

**TREASURER'S INSTRUCTION**  
**FINANCIAL MANAGEMENT ACT 2016**  
**PROCUREMENT PROCESSES - VALUATION**

**EFFECTIVE DATE**

16 August 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 provide information on *procurement* valuation requirements.

**INSTRUCTION**

**Interpretation and Definitions**

Refer to Treasurer's Instruction PF-6 for general definitions.

**Valuation**

- 1.1 The value of a *procurement* must be estimated at either the time of publication of notices calling for tenders, the time of publication of notices calling for submissions requesting suppliers to participate in a *procurement process* or at the time of requesting a quote or quotes, as appropriate.
- 1.2 The estimated value must include:
  - 1.2.1 all forms of remuneration, including any premiums, fees, commissions, interest and other revenue streams that may be provided for in the proposed *contract*; and
  - 1.2.2 the total maximum value of the *procurement*, including the value of any options to extend in the proposed *contract*.
- 1.3 Where a *procurement* is to be conducted in multiple parts, with *contracts* to be awarded at the same time or over a given period to one or more suppliers (eg a multi-use list), the calculation of the estimated value must be based on the estimated total maximum value of all the *contracts* to be awarded over the entire duration of the procurement.

- 1.4 A *procurement* must not be divided into separate parts for the purpose of avoiding the application of any otherwise applicable *procurement* threshold.
- 1.5 A particular method for estimating the value of a *procurement* must not be used for the purpose of avoiding the application of any otherwise applicable *procurement* threshold.

### **ADDITIONAL GUIDANCE**

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