Guideline Supporting General Procurement Direction 2025/02

Managing Works Projects Other Than Non-Residential Buildings

January 2025 TRIM 06121974



OFFICIAL

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Guideline Supporting General Procurement Direction 2025/02

Introduction

General Procurement Direction 2025/02, effective on 20 January 2025, outlines the requirement for State agencies to seek support for works procurements, other than non-residential buildings, where the State agency does not have the authority to independently undertake these works procurements.

The Procurement Direction supplements WA <u>Procurement Rule C1</u>, which requires State agencies to involve the Department of Finance (**Finance**) in works procurements as Project Manager from planning activities onwards, unless the agency is otherwise authorised under the WA Procurement Rules (**WAPR**).

Finance delivers non-residential building infrastructure projects including schools, health facilities, fire stations and prisons. This General Procurement Direction does not affect projects that involve Finance as the works agency.

General Procurement Direction 2025/02 provides direction to State agencies in relation to works procurements, other than non-residential buildings, such as roads, bridges, and residential buildings. General Procurement Direction 2023/02 is revoked and replaced by issue of General Procurement Direction 2025/02.

1. What is a Customer Agency and Delivery Agency?

For the purposes of General Procurement Direction 2025/02:

Customer Agency refers to a State agency seeking to procure works, which does not have the authority to independently undertake the required works under the WAPR.

Delivery Agency refers to a State agency or other Western Australian government entity that has expertise and the enabling power to procure the required works.

Refer to <u>Procurement Rule C1</u> for a list of State agencies with enabling legislation to undertake works.

2. When does the Procurement Direction apply?

The Procurement Direction applies to all relevant procurement processes that are released to the market on or after 20 January 2025.

If a Customer Agency needs to procure works other than non-residential building works and does not have the authority to undertake those works, they must seek support from a relevant Delivery Agency, and follow the process outlined below.

Please note that this Procurement Direction applies to arrangements between State agencies and other Western Australian government entities (e.g. State agencies or Government Trading Enterprises). It does not apply to arrangements between State agencies and federal, other state or local government organisations.

3. Process to follow

Customer Agencies and Delivery Agencies should follow the process outlined below when establishing an arrangement under General Procurement Direction 2024/04.

3.1 Delivery Agency as contract principal (preferred approach)

The Customer Agency contacts the Delivery Agency via the contact details listed in Appendix A (Delivery Agency Contact Details) of this guideline to discuss and agree on a support arrangement.

The Delivery Agency and the Customer Agency work directly together to progress the project where the Delivery Agency provides support to the Customer Agency and is the principal to the contract(s) for the Customer Agency's required works. If the Delivery Agency is not undertaking works under the Procurement Act, they may need to seek legal advice to ensure any proposed arrangements are permissible under the relevant enabling legislation.

Within 30 calendar days of the commencement of the arrangement with the Delivery Agency, the Customer Agency must notify the Deputy Director General, Advisory Services, Finance (via ProcurementAdvice@finance.wa.gov.au). The Customer Agency must provide Finance with:

- a brief summary of the project;
- the estimated contract value;
- contract delivery point; and
- the estimated completion date.

3.2 Extraordinary circumstances

In extraordinary circumstances where the Delivery Agency is unwilling or unable to be contract principal, the Delivery Agency may provide advisory support only. Extraordinary circumstances are defined in the General Procurement Direction as when the Delivery Agency deems it inappropriate to be the project manager and/or contract principal for sound operational reasons.

When agreeing on an advisory support arrangement with a Delivery Agency, the Customer Agency must satisfy itself that the level of support being provided will enable a value-for-money outcome and does not create undue risk exposure. The Customer Agency must confirm this in its notice to Finance (in addition to the items outlined above in section 3.1).

In these cases, the Customer Agency will be the contract principal pursuant to its power under s 10(2) of the Procurement Act.

3.3 Delivery Agency and Customer cannot reach agreement

If a Delivery Agency and Customer Agency cannot reach an agreement for a support arrangement under the process outlined in section 3.1 or 3.2 above, the Customer Agency should contact its <u>Finance customer representative</u>, who will work with the Customer Agency to determine the best possible solution on a case-by-case basis.

The Customer Agency should also contact its Finance customer representative in situations where the Delivery Agency is unable to provide support in any capacity.

