaluation of offers to determine technical compliance; the negotiation of terms and conditions; and contract development.	Procurement Governance Policy
Alternative Offer	An 'alternative' offer means any offer that does not conform with the exact requirement set out by the Authority in the tender documents, but does achieve the desired outcomes through using different technology, methodology, goods etc.	
ANZ Government Procurement Agreement (ANZGPA)	The 'Australian New Zealand Government Procurement Agreement' is an agreement between the Australian, State, Territory and New Zealand Governments, which provides for the equal treatment of Australian and New Zealand suppliers in the procurement and supply of goods or services. The objective of the ANZGPA is to maximise opportunities for competitive Australian and New Zealand suppliers and reduce the costs of doing business for government and industry. The ANZGPA applies to the procurement of goods, services and construction (as defined in the ANZGPA) by South Australian Government bodies, including public authorities, statutory authorities and other bodies controlled by the SA Government.	
Approach the market	'Approach the market' means the formal process of notifying one or more potential suppliers of a procurement opportunity and inviting them to submit an offer, quote, tender, response, proposal, submission, bid or registration.	Treasurer's Instruction 18

Procurement Glossary

Bid	A 'bid' is an offer by one party to enter into a legally binding contract with another party, often used interchangeably with offers, quotes, tenders, proposals and submissions.	
Business Case	A 'business case' is a management tool that supports decision making for a project. It sets out the reasons for a specific project, considers alternative solutions and identifies assumptions, constraints, benefits, costs and risks. An authority may choose to complete a business case prior to the development of an acquisition plan.	
Capability	'Capability' means ensuring persons, resources, systems and processes are matched to the requirements of a procurement activity - ensuring sufficient expertise is in place to carry out the procurement successfully.	Procurement Governance Policy
Capability Assessment	'Capability assessment' means the public authority's annual review of capability to ensure appropriate levels of procurement expertise, resources, systems and processes to achieve procurement objectives and manage risks.	Procurement Governance Policy. Complexity and Capability Assessment Guideline.
Capability Development Plan	'Capability Development Plan' means the public authority's annual plan for responding to the identified development needs relating to procurement expertise, resources, systems and processes.	Procurement Governance Policy. Complexity and Capability Assessment Guideline.
Capacity	'Capacity' describes a public authority's ability to execute specific strategies. It is also the ability, measured in quantity and quality, to perform, produce, manage or achieve a particular process and/or objective.	
Category	Procurement 'Category' are groupings of similar goods or services with common supply and demand drivers and suppliers. Professional services are an example of a services category, with sub-categories such as consultancy services and audit services.	
Category Management	Category Management is a strategic approach to procurement where organisations segment their spend into areas which contain similar or related products enabling focus opportunities for consolidation and efficiency.	
Central Procurement Unit (CPU)	A 'Central Procurement Unit' <i>may</i> be established by a public authority (CPU) to govern the public authority's key procurement functions.	Procurement Governance Policy
Chief Executive (CE)	'Chief Executive' has the same meaning as a "Chief Executive Officer" defined in section 4 of the <i>Public Finance and Audit Act 1987</i> and means: <ul style="list-style-type: none"> ▪ where the public authority is a government department, the Chief Executive or the person who has the powers and functions of Chief Executive of that government 	Procurement Governance Policy



Procurement Glossary

	<p>department;</p> <ul style="list-style-type: none"> ▪ where the public authority is a Minister—the Minister; ▪ where the public authority is a statutory authority (not being a natural person or a corporation sole) or some other body—the Chief Executive of the authority or other body or, if there is no Chief Executive, the person entitled to preside at meetings of the governing body of the authority or other body; ▪ where the public authority is a natural person or a corporation sole— that person or the person constituting the corporation. 	
Client Services Procurement	‘Client Services Procurement’ means the team established within Procurement Services SA, DTF, which provides expert management of goods and service procurement processes for agencies with limited internal capability under a fee for service arrangement.	Procurement Governance Policy
Code of Ethics	The ‘ Code of Ethics for the South Australian Public Sector’ is issued under the <i>Public Sector Act 2009</i> , where it is referred to as the Code of Conduct. It builds on the principles outlined in the Act and sets out the professional standards expected of every employee.	
Common Use Arrangements (CUA)	‘Common Use Arrangements’, such across government or lead agency contracts, are contracts for commonly bought goods or services by government. Some CUAs are mandatory for all public authorities, and offer pre-negotiated pricing, efficiencies for ordering and risk mitigation.	
Communities of Practice (CoP)	‘Communities of Practice (CoP)’ are established to assist public authorities to improve their procurement capability and practice through: <ul style="list-style-type: none"> ▪ sharing good practice in procurement ▪ identifying lessons learned on matters of common concern ▪ identifying opportunities for public authorities to share capability and expertise, including areas where experienced and specialist procurement professionals could partner with other public authorities to improve procurement outcomes ▪ benefiting from advice and discussion with the owners of government policies that are relevant to procurement, including the not-for-profit contracting reforms and the Industry Advocate, in order to improve understanding and practice ▪ identifying opportunities to reduce unnecessary costs to procurement and business in procurement policy, practice and process. 	Procurement Governance Policy
Competitive Dialogue	‘Competitive dialogue’ is a procurement approach that enables the purchaser to enter into detailed discussions once market and vendor capability have been determined. It differs from more traditional approaches as the specifications are developed and refined with each supplier during the procurement process.	
Complaints Management Framework	‘Complaints Management Framework’ means the systems, practices and processes in place within a public authority to manage supplier complaints at any stage of the procurement	Procurement Governance Policy.



