



Australian Government
Department of Finance

Selling to
Government

An Introduction to Australian Government Procurement for Suppliers

Developed by the
Department of Finance

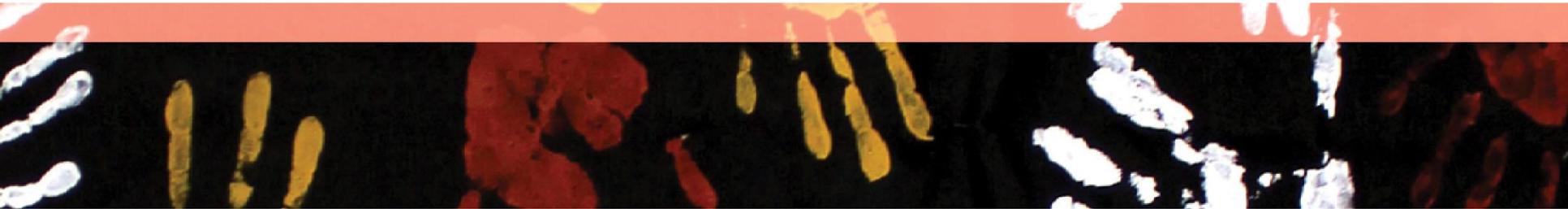


The Department of Finance Acknowledges the Traditional Owners and Custodians of the land in which we live and work.

The Department extends that Acknowledgement to their continuing Connection to Country, waters and community.

The Department pays respects to Elders past and present, and extends that respect to all Aboriginal and Torres Strait Islander peoples.

Artwork Reconciliation by Sarah Richards, 2015





1. Why sell to the Australian Government

2. What the Australian Government buys and how

3. Procurement methods and industry engagement

4. Where to start

5. Responding to an Approach to Market (ATM)

6. What to expect if you win a contract

7. What to expect if you don't win a contract

8. Feedback



Why sell to the Australian Government?

A **large potential market** that requires a wide range of goods and services delivered across the country.

A **non-discriminatory framework**, including requirements to apply procurement practices that do not unfairly discriminate against small and medium enterprises.

Simplified contracting and payment processes to make it easier for businesses to work with us.



Why sell to the Australian Government?

Timely payment

Supplier Pay On-Time or Pay Interest Policy means that in most cases Australian Government organisations must **pay suppliers within maximum payment terms** (either within 5 calendar days for eInvoices, or within a maximum of 20 calendar days in all other circumstances).

Sourcing commitments

Australian Government commitment for non-corporate Commonwealth entities to **source 20 per cent of procurement by value from small and medium enterprises (SMEs)**

Provisions to directly source from SMEs, Indigenous businesses, and supported employment providers

Indigenous Procurement Policy sets out requirements for officials to **approach Indigenous businesses to tender for work prior to a general approach to market.***

The Commonwealth Procurement Rules include exemptions for **direct engagement of supported employment providers, Indigenous businesses and SMEs.***

*certain thresholds apply



What does the Australian Government buy?

Australian Government organisations purchase a **variety of goods and services for delivery across Australia**, including in regional and remote areas.

There is no one Australian Government buyer. Each Australian Government organisation has its own needs and makes its own purchasing decisions to meet its requirements.

The easiest way to find out what Australian Government organisations are interested in buying is to check available and **upcoming business opportunities on AusTender**.

The AusTender Help and Information Centre also includes a **variety of guidance and reports** to help you better understand opportunities in your sector.



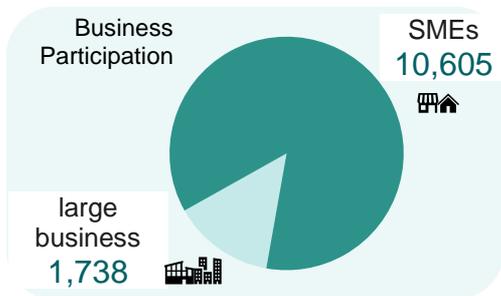
Top 5 categories for small and medium enterprises in 2022-23

Management and Business Professionals and Administrative Services	15,110 contracts awarded 48.8% of category
Engineering and Research and Technology Based Services	6,003 contracts awarded 55.5% of category
Commercial and Military and Private Vehicles and their Accessories and Components	2,981 contracts awarded 55.6% of category
Information Technology Broadcasting and Telecommunications	2,829 contracts awarded 42.9% of category
Education and Training Services	2,627 contracts awarded 62.2% of category

