

Treasurer's Instruction No	1210
Title	Evaluating Major Works Tenders: building and construction/roads and bridges
Effective date	1 January 2009
Objective and Background	Provides instructions on the procedures that agencies must follow when evaluating major works building and construction/roads and bridges tenders.
Version Number	3
Last Reviewed Date	November 2008

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 at www.purchasing.tas.gov.au>Buying for Government.

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

As far as practicable, the person who carries out the evaluation should be either the person who prepared or was responsible for preparation of the tender documents or the person who is to administer the contract.

A technical review of all tenders should be undertaken even if it is a simple lump sum contract and a "clean" tender, within funding approvals.

- (2) Tenders must be fairly and equitably evaluated in a manner that is consistent with the Government's procurement principles. The final decision must be able to withstand public scrutiny.**

The Government's building and construction and roads and bridges procurement principles are contained in Instruction 1201.

- (3) Agencies must ensure that all tenders are evaluated in accordance with the evaluation criteria and methodology outlined in the tender documentation.**

The tender assessments will generally be:

- by lump sum lowest tender; or

- in accordance with Treasury's *Guidelines for Tender Evaluation Using Weighted Criteria*.

It is highly recommended that the Weighted Attribute Methodology be used for building and construction projects, wherever possible. Further information on the Weighted Attribute Methodology is available from the *Guidelines on Tender Evaluation using Weighted Criteria for Building Works and Services* which is located at www.purchasing.tas.gov.au>Buying for Government>Resources>Publications.

(4) For roads and bridges projects, agencies must ensure that the Weighted Attribute Methodology is used.

For information regarding the Weighted Attribute Methodology used for roads and bridges projects please contact the Department of Infrastructure, Energy and Resources.

TENDER COMPARED TO ESTIMATE

(5) Where the lowest conforming tender is 10 per cent below or above the estimate, an agency must take the following action:

- (a) the tender estimate must be checked and reconciled with the tenderer's price and with that of other tenderers;**
- (b) where, following a review of the estimate, the preferred tenderer's price is 10 per cent or more under the estimate, the tenderer must confirm in writing that the nature and the value of the contract is fully understood, that the price properly reflects all the contractual obligations and that the tenderer remains satisfied that the tender price is correct; and**
- (c) where, following review of the estimate, the preferred tenderer's price is 10 per cent or more over the estimate, the agency must ensure that the preferred tenderer is still within the required pre-qualification threshold.**

The tenderer should not to be made aware of the agency's estimate or other tenderers prices. An agency may need to refer back to the quantity estimator when considerable variations have occurred.

REVIEW OF SCHEDULES /ADDENDA

(6) Where tenderers are required to submit various schedules with their tenders or when so requested by the Principal, a review of all these schedules must be carried out to ascertain whether or not they are in conformity with the tender documents.

Technical schedules or technical data submitted by tenderers may need to be reviewed to determine whether they are in accordance with the tender requirements.

- (7) **Agencies must ensure that signed acknowledgment of any issued addenda has been provided with the tenderer's submission and that this acknowledgement states that the tender allows for all addenda issued for that tender.**