

Treasurer's Instruction No	1111
Title	Disclosure and Annual Report Requirements: goods and services
Effective date	22 September 2009
Objective and Background	Provides instruction on disclosure requirements and the procurement information that agencies are required to report in their Agency Annual Reports.
Version Number	4
Last Reviewed Date	August 2009

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, refer to the 1200 series of the Treasurer's Instructions.

ANNUAL REPORTING

- (2) **Agencies must include procurement information in their Annual Report in accordance with this Instruction.**
- (3) **The report to be prepared by each Head of Agency pursuant to section 27 of the *Financial Management and Audit Act 1990* for inclusion in the Annual Report, shall, in addition to any other information required by the appropriate Minister, Instructions 201 or 1213 or any other written law, contain:**
- (a) **a narrative statement in the Introduction/Overview by the Head of Agency regarding the Agency's support for local business, cross-referenced to summary and detailed contract and procurement process information provided in accordance with paragraphs (3)(b)(i), (3)(b)(ii) and (3)(b)(iii);**
 - (b) (i) **a table summarising the level of participation by local businesses with regard to all contracts and procurement processes with a value of \$50 000 or over (excluding GST), including:**

- (A) total number of contracts awarded;**
- (B) total number of contracts awarded to Tasmanian businesses;**
 “Tasmanian businesses” is defined in Instruction 1110(5)(m).
- (C) total value of contracts awarded;**
- (D) total value of contracts awarded to Tasmanian businesses;**
- (E) total number of tenders called and written quotation processes run;**
- (F) total number of bids and/or written quotations received; and**
- (G) total number of bids and/or written quotations received from Tasmanian businesses.**

(ii) the following information on all contracts with a value of \$50 000 or over (excluding GST), listing consultancy contracts and all other contracts separately:

- (A) the name of the contractor/consultant;**
- (B) the location of the contractor/consultant (eg town/state - include country if the contract was awarded internationally);**
- (C) a description of the contract;**
- (D) the period of the contract; and**
- (E) the total value of the contract for the period of the contract.**

Examples of these tables are contained at the end of this Instruction.

(iii) any contracts awarded under TI 1127 must be clearly identifiable.

Examples of how this may be done are set out in the tables contained at the end of this Instruction.

Information is required for all contracts awarded, and procurement processes undertaken with a value of \$50 000 or more (excluding GST) during the financial year. This includes all contracts and procurement processes for building and construction projects, as well as for goods and services, including consultancies. For the purpose of this Instruction, ‘procurement

processes' includes open tenders, selective tenders, and quotation processes run by an agency as well as direct selections as a result of an exemption under Instruction 1114 or as a result of the process set out in Instruction 1127.

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.

A 'contract' is a legally binding arrangement between an agency and a supplier for the supply of goods and/or services (including building and construction projects, and consultancies) for a specific period. 'Common use contracts' will be reported by the commissioning agency (ie Treasury).

A 'tender' is an invitation to suppliers to bid on a clearly specified statement of requirements. A 'tender' includes a request for tender, expression of interest, request for proposal and request for information.

A 'quotation' is the bid submitted in response to a request for quotation.

A 'quotation process' is the process of inviting suppliers to provide a quotation/s for the supply of a particular good or service, the evaluation of quotations received and the selection of the successful business.

For the purposes of this Instruction, the 'period' of a contract or a consultancy includes the period of any options to extend, regardless of whether the options are exercised or not.

For the purposes of this Instruction, the 'value' of a contract or a consultancy includes the value of any option to extend, regardless of whether the options are exercised or not. An option is to be valued in accordance with the terms of the contract. Where the value of the option cannot be exactly calculated, an estimate will suffice. The value excludes GST.

The following paragraph is an example of a statement of support by a Head of Agency for local business. Note that where no tenders were called, quotation

processes run or contracts awarded, with a value of \$50 000 or over (excluding GST), this should be noted in the statement.

"The Department of ensures that Tasmanian businesses are given every opportunity to compete for Agency business. It is the Department's policy to support Tasmanian businesses whenever they offer best value for money for the Government. See Table ... for a summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50 000 or over (excluding GST). Tables ... and ... provide detailed information on consultancies and other contracts with a value of \$50 000 or over (excluding GST)."

Following is an example of a table summarising the level of participation by local businesses with regard to contracts, tenders and/or quotation processes with a value of \$50 000 or over (excluding GST):

Summary of Participation by Local Business (for contracts, tenders and/or quotation processes of \$50 000 or over, ex GST)	
Total number of contracts awarded
Total number of contracts awarded to Tasmanian businesses
Total value of contracts awarded	\$.....
Total value of contracts awarded to Tasmanian businesses	\$.....
Total number of tenders called and/or quotation processes run
Total number of bids and/or written quotations received
Total number of bids and/or written quotations received from Tasmanian businesses

Following are examples of tables providing detailed information on contracts with a value of \$50 000 or over (excluding GST):

Contracts with a value of \$50 000 or over (ex GST) and excluding consultancy contracts				
Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract \$
<i>Contractor's name</i>	<i>Town/State (country, where contract awarded internationally)</i>	<i>Description of contract</i>	<i>Period of contract (eg: 1 Jul 2009 to 30 Jun 2015)</i>	<i>Total value of the contract for the period of the contract</i>
<i>Contractor's name*</i>	<i>Town/State (country, where contract awarded internationally)</i>	<i>Description of contract</i>	<i>Period of contract (eg: 1 Jul 2009 to 30 Jun 2015)</i>	<i>Total value of the contract for the period of the contract</i>

* Note: These contracts were awarded under the Treasurer's Instruction 1127.

Consultancy contracts with a value of \$50 000 or over (ex GST)				
Name of consultant	Location of consultant	Description of consultancy	Period of consultancy	Total value of contract \$
<i>Consultant's name</i>	<i>Town/State (country, where consultancy awarded internationally)</i>	<i>Description of consultancy</i>	<i>Period of consultancy (eg: 1 Jul 2009 to 30 Jun 2015)</i>	<i>Total value of the contract for the period of the contract</i>
<i>Consultant's name*</i>	<i>Town/State (country, where contract awarded internationally)</i>	<i>Description of contract</i>	<i>Period of contract (eg: 1 Jul 2009 to 30 Jun 2015)</i>	<i>Total value of the contract for the period of the contract</i>

* Note: These contracts were awarded under the Treasurer's Instruction 1127.

DISCLOSURE – CONTRACTS VALUED AT OVER \$2 MILLION

Refer to Instruction 1110.

FREEDOM OF INFORMATION

- (4) Information relevant to a tender and any awarded contract must be disclosed when required by law.**