

TREASURER'S INSTRUCTION**FINANCIAL MANAGEMENT ACT 2016****PROCUREMENT FRAMEWORK - PROCUREMENT PRINCIPLES****EFFECTIVE DATE**

1 December 2021

SCOPE

This Treasurer's Instruction applies to all Agencies listed in Column 1 of Schedule 1, Part 1 in the *Financial Management Act 2016*.

APPLICATION

At all times.

OBJECTIVE

To detail the principles on which Government *procurement* is to be based.

INSTRUCTION**Procurement Principles**

- 1.1 The Accountable Authority is responsible for the oversight and management of an Agency's *procurement* activities.
- 1.2 Government *procurement* must be undertaken in a manner that is consistent with the following principles:
 - 1.2.1 value for money;
 - 1.2.2 open, impartial and effective competition;
 - 1.2.3 providing local suppliers that wish to do business with Government the opportunity to do so through the adoption of the Buy Local Policy requirements;
 - 1.2.4 observation of ethical *procurement* standards by buyers (including external representatives purchasing on behalf of the Agency / Government); and
 - 1.2.5 for building and construction / roads and bridges *procurement*, acting in accordance with:
 - the Australian Standard *AS 4120-1994 Code of Tendering*, clause 6 "Obligations of the Principal" for procurement valued at \$50 000 or more; and

- the Australian Standard *AS 4121-1994 Code of Ethics and Procedures for the Selection of Consultants* when selecting building and construction consultants.
- 1.3 Accurate records must be kept throughout a *procurement* to justify the process and decisions made.
 - 1.4 Decisions must be able to withstand public scrutiny.
 - 1.5 Agencies must conduct purchases from established *panel arrangements* in a manner that is consistent with clauses 1.1, 1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.3 and 1.4.

ADDITIONAL GUIDANCE

Further information in support of this Treasurer's Instruction can be found in the *Procurement Better Practice Guidelines (Principles and Policies)*.