Procurement Glossary

	process.	Supplier Complaints Schedule. PC044 Funding Policy for the Not-for-Profit Sector.
Complexity	'Complexity' means the level of difficulty involved in buying goods or services. An assessment of complexity considers a broad range of factors including risk, whole of life cost and what's happening in the market.	Procurement Governance Policy
Complexity Assessment	'Complexity assessment' means the determination of a procurement and contract management process as either: <ul style="list-style-type: none"> a) transactional, b) routine, c) complex, or d) strategic The procurement complexity will determine the requirements of the individual procurement process.	Procurement Governance Policy. Complexity and Capability Guideline.
Conflict of Interest	'A conflict of interest' occurs when a public officer's interests or the interests of someone close to that public officer (whether financial or otherwise) influences, may influence or could be perceived to influence, the public officer's actions and the proper outcome of a decision or process. Conflicts of interest can take various forms – direct, indirect, financial and non-financial – and can arise as a result of private interests, personal or business associations, conflicting duties, and the provision and/or receipt of gifts, benefits or hospitality	Procurement Governance Policy
Consequence	'Consequence' is a risk term which means the outcome or impact of an event affecting the procurement objectives. The consequence may be expressed qualitatively or quantitatively. A public authority may have its own risk assessment criteria matrix which defines the consequence criteria for the public authority depending on the public authority's risk appetite.	
Construction Project	Construction project is a project that primarily involves the procurement of a construction work; and <ul style="list-style-type: none"> ▪ includes: <ul style="list-style-type: none"> (i) the acquisition and installation of fixtures, plant, equipment, appliances and fittings in conjunction with the construction work; and (ii) the acquisition of survey, planning, design and other services in conjunction with the construction work; but ▪ does not include the acquisition of goods and services for the ongoing maintenance of a building or structure. 	Treasurer's Instruction 18
Construction Work	Construction work means: <ul style="list-style-type: none"> ▪ building work (which has the same meaning as in the <i>Building Work Contractors Act 1995</i>); or ▪ the whole or part of the work of excavating or filling of land not constituting building work. 	Treasurer's Instruction 18

Procurement Glossary

Consultant	<p>‘Consultant’ means a person or entity that is engaged by a public authority for a specified period to carry out a task that requires specialist skills and knowledge not available in the public authority. The objectives of the task will be achieved by the consultant free from direction by the public authority as to the way it is performed and in circumstances in which the engagement of a person under normal circumstances is not a feasible alternative. Generally:</p> <ul style="list-style-type: none"> ▪ Consultants provide independent expert advice ▪ There is an expectation that the consultant will exercise his or her own skill and professional judgement independent of the public authority ▪ Consultants perform significant independent research and investigation ▪ Recommendations made by consultants are generally for decision-making or for management action ▪ Consultants’ recommendations are generally made in a written report or intellectual product. 	
Contract	A ‘contract’ is a legally binding agreement (verbal or written) between two or more organisations, signed by the appropriate authorised persons, to undertake or perform a specific task or activity.	
Contract Administrator	The Contract Administrator is the person responsible for performing administrative activities over the contract management lifecycle.	Contract Management General Requirements Schedule
Contract Leakage	‘Contract leakage’ refers to the volume of purchases with suppliers other than the contracted suppliers for a given category. Contract leakage can dilute the influence of the public authority in the market and can also add to the time and cost of another procurement exercise. Good practice is to try to minimise contract leakage, or at the very least explore the reasons behind contract leakage.	
Contract Management	‘Contract Management’ is actively managing a contractual relationship between a supplier and public authority, including addressing risks and disputes that arise, to achieve the agreed contractual outcomes.	Contract Management Policy
Contract Management Framework	‘Contract Management Framework’ means the strategic, organisational and transactional level requirements for managing contracts across a public authority that align with the Contract Management Policy.	Procurement Governance Policy. Contract Management Policy.
Contract Management Plan	A ‘contract management plan’ identifies key strategies, activities and tasks required for managing a contract including but not limited to roles and responsibilities, timelines, performance management and financial matters.	Contract Management Policy
Contract Manager	The Contract Manager is the person responsible for managing the day-to-day activities of the contract and is the single point of contact for suppliers on all contract matters.	Contract Management Policy