4. Considerations

Customer Agencies and Delivery Agencies have individual and joint responsibilities when establishing arrangements under General Procurement Direction 2025/02. The key considerations and responsibilities are outlined below.

4.1 Customer Agencies

Customer Agencies should undertake appropriate planning as far in advance as possible to ensure sufficient time is available to establish an arrangement with the Delivery Agency. This is particularly important given the Delivery Agency will need to plan how to factor in the Customer Agency's requirements with other Government priorities, their own important work, and their capacity. Failing to do so may result in delays to project timeframes. Where relevant, these procurements should also be recorded in the Customer Agency's Strategic Forward Procurement Plan (see <u>Procurement Rule F6</u>).

When planning the procurement, Customer Agencies should consider:

- ongoing maintenance arrangements and costs, including whether support from the Delivery Agency is required to undertake any procurement relating to maintenance;
- ongoing management of the asset; and
- impacts of the Strategic Asset Management Framework.

Where the Delivery Agency is providing advisory support only, the Customer Agency should take steps to ensure they have the appropriate capacity and capability to undertake the procurement. Customer Agencies should consider seeking support to:

- incorporate an appropriate contractual framework and set of contract documents for the procurement;
- establish necessary review and assurance mechanisms (e.g. support with Gateway reviews where applicable); and
- quantify and meet resourcing requirements.

Customer agencies should also consider seeking legal advice to ensure the proposed procurement adheres to the Procurement Act and WAPR, and that any legal risks have been identified and mitigated.

4.2 Delivery Agencies

The Delivery Agency, when agreeing to a support arrangement:

- may negotiate rates with Customer Agencies for the service to be provided, depending on the circumstances of each engagement; and
- may require Customer Agencies to enter a formal arrangement, such as a Memorandum of Understanding or Project Engagement Agreement for each project. Formal arrangements should clearly outline agreed roles and responsibilities of each party.

If the Delivery Agency agrees to be contract principal, they will conduct the procurement in accordance with the procurement framework that is applicable to them (e.g. a Delivery Agency that is not a State Agency and therefore not bound by the WAPR will follow the procurement framework applicable to that Delivery Agency).

4.3 Joint considerations

Both the Customer Agency and the Delivery Agency should discuss and agree on:

- how the management of (and accountability for) the scope, procurement process, budget, and project risks should be allocated;
- who the principal to the contract is; and
- processes for dispute management between themselves and industry.

If a formal arrangement is entered into, it should clearly outline the agreed positions of the above.

5. Further information and advice

Agencies can seek further advice from Finance by contacting the Government Policy and Strategy team at ProcurementAdvice@finance.wa.gov.au.						

Appendix A – Delivery Agency Contact Details

DELIVERY AGENCY	WORKS EXPERTISE	CONTACT DETAILS
Department of Communities	Construction and refurbishment of residential facilities including, domestic violence facilities, Aboriginal short stay facilities, autism homes, residential homes including purpose-built homes for people with spinal injuries, mental health residential facilities, worker housing, remote community Aboriginal Housing, North West Aboriginal housing spec homes and seniors housing.	Name: Matt Thompson Email: Ops Procurement@communities.wa.gov.au
Department of Transport	Marine and coastal infrastructure such as jetties, breakwaters and dredging.	Name: John Miller Email: pfmcontracts@transport.wa.gov.au Phone: (08) 6376 0189
Main Roads	Roads and bridges Note: Main Roads has a presence across the State and depending on where the works are located this will require specific dialogue with Main Roads' regional offices, which will be arranged after making contact with the Program Management Office.	Name: PMO Services (current contact: Rachel Anderson) Email: PMO@mainroads.wa.gov.au Phone: (08) 9323 6365
Public Transport Authority	Rail and bus infrastructure	Name: Robyn Lamont Email: procurementenquiries@pta.wa.gov.au Phone: (08) 9326 2474

DELIVERY AGENCY	WORKS EXPERTISE	CONTACT DETAILS
Water Corporation	Water services infrastructure related to wastewater, drainage and irrigation. Note: Water Corporation doesn't complete works on the customer's side of the water meter.	Name: Lijun Mo Email: Lijun.mo@watercorporation.com.au Phone: 0476 832 165
Western Power	Refer to Western Power's <u>Products and Services</u> page for information on the types of products and services offered.	Contacts: Products and Services page