

<b>Treasurer's Instruction No</b>	<b>1113</b>
Title	<b>Engagement and use of contractors: goods and services</b>
Effective date	<b>1 January 2009</b>
Objective and Background	<b>Details the protocol that agencies must use for the engagement and use of contractors (including consultants).</b>
Version Number	<b>6</b>
Last Reviewed Date	<b>November 2008</b>

*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 at [www.purchasing.tas.gov.au](http://www.purchasing.tas.gov.au)> Buying for Government.

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

#### *Definitions*

A "contractor" is an individual or organisation engaged under a contract (other than as an employee) to provide goods and/or services to an agency. A contractor will usually work under the supervision of an agency manager.

A "consultant" is a particular type of contractor who is engaged to provide recommendations or specialist or professional advice (or more generally non-manual services) to assist or influence agency decision making.

A consultant is normally expected to work without direct supervision, to exercise his or her own judgement, conduct complex research or investigations and provide advice or recommendations that form the basis for agency decision making or the taking of a certain course of action. A consultant is usually engaged by way of a short term or temporary contract.

Examples of a consultant include a person or entity engaged to:

- provide advice on training needs and/or to develop training programs;
- assist in the development of an information technology strategic plan and/or to assist with the development of specifications for a system; or

- provide advice on the implementation or financial viability of a government business enterprise.

Further information, including a list of the characteristics of a consultant, can be located at [www.purchasing.tas.gov.au](http://www.purchasing.tas.gov.au)>Buying for Government.

## CONTRACTORS

- (2) An external contractor must only be engaged when options for sourcing the required goods and/or services from within the agency, or from another Tasmanian inner-Budget agency, have been fully considered.**

The Government is committed to minimising the use of contractors, particularly consultants, by Tasmanian inner-Budget agencies. Wherever possible, the opportunity should be taken to use internal expertise, or to develop and retain skills in the Tasmanian State Service as an alternative to engaging a consultant or contractor.

## CONSULTANTS

- (3) The Head of Agency or Deputy Secretary (or equivalent) must approve any decision to engage a consultant prior to the Agency undertaking the appropriate procurement process.**

In approving the engagement of a consultant, the Head of Agency or Deputy Secretary needs to be satisfied of the need to use outside expertise.

Acceptable reasons for engaging a consultant include:

- the work is essential and the skills and expertise required are not currently available within the agency;
  - the cost of undertaking the work "in-house" would exceed the cost of having the work performed by a consultant;
  - the work is intermittent or "once-off" in nature;
  - the experience of an external organisation is required; or
  - there is a need for an objective, independent opinion.
- (4) If an agency decides to engage the services of a consultant, then in addition to the requirements referred to in Clause (1) above, agencies must also comply with the mandatory requirements for the relevant procurement threshold (see Instructions 1105, 1106, 1107 and 1108 for further information).**
- (5) Details of consultancies valued at \$50 000 or over must be reported in accordance with Instructions 1110 and 1111.**