Procurement Glossary

Contract Management Policy	'Contract Management Policy' means the policy by that name approved by the Treasurer and administered by Procurement Services SA, establishing the requirements for effective contract management.	Treasurer's Instruction 18. Contract Management Policy.
Contract Owner	The Contract Owner is the person responsible for the strategic oversight of the contract, and achievement of outcomes, and accountable for the budget/cost centre that funds the contract.	Contract Management General Requirements Schedule
Contract Register	'Contract Register' means the register established by public authorities to record details of all goods, services and construction contracts valued above \$55,000, including secondary contracts under established panel contracts.	Procurement Governance Policy. Contract Management General Requirements Schedule .
Contract Renewal	Contracts due for renewal are those existing contracts with an available extension option.	Procurement Governance Policy
Contract Review	'Contract Review' means an assessment of contracts to determine whether: <ul style="list-style-type: none"> ▪ the contract continues to deliver value for money; and ▪ there is opportunity for improvement and/or innovation. 	Contract Management Policy
Contract Variation	A 'contract variation' is an addition or alteration to the terms of the original contract that is mutually agreed to by both parties to the contract. Variations may be proposed by either party and may refer to adding, removing or changing an existing contract provision.	
Contractor	'Contractor' means an individual or organisation engaged under a contract (other than an employee) to provide goods and/or services to a public authority. Key characteristics of a contractor: <ul style="list-style-type: none"> ▪ Performs routine/core business tasks ▪ The tasks generally would not differ materially from those of employees working in the same area ▪ Tasks are generally supervised by an employee of the public authority ▪ The contract will specify the name/names of individuals performing the tasks ▪ Generally the service provided does not include a recommendation, or if a recommendation is included it is only part of performing a 'routine' task ▪ General research/investigation may be carried out as part of performing a 'routine' task ▪ The contractor operates as an independent business entity ▪ The contractor takes responsibility for risks ▪ The contractor engages or employs staff and has the right to delegate work to be performed ▪ There is a desired result in a written contract ▪ The contractor is bound by contractual requirements to rectify defects 	

Procurement Glossary

	<ul style="list-style-type: none"> ▪ The contractor contributes to capital, resources etc. 	
Control	A 'control' is a measure put in place that modifies risk. It may be an existing process, policy, device, practice or other action that minimises negative risk or enhances positive opportunities. An assessment of the controls may be required to determine the controlled risk rating for each risk. Control measures are throughout the public authority at all levels and in all functions.	
Debrief	A supplier 'debrief' must be offered at the conclusion of a procurement process. It provides a supplier with an accurate and detailed understanding of the selection process, and the satisfactory parts of their response and areas for improvement. A debrief can be provided to both successful and unsuccessful suppliers.	
Demand Management	'Demand management' is a planning methodology used to forecast, plan for and manage the demand for products and services. Public authorities may could seek to minimize internal consumption to minimize costs. Public authorities may seek to ensure the right services are delivered to communities when and where it is needed, for the best cost.	
Direct Market Approach (Single Source)	A 'direct market approach' is a sourcing strategy where only one supplier is invited to submit an offer.	Procurement Planning Policy
Discount	A reduction of a sum of money, or set price, by a specified or calculated amount prior to payment. For example, \$1000 discount or 10% discount. It can be applied to the price of a product or an amount owing.	
Dispute Resolution	'Dispute resolution' means the process resolving disputes that arise in the contract management phase, managed in accordance dispute resolution process set out in the contract	Contract Management Policy
Due Diligence	'Due diligence' means the process of reviewing and analysing in detail a supplier's ability to meet future contract performance requirements. This may include a detailed assessment of the supplier's financial stability, legal risks, technical capability, resource capacity and infrastructure.	
Eligible Aboriginal Business	An 'eligible Aboriginal business' is one which is: <ul style="list-style-type: none"> ▪ registered on the South Australian Aboriginal Business Register, or ▪ certified by Supply Nation, or ▪ registered with an Aboriginal Regional Authority or Aboriginal Landholding Authority, and is 50 per cent or more Aboriginal owned and based in South Australia. 	Procurement Planning Policy. SAIPP Procedural Guidelines.
Emergency Situation Procurement	An 'emergency situation procurement' means a procurement undertaken by public authorities in response to an emergency, in accordance to the provisions of the State Emergency Management Plan, or formal arrangements outlined in other state or commonwealth emergency service related legislation.	Emergency Situations Procurement Schedule
End-User	'End-User' means the intended recipient who will use the good or service that is being procured. This may be within the Public authority or within the community.	Governance Arrangements Guideline

Procurement Glossary

eProcurement	The online conduct of business-to-business procurement processes using web based applications.	
Established Government Facility	'Established government facility' means South Australian state government owned and managed agencies, organisations, entities or statutory authorities that are able to provide goods or services to other areas of state government. For example, the provision of training services from TAFE SA, professional and technical services from Rural Solutions SA, the sale of plants from State Flora, and general printing and publishing services from Government Publishing SA. For the avoidance of doubt, it does not mean local government owned and managed entities, organisations or statutory authorities, or those of other state, territory or Federal governments.	Procurement Planning Policy
Ethical Behaviour	'Ethical behaviour' refers to behaviour that is honest, proper and ethical in dealings with suppliers and other stakeholders.	
Evaluation Criteria	'Evaluation criteria' means the criteria used to evaluate the compliance of suppliers' offers. The evaluation criteria, either mandatory, weighted or non-weighted, provide a standard against which the public authority will evaluate the quantitative (financial) and qualitative (non-financial) elements of suppliers' offers to identify the best fit-for-purpose, value for money solution.	Procurement Planning Policy
Evaluation Plan	An 'evaluation plan' sets out the plan of the processes that will be followed in evaluating the quotes, suppliers, offers, etc, received. It includes timing, membership and weightings.	Procurement Planning Policy
Expenditure	'Expenditure' means any outflow from the resources of a public authority and may include such things as the payment of cash, the transfer of assets, the provision of services, the replacement of an obligation with another obligation, or the conversion of an obligation to equity.	Treasurer's Instruction 18
External Biennial Review	'External Biennial Review' means the external review (initiated by the Chief Executive of a public authority every two years) of its procurements and contract management processes. The review will be outcomes-focused and identify good practice and opportunities for improvement.	Procurement Governance Policy
Forward Procurement Plan (FPP)	'Forward Procurement Plan' means the plan published by Procurement Services SA on behalf of all public authorities to inform prospective suppliers about future procurement opportunities.	Procurement Governance Policy
Free Trade Agreements (FTA)	'Free Trade Agreements' means international Agreements that support free trade between the parties, including obligations for undertaking government procurement.	Procurement Governance Policy. International Obligations Guideline.
Goods	'Goods' are defined as tangible supplies	
Heads of Procurement (HoP)	'Heads of Procurement' means the committee of that name established by the Department of Treasury of Finance. HoP comprises a large group of public authority procurement leaders which gathers regularly to discuss emerging issues and changes relating to government procurement. HoP has a strategic role in	Procurement Governance Policy