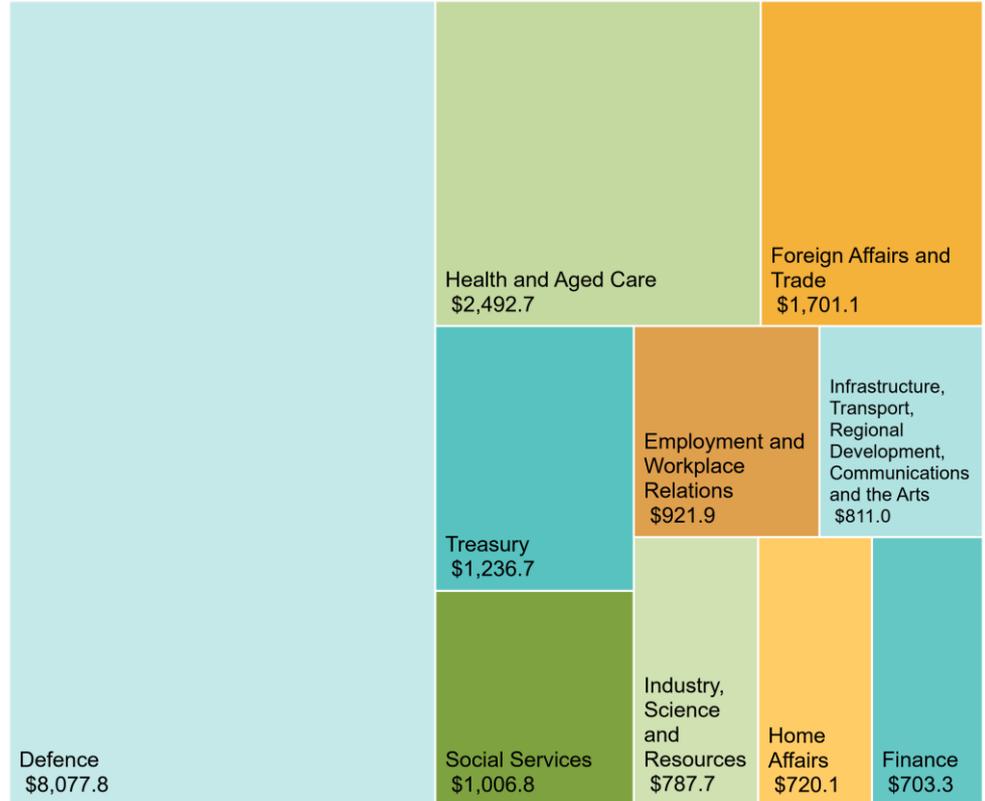
What does the Australian Government buy?



The percentage of contracts by value awarded in 2022-23 was **above** the Australian Government's small and medium enterprise (SME) target of 20 per cent.



Estimated value of SME contracts by portfolio 2022-23
(value in \$ million)





How does the Australian Government buy?

The Australian Government is accountable for how its organisations spend taxpayers' money.

The **Commonwealth Procurement Rules** (CPRs) set out expectations and procedures for relevant Australian Government buyers to ensure the proper use of public funds, and that processes are open, fair, and ethical.

The rules focus on achieving **value for money** when procuring goods and services.

Value for money is **not** just about price and involves financial and non-financial considerations outlined in the CPRs.



Relevant Australian Government buyers **must** comply with **Division 1** of the CPRs.
The core focus of Division 1 is **achieving value for money**.



Division 2 of the CPRs contains additional rules that apply to procurements valued above the relevant **procurement threshold**:

- Above \$80,000 for most government organisations (non-corporate Commonwealth entities)
- Above \$400,000 for specific corporate Commonwealth entities as outlined in the CPRs
- Above \$7.5 million for construction services.

Unless specific exemptions apply, purchases above these thresholds **must** comply with additional rules outlined in Division 2 of the CPRs.



Value for money is not just about price.

Australian Government buyers will make decisions based on assessment of all the costs and benefits for each quote or tender response against the originally specified business need.

Australian Government buyers **must** consider the **relevant financial and non-financial aspects** of each quote or tender response, including, but not limited to:

- quality of the goods and services
- fitness for purpose of the proposal
- potential supplier's relevant experience and performance history
- flexibility of the proposal (including innovation and adaptability over the lifecycle of the procurement)
- environmental sustainability of the proposed goods and services (such as energy efficiency, environmental and climate change impact and the use of recycled products)
- whole-of-life costs, which could include initial purchase price, maintenance, operating, and transition out costs.



