

FACT SHEET

Supplier accreditation and compliance

Accreditations are a useful mechanism for setting expectations of and evaluating suppliers, for managing procurement and contract risks and for supporting consistency in the quality of goods and services delivered by government.

It is, however, important that **requirements for accreditation are reasonable and necessary** and that neither accreditations themselves nor the proof of meeting them act a barriers to supplier participation.

Types of accreditation

The accreditation requirements of a procurement will depend upon the procurement need and the supply market. Accreditations can provide assurance about supplier characteristics such as:

Supplier type

- Not-for-profit
- Aboriginal owned
- Disability enterprises

Goods and services

- Handling genetically modified organisms
- Collecting personal information
- Dealing with pre-packaged goods

Operating models

- Australian Business Number
- Modern slavery statements
- Payroll tax registration

Licences and permits

- Trade or occupational licences
- Environmental permits
- Working With Children Checks

Ways of working

- Work health and safety
- Consumer product safety
- Reconciliation Action Plans

Affiliations

- Industry groups
- Trade associations
- Quality affiliations

When defining a procurement need and planning an acquisition strategy public authorities should research the availability and relevance of accreditations to achieving the best possible procurement outcome.

Managing supplier accreditation

Procurement

Specifications should clearly set out whether an accreditation is mandatory or optional. In either case the cost of accreditation should be proportional to the value of the procurement.

The assessments and achievements recognised through an accreditation should be considered complete evidence of quality assurance – additional, duplicative proof should not be requested.

Contract development and management

Suppliers may need to show evidence of re-accreditations during the life of a contract.

Contracts should allow for the removal, inclusion and updates of accreditation, licenses and permits.

Measures should be in place for if a supplier fails to obtain re-accreditation or loses accreditation, such as withholding payments, limited extension options, increasing contract management reporting or terminating the contract.

Accreditation of diverse suppliers

It is critical that the unique benefits of contracting with diverse suppliers do not come with greater risk to government than contracting with for-profit suppliers, either in terms of outcomes for South Australians or government reputation.

It is equally important that **diverse suppliers are not discouraged from participating** in procurements because of accreditation barriers. Accreditation requirements should be critical to outcomes and flexible in evidential requirements (e.g. requiring evidence of eligibility for accreditation and a commitment to obtain accreditation if an offer is successful). **Accreditation that entails significant cost outlays should be avoided if possible.**

Public authorities should explore which accreditations are most likely to be applicable to their procurement, such as:

- [Australian Charities and Not-for-profits Commission \(ACNC\)](#) registration for NFPs
- [Australian Service Excellence Standards \(ASES\)](#) for non-government organisations
- [Quality Innovation Performance](#) accreditations for community services and health care suppliers
- [Office of the Registrar of Indigenous Corporations](#) registration of Aboriginal corporations
- [International Organisation for Standardisation \(ISO\)](#) standards covering a wider range of management, production and service activities