Procurement Glossary

	assisting Procurement Services SA to deliver improved procurement outcomes across the public sector.	
Industry Advisory Group (IAG)	<p>'Industry Advisory Group' means the group established by the Treasurer to develop a closer working relationship between government and industry, and small business champions within the context of the South Australian government procurement activities. The IAG will provide:</p> <ul style="list-style-type: none"> ▪ Members with an opportunity to share the views of the industry body or organisation they are representing and provide feedback on challenges impacting their industry; ▪ industry expertise and input regarding policy development, emergent trends and opportunities for improvement relating to procurement activities; ▪ views on industry requirements with regard to the Government's planned forward procurement requirements; ▪ views to the whole of government Heads of Procurement Group on procurement-related issues of strategic importance between government and industry (via the Chair); and ▪ advice on sector-wide procurement matters, including industry standards, future directions, procurement strategy, and the impact of the South Australian Government's procurement management decisions on industry and the non-government sector. 	Procurement Governance Policy
Industry Advocate	The 'Industry Advocate' means the person appointed by the Governor and holding or acting in the office of the Industry Advocate under the <i>Industry Advocate Act 2017</i> and undertaking the functions as per the Act including to take action to further objectives of the SAIPP.	South Australian Industry Participation Policy
Industry Engagement	'Industry engagement' involves Public authorities exploring the capabilities of suppliers and potential suppliers to become informed buyers. It can assist in maximizing opportunities, building relationships, and sharing information.	Procurement Planning Policy
Inherent Risk	The inherent risk represents the level of risk that exists in the absence of controls.	Risk Management Guideline
Intellectual Property	Any patent, copyright, trade mark (whether registered or unregistered), trade name, business name, company name, trade secret, know how, discovery, invention, secret process, design, semiconductor or circuit board layout right, improvement in procedure, innovation, confidential information, any right to register any type of intellectual property right or any other intellectual property right created, invented, made or discovered.	
Internal Biennial Review	'Internal Biennial Review' means the internal review (initiated by the Chief Executive of a public authority every two years) to assess the extent to which its procurement and contract management processes have been undertaken in line with its internal procurement framework. The internal review will be supported by the public authority's internal audit function or similar independent from the procurement function.	Procurement Governance Policy
Internal Procurement framework	'Internal procurement framework' means governance arrangements and policies in place within a public authority to satisfy the requirements of Procurement Services SA's policies.	Procurement Governance Policy.

Procurement Glossary

		Procurement Governance Arrangements Guideline.
International Obligations	'International obligations' are legal obligations in relation to a range of bilateral or multilateral Free Trade Agreements that the majority of public authorities are required to comply with where the South Australian Government is a party to these agreements.	
Invitation for Expression of Interest (EOI)	An 'invitation for Expression of Interest' means a formal request inviting suppliers to express interest in supplying goods and/or services, and the first step in a multi stage procurement process. An EOI may be used to shortlist based on capability and capacity for the second stage, and/or to obtain further information from suppliers on the goods and services being sought to inform the second stage procurement process. A standard Invitation for Expression of Interest template has been issued by Procurement Services SA.	Sourcing Policy. Invitation for Expression of Interest template.
Invitation to Supply (ITS)	'Invitation to Supply' means a formal request inviting offers to supply goods and/or services from suppliers. A standard Invitation to Supply template has been issued by Procurement Services SA.	Sourcing Policy Guideline. Invitation to Supply template.
Lead Agency Contract	A 'lead agency contract' is an arrangement sponsored by a public authority where that public authority is the prime user of the good or service and where one or more other public authorities may also use the arrangement.	
Liability Limit	'Liability Limit' means a limit placed on the financial consequences of a supplier's actions.	Procurement Planning Policy
Likelihood	'Likelihood' is a risk term that looks at the chance / probability / frequency of an event happening that may impact on the procurement objectives. A public authority may have its own likelihood table which defines the risk criteria or ratings for that public authority.	
Limited Market approach	A 'limited market approach' is a sourcing strategy where only selected suppliers are invited to submit an offer.	Procurement Planning Policy
Market Analysis	'Market Analysis' means the process of researching and gathering information about the supply market from which the required goods or service will be procured to inform the development of an appropriate acquisition strategy. Market analysis will assess market capability, capacity and willingness to achieve the desired outcomes.	Procurement Planning Policy
Multi-stage process	A 'multi-stage process' is combination of market approaches to help identify the best supplier in a particular market. The first stage will often limit the number of potential suppliers to those that can demonstrate the requisite capability.	
Multi-Use List (also referred to as a Pre-Qualified List)	A multi-use list merely comprises a list of suppliers who have met an established set of criteria and be required to meet other evaluation and performance criteria during any formal	Across-Government, Multi-Agency

