# Community services procurement: Direct purchasing and written quotes

## Direct purchase - Procurements up to $50,000

Where an authorised officer is satisfied that a purchase represents value for money, and it is up to the value of $50,000 (including GST, indexation and any extension options) they can proceed to direct purchase.

Consider the following recommendations when making a direct purchase:

* use your knowledge of the market, the complexity and risk of the purchase, and process efficiency to determine the most appropriate procurement method;
* seek more than one quotation if you are not satisfied that the first choice of potential service provider represents value for money;
* keep appropriate records of purchases. This may include a completed verbal or written quotation form, a purchase order or receipts; and
* use different service providers from time to time to test value for money for regular requirements.

## Written quotes - Procurements between $50,001 and $250,000

Government agencies are required to seek written quotes for procurements over $50,001 and up to $250,000 (including GST, indexation and any extension options). The recommended procurement process is shown below.

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| Develop specifications |
| * Develop specifications based on the desired community outcome. * Use the community service request template. |
| Request quotes |
| * Identify two to five potential service providers capable of delivering the required service. * Ensure potential service providers are given consistent specifications / requirements by using the community service request template. * Issue the community service request to potential service providers. * Allow potential service providers at least ten days to respond to the request. |
| Evaluate |
| * Establish a panel of two or more appropriately skilled and knowledgeable members. * Provide panel members with the community service evaluation handbook when distributing service provider quotes. * Evaluate quotes received in accordance with the Western Australian Procurement Rules and the DCSP Policy. * Select the successful service provider. |
| Justify |
| * Outline the process undertaken to evaluate quotes using the community services evaluation report template. * Record details of all quotations requested and received, decision made and successful service provider details. |
| Advise |
| * Advise successful service provider by sending a ‘letter of award’. * Advise unsuccessful service provider(s) of the result in writing. * Publish the service agreement award details on Tenders WA. |

### Guide notes (written quotations for procurements between $50,001 and $250,000):

* Use the community services request template to ensure you address all processes and Western Australian Procurement Rules, DCSP Policy and government policy requirements. This provides consistency for service providers who may respond to multiple government agencies. The community services templates can be accessed from the Finance website.
* Clearly define and specify the intended outcomes and the kind of services being procured. This will enable potential service providers to respond and to appropriately price their offer.
* Give regional service providers the opportunity to provide services for a regional requirement.
* Make the same information available to all potential service providers. If there is an important change to the purchasing requirements, it may be necessary to issue an addendum and extend the closing date, in writing.
* Written quotations should be lodged (by fax or email or by hand) and placed in a secure area and not be viewed by the evaluation panel until after the designated closing time. Use of a secure tender box is preferred, but not required. Confidentiality must be maintained throughout the evaluation process.
* The evaluation panel must evaluate the quotes in accordance with the process and qualitative criteria outlined in the community services evaluation handbook template.
* An evaluation report must be prepared, outlining the evaluation process and providing justification for the chosen service provider representing best value for money. The report should cover all aspects of the procurement and be comprehensive enough to stand up to independent review.
* Any negotiations with preferred respondents must be accurately recorded and any agreements incorporated into the final award letter (acceptance of the offer).
* Should the price of the successful service provider exceed the written quotation threshold, the Accountable Authority may elect to proceed to award the service agreement. In assessing this, the Accountable Authority will consider how much the threshold has been exceeded by and the benefits of conducting a further open tender process.
* Notify successful and unsuccessful service providers of the result in writing.
* The Accountable Authority may approve an exception from obtaining written quotes in the circumstances outlined in Western Australian Procurement Rules.