

Treasurer's Instruction No	1204
Title	Valuing Procurements: building and construction/roads and bridges
Effective date	1 January 2009
Objective and Background	Provides instruction and guidance on ascertaining an estimate of the value of a procurement for building and construction/roads and bridges projects.
Version Number	4

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 building and construction and roads and bridges and is to be read in conjunction with other Instructions relating to such procurements which are contained in the 1200 series of the Treasurer's Instructions.**

Further information on building and construction procurement, including a definition of "building and construction" and "roads and bridges" and information on the types of services that fall under these categories is located on the [Purchasing website - Buying for Government](http://www.purchasing.tas.gov.au) (www.purchasing.tas.gov.au).

For information in relation to procurement of goods and non-construction related services, refer to the 1100 series of the Treasurer's Instructions.

- (2) For the purposes of estimating the value of a procurement, the estimated value of the procurement must include:**
- (a) all forms of remuneration, including any premiums, fees, commissions, interest and other revenue streams that may be provided for in the proposed contract; and**
 - (b) the total maximum value of the procurement, including the value of any options to extend in the proposed contract.**
- (3) Where the procurement is potentially impacted by a free trade agreement (refer to Instruction 1202), the estimated value must also include any applicable taxes or charges including goods and services tax (GST).**
- (4) Where procurement is to be conducted in multiple parts with contracts to be awarded at the same time or over a given period to one or more suppliers, the calculation of the estimated value must be based on the estimated total maximum value of all the contracts to be awarded over the entire duration of the procurement.**
- (5) Where the total maximum value of a contract over its entire duration cannot be estimated, the procurement is deemed to be a procurement to which the provisions of free trade agreements (refer to Instruction 1202) apply.**

This may include panel contracts, where it is not possible to estimate, with accuracy, the value of the combined procurements from the selected panel.

- (6) A procurement must not be divided into separate parts for the purpose of avoiding any procurement threshold.**
- (7) An agency must not use a particular method for estimating the value of a procurement for the purposes of avoiding the application of any procurement threshold.**