Procurement Glossary

	procurement process ('secondary procurement process') subsequently undertaken. A multi-use list differs from a panel contract.	and Panels Guideline
Negotiation	'Negotiation' means a process between two or more parties seeking to reach a mutually satisfactory agreement on, or settlement of, a matter of common concern. In procurement, this may be the process of finalising the terms and conditions of an agreement or contract, through discussions between buyer and seller.	
Not-for-Profit (NFP)	'Not-for-profit' means an organisation that does not operate for the profit, personal gain or other benefit of particular people. <i>Not-for-profit organisations</i> consist of two broad categories: <ul style="list-style-type: none"> ▪ charities which must be registered with the Australian Charities and Not-for-profits Commission (charities can be further broken down into the following types: public benevolent institutions, health promotion charities and other charities) ▪ other types of not-for-profit organisations such as community service organisations, professional and business associations, sporting and recreational clubs and cultural and social societies. 	Procurement Planning Policy. PC044 Funding Policy for the Not-for-Profit Sector.
Offer	'Offer' means the documents constituting an offer lodged by a supplier to meet the public authority's requirement in accordance with the invitation to supply. This may also be known as a quote, tender, response, proposal, submission, bid or registration.	Procurement Planning Policy
Open Market Approach	An 'open market approach' is a sourcing strategy where an invitation for suppliers to submit offers is open to all interested suppliers.	Procurement Planning Policy
Panel Contracts	A 'panel contract' is a contractual arrangement established with at least two suppliers for the anticipated provision of goods or services, as and when required, over a specified period of time.	
Post Contract Review (or Contract Closure)	A 'post contract review' is the review at (or near the end of) a contract period to consider how the contract has performed in relation to the KPIs and the original performance goals of the contract.	Contract Management Policy
Post Sourcing Review	A 'post sourcing review' is a review after the purchase recommendation has been approved evaluating the extent to which the sourcing or market approach phase of the procurement project met the original procurement objectives. A post sourcing review enables all of the issues to be addressed by considering lessons learned and contribute to continuous improvement.	
Pre-Qualified List	See Multi-Use List.	Across-Government, Multi-Agency and Panels Guideline
Premier and Cabinet Circulars	'Premier and Cabinet Circulars' are issued by Cabinet to establish whole of government policy, often including instructions or requirements for agencies to take specific action in the implementation of those policies.	Procurement Governance Policy. Premier and Cabinet

Procurement Glossary

		Circulars.
Prequalification	'Prequalification' is a process of assessing a supplier's eligibility to supply based on specific criteria (including expertise and capability) for a particular category of goods or services.	
Probity	'Probity' is the evidence of ethical behaviour commonly associated with the practice of adopting and following well-considered procedures and processes to ensure that procurement decisions are fair, transparent and defensible. Probity relies on accountability and transparency in the procurement process.	Procurement Governance Policy. Probity and Ethical Procurement Guideline.
Probity Advisor	A 'probity advisor' is a person who provides independent advice and works actively with the public authority's procurement team to ensure key probity issues are considered and actioned during the procurement process.	
Probity Auditor	A 'probity auditor' is an independent auditor who confirms if a procurement process has been conducted fairly and in accordance with probity principles.	
Probity Plan	A 'probity plan' is a document that sets out the steps and processes to be implemented to ensure market engagement is conducted in a fair and ethical manner.	
Procurement	'Procurement' means the process undertaken by a public authority: <ul style="list-style-type: none"> ▪ of acquiring goods or services for the public authority, including the acquisition of goods or services on behalf of another public authority or third party (including members of the public); or ▪ for a construction project; or ▪ for disposing of goods, which involves expenditure by a public authority, and does not include <ul style="list-style-type: none"> ▪ the provision of funding to a third party by a public authority that is a grant under <i>Treasurer's Instruction 15</i>; or ▪ the engagement of a legal practitioner to provide legal services; or ▪ purchase of real property; or ▪ any activity or class of activities determined by the Treasurer to not be a procurement for the purposes of <i>Treasurer's Instruction 18</i>. 	Treasurer's Instruction 18
Procurement Activity and Reporting System (PARS)	'Procurement Activity and Reporting System' means the software platforms and associated systems and databases administered by Procurement Services SA for the collection, analysis and disclosure of data relating to procurement.	Procurement Governance Policy. Reporting Schedule.
Procurement Activity Plan	'Procurement Activity Plan' means the plan approved by a public authority's Chief Executive, of all procurement activities with an estimated value above \$550,000 that it plans to undertake in the next 12-month period.	Procurement Governance Policy
Procurement Governance	'Procurement governance' means the overall management structure and organisation for procurement in the public authority, including roles and responsibilities of staff, delegations,	