Australian Government buyers use either an **open** or **limited** procurement method for an Approach to Market (ATM) for work.

Open Tender

Advertised publicly and any supplier can respond to the ATM

- Publicly advertised via AusTender.
- Default approach for purchases above the relevant thresholds outlined in the CPRs.
- For example, is default for purchases above \$80,000 for all non-corporate Commonwealth entities (or \$400,000 for specific corporate Commonwealth entities).

Limited Tender

One or more potential suppliers are invited to respond to the ATM

- ATM is only accessible to suppliers invited to submit a response.
- Permitted for purchases below \$80,000 (or \$400,000 for specific corporate Commonwealth entities).
- Permitted for purchases under specific conditions or exemptions outlined in the CPRs (for example, purchases from Indigenous businesses or small and medium enterprises).



Standing offers and panels

- Australian Government buyers may also approach suppliers through a 'standing offer' established through a previous procurement process.
- Under a 'standing offer', a supplier enters into an agreement, known as a 'deed of standing offer', with an Australian Government organisation to provide goods or services for a set period under agreed terms and conditions.
- Where there are multiple suppliers under a standing offer, it is commonly called a 'panel'.
- Australian Government organisations may approach suppliers appointed to a panel to request quotations, in line with the standing offer.
- The Australian Government buyer should, where possible, approach multiple businesses on the panel to respond to a quote request and select the supplier whose response represents the best value for money.
- Being on a panel is **not a guarantee** that you will be approached for a quote request.
- New panels are usually established and periodically refreshed by an **open tender ATM**, which are advertised on AusTender.
- If your response to the ATM is considered to represent value for money, your business may be invited to enter into a deed of standing offer, and be appointed to the panel.
- A panel is usually established for at least three years, and may contain options to extend the arrangement.



Whole of Australian Government arrangements

- There are certain Whole of Australian Government (WoAG) arrangements that most Australian Government buyers **must** use for categories of commonly purchased goods and services.
- Examples include WoAG arrangements for:
 - advertising
 - ICT
 - legal services
 - property services
 - travel and accommodation services
 - stationery and office supplies
 - management advisory services
 - labour hire.
- These arrangements may be contracts, or standing offer and panel arrangements, and are usually established via open tender.
- Where established, these arrangements are mandatory for non-corporate Commonwealth entities to use. Only businesses that are covered by the arrangement may be approached for work.



Limited tender Approach to Market (ATM)

1

Buyer researches and identifies potential businesses.

- Suppliers may be found via market research, or exploring existing channels, resources, registers and networks.

2

Buyer approaches one or more businesses directly to request a quote or a formal tender response.

- **Not all** purchases require a formal approach to market and tender response process. This is dependent on the complexity and risk of the purchase.
- Generally, for purchases under \$10,000, buyers will seek a quote
- Buyers **must** ensure the approach is consistent and fair to all potential suppliers.

3

Buyer assesses quotes or responses.

- Buyers may contact businesses to clarify details in their response or to negotiate prior to entering a contract.
- Value for money **must** be achieved to justify purchasing decisions.
- If provided, businesses **must** respond using any required templates or formats.
- Tender responses **must** be assessed against any evaluation criteria provided.

4

Contract is negotiated between buyer and preferred supplier.

5

Buyer must notify unsuccessful tenderers. All respondents are entitled to request a debriefing to seek feedback on their response.



Tips for businesses

- Consider registering with relevant industry networks, directories, and databases, and maintaining a web presence. You may be approached to quote for work directly through these channels.
- Depending on the complexity of the work, you may be required to provide a simple quote or a formal tender response.
- If any evaluation criteria are provided, you **must** demonstrate that you meet the specified criteria to competitively tender for work.
- Examples of ATM documentation are available in the Commonwealth Contracting Suite section of the Department of Finance website.
- Being contacted for a quote **does not** guarantee that you will win the work.
- When you have been notified of contract outcomes you may request a debriefing to receive feedback on your submission. Buyers **must** provide you with a debriefing if you request one.



Open tender Approach to Market (ATM)

1

Buyer must publicly advertise the Approach to Market (ATM) on AusTender.

