

Treasurer's Instruction No	1120
Title	Procuring from Government Entities: goods and services
Effective date	1 January 2009
Objective and Background	Provides instruction and guidance on procuring from Government Entities.
Version Number	5

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 only 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) **Agencies may procure goods and services directly from Tasmanian inner-Budget agencies without undertaking the prescribed procurement process.**
- (3) **In accordance with Instruction 1113, an external contractor must only be engaged when the options for sourcing the required goods and/or services from within the agency, or from another Tasmanian inner-Budget agency, have been fully considered.**
- (4) **When conducting tender or quotation processes, agencies must only accept offers from other government entities, including other Government Business Enterprises and State-owned Companies, where the price reflects full cost attribution, unless there are no private sector suppliers. If full cost attribution cannot be confirmed, then the offer must be declined.**

Full cost attribution, also referred to as a full commercial cost basis under competitive neutrality conditions, ensures government entities recognise all of the costs which would normally be borne by the private sector, that is, direct costs plus overheads, taxes, fees and charges.

Further information on full cost attribution can be located on the [Purchasing website - Buying for Government \(Public Sector Suppliers\)](http://www.purchasing.tas.gov.au).