

Treasurer's Instruction No	1108
Title	Multi-staged Procurement Processes: goods and services
Effective date	1 January 2009
Objective and Background	Details the multi-staged procurement processes available to agencies for the sourcing of goods and/or services, including instruction on how and when they are to be used.
Version Number	6
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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> Buying for Government.

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

A multi-staged purchasing process is a selection process composed of more than one stage and is generally used where information is required from suppliers in order to gain knowledge about the market, obtain industry input, or to shortlist suppliers before seeking offers.

The following tendering methods may be used:

EXPRESSION OF INTEREST (EOI)

An EOI (sometimes also called a Registration of Interest) is a multi-staged process used to shortlist potential suppliers before seeking detailed bids.

An EOI is generally used when the information required is specific and the agency is unsure of the capability of suppliers to provide the required goods or services.

The first stage of the process involves calling for suppliers who have the capability to provide the goods or services to respond to the agency. The second stage of the process involves the responding suppliers being asked to submit a detailed bid in accordance with the procurement thresholds (refer to Instructions 1105, 1106 and 1107 for further information).

- (2) **An agency may issue a request for expressions of interest, and use the list of suppliers who lodge an application as the basis for inviting potential suppliers to submit tenders provided:**
- (a) **the agency issues a notice requesting any interested supplier to submit an expression of its interest in the procurement and to submit any information requested in the notice; and**
 - (b) **sends an invitation to tender to all of the suppliers that expressed an interest in the procurement unless it has stated specifically in the notice that it may limit the suppliers that it will invite to participate.**

The first stage of the process involves issuing a notice calling for expressions of interest in the same manner as is required by Instructions 1105, 1106 and 1107 depending on the value of the procurement.

- (3) **Provided that the notice requesting expressions of interest states specifically that the agency may limit the suppliers it will invite to participate in the second stage of the procurement and the relevant requirements and evaluation criteria have been specified in the notice or the associated documentation, an agency in determining the suppliers that will be invited to tender may:**
- (a) **in assessing the technical ability, assess the extent to which an application meets the technical and performance specifications of the procurement; and**
 - (b) **limit the number of suppliers that it invites to participate in the second stage, based on its rating of applications, provided that the largest number of potential suppliers is selected that is consistent with an efficient procurement process.**

This process can only be used if suppliers are informed at the time of advertising that only those short-listed will be requested to bid.

In all other cases, the agency must invite all suppliers that have responded to the request for expressions of interest and meet the conditions for participation to participate in the second stage. An exemption from this requirement may be sought from the Secretary of the Department of Treasury and Finance in accordance with Instruction 1114.

- (4) **Agencies:**
- (a) **must provide suppliers with the evaluation criteria that will be used to make a decision at each stage of the process at stage one of the procurement process, and the evaluation criteria that are to be used to make a decision at the first stage of the process must be consistent with the criteria to be used for the second (bid) stage; and**
 - (b) **must not directly engage a shortlisted party without going through a more detailed second (bid) stage process unless approved by the**

Secretary of the Department of Treasury and Finance, or other authorised delegate.

The same time limits that apply to an open tender process apply to requests for an EOI. Refer to the *Free Trade Agreements Guideline* for information on time limits on procurements impacted by free trade agreements. The Guideline can be located at www.purchasing.tas.gov.au>Buying for Government>Resources>Publications.

LICENCE OR SPECIFIC LEGAL REQUIREMENT

- (5) Agencies may conduct a select tender from a list of all potential suppliers that have been granted a licence or that have been determined by the appropriate agency, authority or organisation to comply with specific legal requirements that exist independent of the procurement process, provided that:**
- (a) the requirement for a licence or compliance with specific legal requirements is essential to the conduct of the procurement;**
 - (b) the complete list of such potential suppliers is maintained by the appropriate agency, authority, or organisation and is available to the agency; and**
 - (c) the agency must invite all potential suppliers on the list to submit tenders.**

An example of such a licence is a banking licence.

MULTI-USE LIST

Refer to Instruction 1122 for information on multi-use lists and how to set up and maintain such a list. When using a multi-use list, the evaluation process can be simplified given that part of the process has already been undertaken when setting up the multi-use list.

An exemption from the requirement to go to open tender is NOT required when using a multi-use list provided the mandatory requirements in relation to the setting up of the multi-use list, as set out in Instruction 1122, have been met.

- (6) An agency may invite businesses from a multi-use list to participate in a procurement, providing that the goods or services sought are consistent with those described in the notice of multi-use list. In such cases, the agency must invite suppliers to submit quotations or tenders as is set out below:**
- (a) For procurements valued at \$10 000 or less, quotation processes are at the discretion of agencies. Agencies are required to weigh the value of the purchase and the cost of seeking quotations against the need to ensure that value for money and the other government procurement principles contained in Instruction 1101 have been observed. All mandatory requirements of Instruction 1105 apply;**

- (b) For procurements valued at more than \$10 000 but less than \$100 000, agencies must seek at least three written quotations from the suppliers included on the multi-use list. All mandatory requirements of Instruction 1106 apply; or
- (c) For procurements valued at or over \$100 000, agencies must seek a tender response from all those persons who are included on the multi-use list. All mandatory requirements of Instruction 1107, other than the requirement to call for open tenders, apply.

REQUEST FOR PROPOSAL (RFP)

A RFP is generally used when the project or requirement has been defined by the agency, but where an innovative or flexible solution is sought.

A RFP can be used as either a one stage or as a multi-staged purchasing process.

- (7) **If a RFP is to be used as a multi-staged process, then agencies must comply with the same requirements as for an EOI. These are contained in Instructions 1108(2), (3) and (4).**

In a two-staged RFP process, the first stage can be used to identify a limited number of proponents that have the capacity to deliver a feasible proposal. The second stage would be restricted to the short listed proponents and would be used to elicit more detailed proposals in order to select the best value for money proposal.

The same time limits that apply to an open tender process apply to RFPs. Refer to the *Free Trade Agreements Guideline* for information on time limits on procurements impacted by free trade agreements.

- (8) **If a RFP is to be used as a single stage purchasing process, then agencies must call for bids in accordance with the procurement thresholds (refer to Instructions 1105, 1106 and 1107 for further information).**

Further information on multi-staged procurement processes can be located at www.purchasing.tas.gov.au>Buying for Government>Goods & Services>Purchasing G&S \$100 000 and over>Planning the Purchase>Multi-Staged Purchasing.

The following processes may not be used to select a provider:

REQUEST FOR INFORMATION (RFI)

A RFI is generally used at the planning stage of a project to assist with defining the project or requirement. However, a RFI is not, itself, a procurement process and is only to be used to solicit information from suppliers that will assist in the development of the project or requirement. An RFI cannot be used to either identify or select suppliers. When using a RFI, issues relating to intellectual property and copyright must be clarified prior to using the information obtained to prepare any quotation or tender documentation.