Procurement Glossary

	capability and localised purchasing practices, controls and review processes.	
Procurement Governance Committee (PGC)	A 'Procurement Governance Committee' <i>may</i> be established by a public authority to oversee the purchase of goods and services of the public authority. It is the role of the committee to support Chief Executives in procurement governance, decision-making and strategy development.	Procurement Governance Policy Procurement Governance Arrangements Guideline
Procurement Governance Policy	'Procurement Governance Policy' means the policy by that name approved by the Treasurer and administered by Procurement Services SA, establishing the governance requirements applying to procurement by public authorities.	Treasurer's Instruction 18. Procurement Governance Policy.
Procurement Planning Policy	'Procurement Planning Policy' means the policy by that name approved by the Treasurer and administered by Procurement Services SA, establishing the requirements for planning procurements.	Treasurer's Instruction 18. Procurement Planning Policy.
Procurement Profile	'Procurement Profile' means the operational context of a public authority's procurement activities, which includes the: <ul style="list-style-type: none"> ▪ overall risk of the government services it is providing ▪ its annual spend ▪ complexity or risk of its procurement activity ▪ overall procurement capability of the public authority being commensurate to the above listed factors. 	Procurement Governance Policy. Governance Arrangements Guideline.
Procurement Review Committee (PRC)	The 'Procurement Review Committee' means the committee of that name established by Government to provide high-level oversight of procurement processes undertaken by public authorities covered by <i>Treasurer's Instruction 18</i> . The PRC is not a decision-making body, however will endorse submissions or make recommendations in line with the following functions; <ul style="list-style-type: none"> ▪ Review activity plans of agencies to identify procurements that require the oversight and review by Procurement Services SA, Department of Treasury and Finance (for example procurements that are high risk, value or of public interest). ▪ At the request of an public authority Chief Executive, Minister, Treasurer or Cabinet, review procurement strategies and make recommendations based on the outcomes of the review. ▪ Review and endorse strategies for the establishment of across-government contracts, and make recommendations prior to seeking approval of the Chief Executive, Department of Treasury and Finance. ▪ Review and endorse procurement policies, including revisions, issued under <i>Treasurer's Instruction 18</i>, prior to the approval of the Treasurer. ▪ Review complaints relating to procurement processes, in accordance with policy issued by the Department of Treasury and Finance under <i>Treasurer's Instruction 18</i>. 	Procurement Governance Policy

Procurement Glossary

Procurement Services SA	‘Procurement Services SA’, Department of Treasury and Finance is the government’s central procurement branch. It is led by a senior executive who reports to the Treasurer via the Chief Executive. The purpose of Procurement Services SA is to create additional value to South Australia as the government’s chief advisor on all government procurement, to deliver Across Government procurement on behalf of public authorities and to set the strategic direction and lead the procurement profession in the South Australian public sector.	Procurement Governance Policy
Procurement Strategy	‘Procurement strategy’ involves both the overall strategy for the procurement process in the public authority, and the development of a procurement strategy for each key acquisition.	
Public Authority	‘Public authority’ has the same meaning as defined in section 4 of the <i>Public Finance and Audit Act 1987</i> and means: (a) a government department; (b) a Minister; (c) a statutory authority— (i) that is an instrumentality of the Crown; or (ii) the accounts of which the Auditor-General is required by law to audit; (d) such other body or person as is prescribed, but, subject to any other provision of the <i>Public Finance and Audit Act 1987</i> , does not include a statutory authority where the Act by or under which the authority is appointed or established provides for the auditing of the accounts of the authority by a person other than the Auditor-General.	Procurement Governance Policy
Public Private Partnership (PPP)	A Public-Private Partnership’ is a long-term contract between the public and private sectors where government (or direct users) pays the private sector to deliver infrastructure and related services on behalf of, or in support, of government’s broader service responsibilities. PPPs usually make the private sector parties who build the infrastructure responsible for its condition and operation on a whole of life basis.	
Purchase Recommendation	‘Purchase Recommendation’ means the document summarising the recommended supplier selection as a result of a procurement process, prepared in accordance with the Sourcing policy.	Procurement Governance Policy. Sourcing Policy.
Quality	‘Quality’ in relation to a procurement means: <ul style="list-style-type: none"> ▪ the capability of the good or service to achieve the intended outcome/s of the procurement ▪ the capacity (including previous experience and availability/timeliness) of the supplier to deliver the intended outcome/s ▪ compliance with specifications and/or standards associated with the good or service ▪ the flexibility and adaptability of the good or service to foster continuous improvement and innovation (where appropriate) over its life cycle ▪ the economic contribution made to South Australia through the supply of the good or service (assessed through the 	Procurement Governance Policy



