

Treasurer's Instruction No	1116
Title	Procurement Reviews and Committees: goods and services
Effective date	1 January 2015
Objective and Background	Provides instruction and guidance on the establishment and operation of agency Procurement Review Committees and the industry consultation review process.
Version Number	11

Black letter (or bold) items within these Instructions are mandatory and other plain font items are instructional or for the purpose of providing guidance only.

- (1) This Instruction applies to the procurement of goods and services and is to be read in conjunction with other Instructions relating to goods and services which are contained in the 1100 series of the Treasurer's Instructions.**

Further information on goods and services procurement, including a definition of "goods and services", can be located on the [Purchasing website - Buying for Government](http://www.purchasing.tas.gov.au) (www.purchasing.tas.gov.au).

For information on building and construction and roads and bridges procurement, refer to the 1200 series of the Treasurer's Instructions.

- (2) All government agencies, and entities required to comply with the Treasurer's Instructions, must establish a Procurement Review Committee.**

The membership of the Committee is a matter for the Head of Agency. However, it is recommended that a Review Committee consist of at least the following:

- Chairperson: nominated by the Head of Agency;
- Members: at least two members, who should be persons experienced in government procurement processes and not part of the evaluation team; and
- Secretary to the Committee (ex officio).

Further information on Review Committees can be located on the [Purchasing website - Buying for Government \(Procurement Review Committees\)](#).

- (3) An agency's Review Committee must review all agency evaluations for all procurements with a value of \$100 000 or more (excluding GST):**
- (a) prior to any advice being provided to suppliers on the outcome of the procurement process and/or before negotiations are entered into with the preferred supplier and/or the contract is awarded; and**
 - (b) to ensure that a fair and equitable process has been followed and that the principles and mandatory processes outlined in the procurement Instructions and in the *Free Trade Agreements Guideline* (where applicable) have been adhered to.**

For clarity, for the purposes of this clause, procurement includes all open tenders, selective tenders and all quotation processes where the value of the procurement reaches that threshold.

The *Free Trade Agreements Guideline* can be located on the [Purchasing website - Buying for Government \(Publications\)](#).

- (4) For all procurements with an estimated value of more than \$5 million (excluding GST) commenced on or after 1 January 2015, unless otherwise exempted in accordance with clause (6) below, agencies must prior to commencing any procurement process:**

- (a) prepare a pre-procurement industry consultation report; and**

The report is to summarise the outcomes of consultation undertaken with industry and local business representatives in the planning stages of the intended procurement.

- (b) provide the report to the Secretary of the Department of Treasury and Finance for review and approval.**

For the purposes of this clause, procurement includes direct selections as well as all open tenders, selective tenders, and quotation processes where the value of the procurement reaches the threshold referred to above.

For clarity, as a result of the abolition of the Central Procurement Board where a procurement process has been commenced but not completed prior to 1 January 2015, the agency may proceed to completion.

“Commenced” means a request for quotation/proposal has been issued directly to potential suppliers or a request for tender has been advertised on the Tenders website.

“Completed” means notification of the preferred supplier has occurred.

- (5) An agency is unable to proceed with any procurement that is subject to clause (4) until approval has been provided by the Secretary of the Department of Treasury and Finance.**

Further information on the industry consultation review process, including links to guidance information, information on exempted procurements and pro forma documentation can be located on the [Purchasing website - Buying for Government \(Pre-procurement industry consultation\)](#).

- (6) Where appropriate, a class exemption from the requirement to prepare and submit a pre-procurement industry consultation report may be approved by the Secretary of the Department of Treasury and Finance.**

Such exemptions will only be approved on a class basis (ie not an individual procurement basis) where the Secretary is satisfied that no local market exists or where the provision of such a report serves no useful purpose in relation to improving access for local suppliers. It is expected that such circumstances will only rarely arise. Approved classes of exemption, and the date from which they will be exempted, will be listed on the [Purchasing website - Buying for Government \(Pre-procurement industry consultation\)](#).

Free Trade Agreements

Any procurements that are impacted by free trade agreements or international cooperative arrangements (refer to Instructions 1102 and 1202) must comply with the requirements of those agreements/arrangements.