



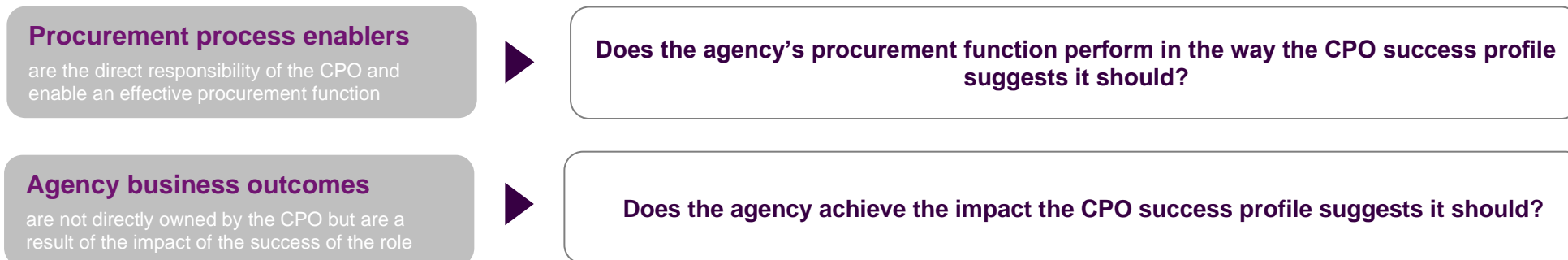
Government of **Western Australia**
Department of **Finance**

PSC | Public Sector
Commission

Guidelines for measuring

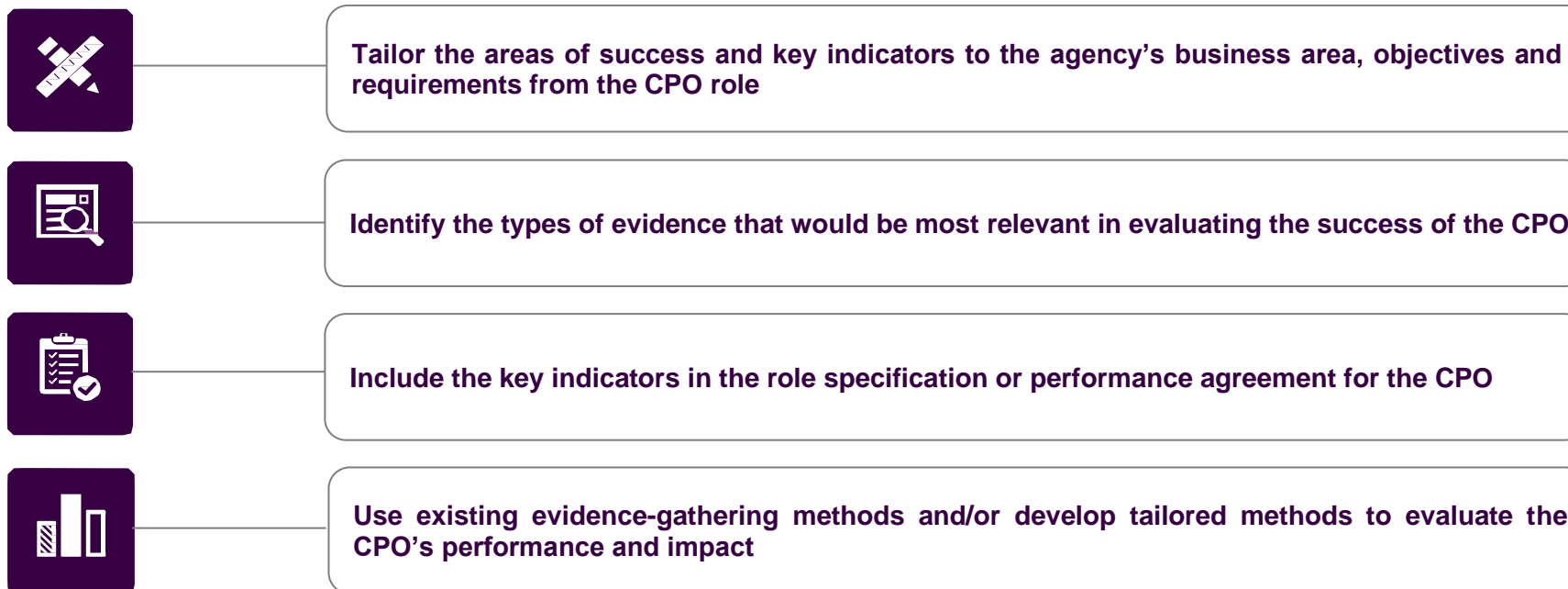
A success profile for Chief Procurement Officers

The role of Chief Procurement Officer (CPO), or its equivalent, is critical to agency performance and is a key strategic partner and enabler of business outcomes. Based on current research, contemporary practice and extensive consultation with key stakeholders, the success profile for CPOs identifies the expectations an organisation has of its CPO. Whether these expectations are met can be measured by assessing the CPO's impact in the following ways:



To answer the above questions, the most suitable measures of the success of the CPO role will depend on the business activities and objectives of the agency. As each agency, and each CPO role is unique, these guidelines are not intended to be either prescriptive or exhaustive. It is therefore recommended that agencies adopt, adapt and add to this suite of measurements, as appropriate.