- Any interested suppliers may respond to the ATM by providing the required information.
- The tender listing may also be shared via other methods, such as agency websites, journals, or newspapers.
- Lodgement timelines and processes are clearly outlined in ATM documentation – responses are generally lodged via AusTender, unless alternative arrangements are outlined in ATM documentation.
- Buyers **must** ensure the approach is consistent and fair to all potential suppliers.

2

Businesses must respond as outlined in ATM documentation by the specified deadline.

- Be sure to ask any questions and clarify any requirements before responding to the ATM.
- To be considered, tender responses must meet any minimum requirements set out in the ATM.
- Tender responses **must** also demonstrate value for money against evaluation criteria set out in the ATM.

3

Buyer assesses responses.

- Buyers may contact businesses to clarify details in their response or to negotiate prior to entering a contract.
- Value for money **must** be achieved to justify purchasing decisions.
- Tender responses **must** be assessed against any evaluation criteria provided.

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Contract is negotiated between buyer and preferred supplier.

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Buyer must notify unsuccessful tenderers. All respondents are entitled to request a debriefing to seek feedback on their response.



Tips for businesses

- Consider registering with AusTender for free to receive notifications of new open tender ATMs as they are listed.
- You will need to be registered with AusTender to access detailed ATM documentation and to lodge a response via AusTender if requested.
- Businesses will need to submit a formal response that complies with the ATM documentation.
- Only those who submit a tender response and meet any minimum requirements can be considered for the work.
- You **must** meet any minimum requirements and demonstrate value for money against any specified evaluation criteria to competitively tender for work.
- When you have been notified of contract outcomes you may request a debriefing to receive feedback on your submission. Buyers **must** provide you with a debriefing if you request one.

Other ways the Australian Government can engage with businesses

Market research

Prior to purchasing, Australian Government buyers may contact businesses to conduct **market research, scope buyer needs, and assess industry capability.**

Briefings and answering questions

During the procurement process, Australian Government buyers may hold **briefing session/s** to provide potential suppliers with an opportunity to engage, ask any questions, and increase their understandings of tender requirements and processes.

Briefings for open tenders may be advertised on AusTender alongside the Approach to Market (ATM) documentation.

You may also ask the contact officer outlined in the ATM documentation any questions to clarify tender requirements and processes.

Responses to questions raised at industry briefings or asked by potential suppliers through direct queries are de-identified and provided to all potential suppliers.

Information requests published on AusTender

Australian Government buyers may also advertise via AusTender:

Requests for Information - used to gather information about suppliers' capabilities and products that may form a solution or contribute to future procurement requirements.

Expressions of Interest - used to identify suppliers capable of meeting procurement requirements and potentially provide a shortlist for a later approach to market.

These processes are **not** a commitment by the Australian Government to purchase the goods or services outlined in the request nor does it guarantee you work. These requests are often used to assist buyers to scope future procurements.

 *Selling to the Australian Government is an important commercial decision – you should critically assess and be fully informed before deciding if it is the right business decision for you.* 

Tips for
ALL
businesses

- ✓ **Understand the process.**
- ✓ **Register on AusTender for free and set up notifications.**
- ✓ **Understand the buyer.**
 - Each Australian Government organisation has its own needs and purchasing processes. You can check individual websites to learn what each Australian Government organisation does.
 - The online Australian Government directory (www.directory.gov.au) can also assist with understanding portfolios and organisation structures.
- ✓ **Know your value proposition and be prepared to meet common minimum requirements.**
- ✓ **Build connections and utilise networks.**
- ✓ **Have an easy to find and user-friendly website.**
- ✓ **Attend industry events and trade shows.**

Sector
specific

Indigenous businesses can register on **Supply Nation's Indigenous Business Database**.
Businesses in the ICT sector may wish to explore panels available on the **BuyICT.gov.au** platform.
Businesses interested in the defence industry may wish to engage the **Office of Defence Industry Support**.



Where can I start?

AusTender

The Australian Government publishes **current business opportunities** and **notices** of standing offers and successful contracts, valued at or above \$10,000, on the AusTender website.

You can use AusTender to:

- Register for free and be notified of business opportunities that match your business profile
- See upcoming opportunities in annual procurement plans
- Download tender documents
- Lodge a tender response
- Find details about successful tenderers and existing contracts.

What is AusTender?