Procurement Glossary

	South Australian Industry Participation Policy .	
Rebate	Something paid by way of a reduction, return or refund on what has already been paid or contributed.	
Request for Information (RFI)	A 'Request for Information' is an informal means of researching the particular good or service and the possible solutions or approaches available in the market. As such, informal market research and the gathering of intelligence through an RFI do not require any formal procurement approvals to be sought.	
Request for Quotation (RFQ)	'Request for Quotation' means a formal request inviting offers to supply goods and/or services from suppliers. It is generally used for lower value and risk procurements (transactional/routine). A standard RFQ template has been issued by Procurement Services SA	Sourcing Policy. Request for Quotation Template.
Residual Risk	'Residual risk' is the risk that remains after risk control or mitigation. It represents an estimate of the future level of risk once treatments have been implemented. Once the risks have been identified, those that are considered unacceptable (after analysis and evaluation) will have controls implemented. But controls will not completely eliminate all the risks so some risks will remain (albeit at a decreased likelihood and maybe also a reduced impact) and this is residual risk. (May also be known as 'retained risk' or 'treated risk').	Risk Management Guideline
Reverse Auction	A 'reverse auction' is a type of auction in which several buyers compete (on a price basis only) for the right to provide a good or service, with the bid price typically decreasing over the course of the bidding process. The bid price for each supplier is then inserted into the normal procurement process and all suppliers considered on a value for money basis.	
Risk	'Risk' is the effect of uncertainty on objectives. Risk is the chance (or likelihood) of something happening (an event) that will have an impact (or consequence) on the achievement of the procurement.	
Risk Assessment	The evaluation of risks to assess the overall level of risk or opportunity against risk tolerance to make decisions about which risks need treatment and the priority for treatment. This is the process of comparing the results of the risk analysis with the public authority's risk criteria, to determine whether the risk and/or its magnitude are acceptable or tolerable.	Procurement Planning Policy. Risk Assessment Guideline.
Risk Level	'Risk level' means the magnitude of a risk or combination of risks, expressed in terms of the combination of consequences (or impact) and their likelihood (or probability). Risk level = likelihood X consequence.	
Risk Management	'Risk management in procurement' is about ensuring the risks associated with the purchase of goods or services are identified, assessed, managed and monitored to ensure unexpected or undesirable outcomes are minimised whilst achieving the objectives of the procurement.	
Risk Management Framework	'Risk Management Framework' documents the approach an organisation takes to managing risks, include details of: <ul style="list-style-type: none"> ▪ Risk appetite – being a measure of the level of risk an organisation is willing to assume; 	Procurement Governance Policy. Risk



Procurement Glossary

	<ul style="list-style-type: none"> ▪ Risk tolerance – being a measure of the amount of risk an organisation is capable of absorbing; and ▪ Risks – being details of the types of risk which the organisation faces and seeks to avoid, mitigate or accept. 	Management Guideline.
Risk Management Plan	'Risk Management Plan' means a document that is used to specify the nature and treatment of risks throughout the procurement cycle, as appropriate. The level of detail will be commensurate with the procurement's complexity and value.	Procurement Planning Policy
SA Tenders and Contracts	SA Tenders and Contracts means the South Australian Tenders and Contracts website (www.tenders.sa.gov.au)	Sourcing Policy
SAICORP	SAICORP is a division of the South Australian Financing Authority and is the captive insurer for the Government of South Australia. It provides comprehensive insurance protection, insuring the risks of South Australian Government agencies and provides insurance advice and assistance to those agencies.	
Services	'Services' are defined as intangible supplies or effort	
Small to Medium Enterprise (SME)	'Small to Medium Enterprise' is defined by the Australian Bureau of Statistics (ABS) as businesses employing less than 200 people, or in accordance with the ABS Estimated Value of Agricultural Operations.	
Social Enterprise	A Social enterprise is an organisation that is certified by Social Traders and operates and has business premises in South Australia	
Social Procurement	'Social procurement' is the generation of positive social outcomes through purchasing and procurement processes which are over and above the delivery of the goods or services required.	
Sole Supplier	'Sole supplier' contract arrangements are established following a specific requirement for frequently purchased goods or services, and where value for money can best be achieved with one supplier.	
Sourcing Lead	The Sourcing Lead is the person responsible for leading the procurement process including planning and sourcing stages (i.e. the public authority procurement contact person named on the acquisition plan).	Contract Management General Requirements Schedule
Sourcing policy	'Sourcing Policy' means the policy by that name approved by the Treasurer and administered by Procurement Services SA, establishing the requirements for approaching the market, evaluating tenders, awarding contracts and undertaking post-sourcing reviews.	Treasurer's Instruction 18. Sourcing Policy.
Sourcing Strategy (market approach)	'Sourcing strategy' sometimes referred to as market approach means the strategy selected to approach the market (either through a direct, limited or open market approach).	Procurement Planning Policy. Sourcing Policy.
South Australian Government Procurement Framework	The 'South Australian Government Procurement Framework' consists of <i>Treasurer's Instruction 18</i> , the Procurement Governance Policy, and supporting policies that set the minimum requirements for each key procurement activity (planning, sourcing and contract management).	Procurement Governance Policy

