**Capability Assessment Template**

# Background

The capability assessment process can be used to assess capability at the organisational, business unit, or individual procurement personnel level. It identifies current procurement capability as well as capability gaps to drive continuous improvement.

# Audience

* Accountable Officer (AO)
* Chief Procurement Officer (CPO)
* Contract Manager

# Disclaimer

The information presented in this document is general in nature and based on HealthShare Victoria’s interpretation of the Health Services Act 1988 (Vic) and any ancillary legislation and regulations in effect at the time and should not be relied upon as legal advice. Please consider seeking professional and independent advice from your legal representative as to the applicability and suitability of this information and the legislation to your own business needs or circumstances.

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| Capability Criteria | Current Assessment | Gaps Identified | Capability Development Plan |
| **Process - Governance** |
| Is there a procurement policy in place? |  |  |  |
| Is there a procurement strategy in place that details the health services strategic direction for procurement activities? |  |  |  |
| Is there a formally stipulated decision –making process and probity requirements relating to procurement activities? |  |  |  |
| Is there a system in place for identification and management of procurement related risks? |  |  |  |
| Are the responsibilities of procurement personnel clearly communicated and monitored? |  |  |  |
| What is the approval process for delegation of authority relating to procurement activity? |  |  |  |
| Is spend monitored to ensure compliance with policies and value for money principles? |  |  |  |
| **Process – Procurement Planning** |
| Are regular and constructive procurement planning processes undertaken? |  |  |  |
| Is a standard procurement process documented and consistently applied? |  |  |  |
| Is there a central group that supports the development of contracts? |  |  |  |
| Is there a complaints management and dispute resolution process in place to address and resolve procurement related complaints? |  |  |  |
| **Process - Sourcing** |
| Are there documented category plans in place for key categories (or activities depending on the health service? |  |  |  |
| Are activities undertaken to identify opportunities to aggregate spend with other business units/agencies, including joint tenders or being a lead for a collective agreement at a regional/state level? |  |  |  |
| Are suppliers and stakeholder relationships actively managed during the sourcing process to assist in the achievement of quality procurement outcomes? |  |  |  |
| Is a broad set of information used for analysis of key categories? |  |  |  |
| Are there initiatives to identify innovative or demand reduction opportunities? |  |  |  |
| **Process – Contract Management/Performance Management** |
| Is there a contract management framework in place which enhances the efficiency and effectiveness of procurement activity undertaken? |  |  |  |
| Are supplier and stakeholder relationships actively managed on an on-going basis to assist in the achievement of quality procurement outcomes? |  |  |  |
| Are there clear performance requirements in place for suppliers that are actively managed? |  |  |  |
| Is procurement spend- reporting used to proactively identify cost reduction or service improvements? |  |  |  |
| Is the performance of the procurement function known, monitored and used to drive continuous improvement? |  |  |  |
| Is external benchmarking used to identify performance gaps, set target performance levels, and identify process change to close the gaps? |  |  |  |
| **People** |
| Is procurement viewed as strategic by senior management? |  |  |  |
| Are there personnel with specific procurement knowledge? |  |  |  |
| Are there mechanisms to encourage teamwork and collaboration on procurement activities? |  |  |  |
| Do recruitment, personnel and training considerations explicitly integrate the skills needed to meet procurement objectives? |  |  |  |
| Do Personnel have a level of procurement understanding appropriate for their level of procurement engagement? |  |  |  |
| **Systems** |
| Are there tools in place that facilitate a systematic and consistent approach to procurement and purchasing activities? |  |  |  |
| Is procurement data managed and stored in a way which facilitates accurate expenditure reporting and tracking? |  |  |  |
| Are procurement policies, tools, contract data and training information available in a consistent technology platform and format? |  |  |  |