

TREASURER'S INSTRUCTION
FINANCIAL MANAGEMENT ACT 2016

PROCUREMENT FRAMEWORK - PROCUREMENT PRINCIPLES

EFFECTIVE DATE

1 July 2019

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 including disposal activities.
- 1.2 Agencies must undertake Government *procurement* in a manner that is consistent with the following four 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; and
 - 1.2.4 observation of ethical *procurement* standards during the course of procurement activity by buyers (including external representatives purchasing on behalf of the Agency / Government) and specifically, 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 with a value of \$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.

I.3 Accurate records must be kept throughout the *procurement process* to justify the process and decisions made.

I.4 Decisions must be able to withstand public scrutiny.

ADDITIONAL GUIDANCE

Further information in support of this Treasurer's Instruction can be found in the Procurement Framework Better Practice Guidelines.