Procurement Glossary

South Australian Industry Participation Policy (SAIPP)	‘The South Australian Industry Participation Policy’ means the policy by that name established under the <i>Industry Advocate Act 2017</i> .	Procurement Governance Policy. South Australian Industry Participation Policy.
Specification	A ‘Specification’ is a statement requirements which defines what the public authority wants to buy and, consequently, what the supplier is required to provide. There a commonly three different types of specifications: Functional, Performance and Technical. Specifications can be simple or complex depending on the procurement objective and outcome sought. Specifications should avoid the use of proprietary standards and specify the requirements in such a way as to maximise the opportunity for competitive offers from a variety of suppliers.	Procurement Planning Policy. Developing a Specification Guideline
Spend Analysis	‘Spend analysis’ is the systematic review of the public authority’s spending with a view to identifying opportunities for improvement and to create value in a category. The key activities include acquiring the data, cleansing the data, and analysing the data. The term can be considered to be synonymous with expenditure profile.	
Stakeholders	‘Stakeholders’ are interested parties who are involved in, or impacted by, choices that are made during the procurement process. Within public authorities, stakeholders will include end-users as well as decision-makers who review proposed acquisition plans, or officers who manage contracts. Suppliers will have sales managers or account managers who are responsible for client relationships, as well as staff involved in service delivery.	
Standard Goods and Services Agreement	‘Standard Goods and Services Agreement’ means the template agreement issued by Procurement Services SA for use in low to medium risk procurements.	Sourcing Policy. Standard Goods and Services Agreement.
Standard Not-for-Profit Sector Funded Services Agreement	‘Standard Not-for-Profit Funded Services Agreement’ means the standard contract template issued by Procurement Services SA for use when contracting NFP funded services, where up-front payment is required.	Sourcing Policy. NFP Funded Services Agreement.
Standard Purchase Order	‘Standard Purchase Order’ means the standard purchase order terms and conditions issued by procurement Services SA. The Standard Purchase Order may be suitable for transactional procurements (low risk and valued up to and including \$55,000).	Sourcing Policy Standard Purchase Order
Standing Offer	A ‘standing offer’ is an arrangement that sets out the terms and conditions, including indicative pricing, under which a supplier	

Procurement Glossary

	agrees to supply specified goods or services to a public authority for a specified period.	
Startups	<p>‘Startups’ are companies or ventures that are focused around a single (innovative) product or service that the founders want to bring to market.</p> <p>These companies typically don't have a fully developed business model and, more importantly, lack adequate capital to move on to the next phase of business.</p> <p>When a startup has found a business model and a product that is right for the market, it stops being a startup and graduates to an enterprise.</p>	
Supplier	A ‘supplier’ is an entity that could provide, is providing or has provided goods, services or works to, or on behalf of, a public authority.	
Supplier Relationship Management	<p>‘Supplier Relationship Management’ means the process to determine the supply categories that are important and creating strategies that manage these in a rational way.</p> <p>Appropriate relationships need to be developed and managed throughout the procurement life cycle. Contract management is a sub-set of relationship management.</p>	
Supplier Selection	‘Supplier selection’ is the process undertaken to ensure appropriate suppliers are selected to provide the goods or services, whilst ensuring value is achieved.	
Supply Chain Analysis	‘Supply Chain Analysis’ means the process of analysing and understanding the organisations that participate in the flow of goods or services from their original source to the public authority as the final end user to determine risks that need to be addressed in the procurement.	Procurement Planning Policy
Sustainability	Meeting the needs of the public authority while also taking into account external and future costs, including costs to the environment, human health and depletion of resources. In practice this means adopting a broader range of decision-making criteria than traditional economic criteria to include environmental merits, as well as the social impacts of alternative solutions.	
Sustainable Procurement	Sustainable procurement refers to the environmental and social features that are incorporated into the procurement process, including the development of appropriate specifications and the evaluation of suppliers against these requirements.	
Tender Call (open) period	The ‘Tender Call Period’ (sometimes called a ‘tender open period’ is the time between the advertising of a tender and the closing date for receipt of offers.	
Transition (In/Out)	<p>‘Transition’ refers to the change from:</p> <ul style="list-style-type: none"> ▪ one contract to another; and/or ▪ from one contractor to another; or ▪ the induction of a newly introduced contract. 	
Transparency	‘Transparency’ involves public authorities taking steps to enable appropriate scrutiny of their procurement activity. ¹	Procurement Governance Policy. Probity and

¹Commonwealth Procurement Rules’, Commonwealth of Australia 2019 (Department of Finance).

Procurement Glossary

		Ethical Procurement Guideline.
Treasurer's Instructions (TI)	'Treasurer's Instructions' means instructions issued by the Treasurer under Part 4 of the <i>Public Finance and Audit Act 1987</i> .	Procurement Governance Policy
United Nations Standard Products and Services Code (UNSPSC)	A scheme that classifies and identifies commodities. It supports a strategic sourcing process and gives a uniform means of capturing spend data. Classifying goods and services with a common coding system facilitates commerce between buyers and sellers and is necessary for ecommerce. (refer www.unspsc.org)	
Unsolicited proposal	An 'unsolicited proposal' is a unique or innovative method, concept, approach or idea submitted to a public authority from a private entity, not in response to a formal request and not readily available in the marketplace.	Unsolicited Proposals Schedule
Value-add	An enhancement or additional feature to a good or service offered by a supplier to obtain a competitive edge. It is over and above a specification or requirement and may attract an additional cost.	
Value for Money (VFM)	'Value for Money' is the achievement of a desired procurement outcome at the best possible price based on a balanced judgement of financial and non-financial factors relevant to the procurement.	Procurement Governance Policy. Value for Money Guideline
Whole-of-Life Cost (WLC)	'Whole-of-life cost' means the total costs and expenses associated with the purchase of the good or service, from planning, supply/usage through to disposal. It estimates the accumulated costs of acquiring, operating, maintaining and disposing of or decommissioning the good or service, and includes any revenue from disposal.	Procurement Governance Policy. Whole-of-Life Costing Guideline.