To assist with this measurement the following document identifies areas where success of the CPO could be measured through key indicators. In using this document, agencies may wish to:



Expectations

Understand the agency's business and its role in public value creation

Shape and deliver the agency's strategic objectives

Drive compliance and best practice procurement

Contribute to a shared leadership vision and view of organisational performance

Build and continuously improve procurement capability and technical excellence

Contribute to development of strategy, policy and initiatives across the sector

Procurement process enablers

are the direct responsibility of the CPO and enable an effective procurement function

Procurement strategy

Value for money decisions

Risk management

Governance, systems and reporting

Contract performance and outcomes

Agency business outcomes

are not directly owned by the CPO but are a result of the impact of the success of the role

Business sustainability and financial performance

Customer satisfaction

Community outcomes

Expectations

Procurement Function Success Measures

Business Success Measures

Procurement Process Enablers

Example Procurement Process Key Indicators

Agency Business Outcomes

Example Business Key Indicators

Understand the organisation's business and its role in public value creation

- Procurement strategies aligned to agency outcomes
- Analytics capability, risk management and awareness of key drivers inform quality procurement decisions
- Appropriate management of contracts to achieve value for money outcomes

- Strategic and operational decisions implemented (#)
- Desired outcomes achieved (%)
- Procurement budget and financial targets are adhered to (%)
- Savings achieved (\$)

- Customer satisfaction
- Operational efficiency and effectiveness through productivity and process improvements
- Flexibility and agility to enable the delivery of community needs
- Relevant and meaningful KPIs to accurately measure success of agency's business

- Customer satisfaction rate (customer survey %)
- Outcomes are delivered within technological, financial and human resourcing constraints
- Agency KPIs achieved (%)

Shape and deliver the organisation's strategic objectives

- Procurement initiatives in strategic and business plans support strategic goals
- Procurement function contributes to the delivery of strategic objectives

- Achievement of procurement objectives in strategic and business plans (%)
- Presentations and/or reports to corporate executive on procurement activities and their contribution to achievement of outcomes (#)

- Strategic and business plans reflect the agency's objectives
- Short term operational pressures are balanced with long term outlook
- Clear and consistent vision for the agency is communicated

- Achievement of objectives in strategic and business plans (%)
- Strategic plans reflect short, medium and long term requirements

Expectations

Procurement Function Success Measures

Business Success Measures

Drive compliance and best practice procurement

Procurement Process Enablers

- Strong internal controls and procurement planning, contract development and contract management frameworks drive contract performance
- Effective procurement and contract management systems capture and report accurate data
- Procurement risks are identified and appropriate mitigation strategies implemented

Example Procurement Process Key Indicators

- Compliance with the WA Procurement Rules (%)
- Positive internal and external audit results
- Delegated authorities adhered to within limits (%)
- Agency wide utilisation of procurement systems (%)

Agency Business Outcomes

- Public sector and procurement values adhered to
- Agency complies with relevant legislation, standards and instructions on ethics and governance
- All business functions undertake activities that align with wider legislative and policy requirements
- Risk management practices balance appropriate mitigation strategies with future opportunities

Example Business Key Indicators

- Ethical breaches (#)
- Business risks identified (#) and relevant actions implemented (%)
- Compliance breaches (#)

Contribute to a shared leadership vision and view of organisational performance

- Shares awareness of and easily understands complex procurement information
- Technical expertise in all procurement policy and legislative requirements
- Procurement decisions are made for the benefit of both the agency and the community

- Leaders and managers are aware of and can fulfil their obligations in procurement
- Positive internal and external audit results
- Decisions represent value for money and are defensible

- Delivery of strategic objectives
- Business sustainability
- High performing leadership team and succession plans in place

- Achievement of objectives in strategic and business plans (%)
- On time and within budget delivery of major projects (%)
- Long term business viability and capability against strategic plan

Expectations

Procurement Function Success Measures

Business Success Measures

Procurement Process Enablers

Example Procurement Process Key Indicators

Agency Business Outcomes

Example Business Key Indicators

Build and continuously improve procurement capability and technical excellence

- Resources, expertise, support and systems enable the procurement function to perform its role effectively
- Continuous improvement initiatives for the procurement function
- Innovative procurement solutions

- Procurement competencies are embedded in job descriptions and performance ratings
- Client satisfaction with procurement function survey (%)
- Reduction in processing and/or reporting timelines (%)
- Reduction in frequency of requests for support for basic procurement requirements (#)
- Innovations implemented (#)

- Agency viewed as “best practice”
- Staff attraction and retention
- Effective functional and individual performance reviews
- Workforce capability improvements delivered to ensure future capability
- Innovative culture
- Red tape reduction which maximises public value

- Recognised as a “best practice” organisation by central agencies and Ministers
- Formalised recognition (e.g. external awards nominated and/or won)
- Staff turnover (%)
- Staff attendance at development sessions (#)
- Innovation proposals and implementations (#)
- Red tape reduction proposals and implementations (#)

Contribute to development of strategy, policy and initiatives across the sector

- Whole of government procurement working groups and initiatives
- Procurement leader networks
- New approaches and solutions in procurement
- Procurement trend analysis across the public and private sectors

- Contribution to working groups (#)
- Cross-sector initiatives recommended and implemented (#)
- Contribution to sector-wide policy and practice development (#)

- Effective networks created and leveraged, leading to enhanced engagement
- Agency strategic and business plans advance government and sector-wide priorities
- Contribution to the achievement of sector-wide goals

- Evidence of collaboration with other organisations, leading to sharing of resources and best practice initiatives (#)
- Strategic and business plans align with whole of public sector initiatives
- Innovations are shared across the sector to leverage best practices and reduce duplication (#)

June 2021