AusTender is the Australian Government's procurement information system

Become a Registered User



New to AusTender? Register for free to be notified of opportunities

Business Opportunities



Not sure where to start looking? Find current and planned opportunities

Visit the AusTender Help and Information Centre (help.tenders.gov.au) to learn how to find business opportunities and see answers to frequently asked questions including how to lodge a tender response.

New to AusTender? Check out the Become a Registered User page to see how to freely register and receive notifications of when relevant business opportunities become available.

Lodge a Tender Response



Found an opportunity and ready to lodge a response?

Information Made Easy



Here you will find access to a wide range of procurement and contract information reports.

Frequently Asked Questions



We have a repository of frequently asked questions, has your question been asked before?

Elements usually found in ATM documentation

<p>Description</p>	<p>Typically includes:</p> <ol style="list-style-type: none"> 1) Statement of Requirements outlining the nature and scope of the work. 2) Deliverables or the expected outcomes. 3) Technical specifications. 4) Timeframes for delivery and information on any industry briefings.
<p>Conditions for participation</p>	<p>May request relevant licenses, standards, or insurance. If applicable, will include any requirements under Procurement Connected Policies. If you do not meet these requirements, your tender will not be considered.</p>
<p>Evaluation criteria</p>	<p>Used by buyers to assess tenders. There is no one set of criteria as it varies across ATMs. Examples of evaluation criteria include demonstrated ability to provide the goods/services and pricing.</p>
<p>Minimum content and format requirements</p>	<p>Examples include providing certificates, using certain schedules or submitting a response electronically.</p>
<p>Process rules</p>	<p>Outlines how the tender will be run and how the responses will be evaluated.</p>
<p>Draft contract</p>	<p>Allows you to clearly understand requirements, terms, and conditions.</p>



See what ATM documentation looks like, practice a tender response, and find further tips on how to use AusTender

You can visit the AusTender website (tenders.gov.au) to download a current ATM document – you will need to register an account beforehand.

AusTender's Help and Information Centre (help.tenders.gov.au) also lets you practice lodging a response and provides a helpful checklist to assist you with your preparation.

This may be good practice before responding to an ATM you are interested in as you can get an idea of what you may be asked to provide and how long it might take to complete.



Responding to an Approach to Market (ATM)

- There are a number of Australian Government **Procurement Connected Policies** (PCPs) that place minimum requirements on businesses responding to tenders.
- Where these policies are relevant, the related requirements will be clearly outlined in tender documentation.
- There are typically thresholds relating to contract value or business size that determine whether a policy applies.

PCPs that may be relevant to your business

Shadow Economy PCP

Businesses tendering for contracts over \$4 million are required to provide a Statement of Tax Record from the Australian Taxation Office showing they have a satisfactory tax record, either at the time the tender closes, or within four days of the tender closing if they have provided a request receipt.

Note: this requirement is often included in ATMs to establish or refresh panel arrangements.

Workplace Gender Equality Procurement Principles

Businesses with 100 or more employees in Australia must supply a letter of compliance if the procurement exceeds the thresholds outlined in the CPRs. Letters of compliance are issued by the Workplace Gender Equality Agency and demonstrate that the entity complies with requirements under the *Workplace Gender Equality Act 2012*.

Australian Skills Guarantee

National targets for apprentices, trainees, paid cadets, and women on relevant Australian Government procurements.

Targets will apply to new Australian Government procurement processes for major building and construction and maintenance services (construction) and information and communications technology (ICT) procurements with a total contract value of \$10 million or more, from 1 July 2024.

Payment Times PCP

Applicable to large businesses awarded contracts valued over \$4 million.

Australian Industry Participation

Applies to suppliers with contracts valued \$20 million or more.

Indigenous Procurement Policy

Minimum Indigenous participation requirements for suppliers with contracts valued over \$7.5 million in certain sectors.

Environmentally Sustainable Procurement Policy

Applies to suppliers with construction services contracts valued at or above \$7.5 million from 1 July 2024, and furniture, ICT goods and textiles at or above \$1 million from 1 July 2025.



1. Review the ATM carefully

- Each ATM is different so read the instructions and requirements carefully. Ask any clarifying questions you need to the procurement officer listed as the contact.
- Note the closing date - you **must** meet the deadline as late tenders will not be accepted.
- Understand what goods / services are requested and any required timeframes for delivery.
- Understand if there are any minimum requirements and conditions for participation.

2. Prepare documents needed to meet minimum requirements and conditions of participation

- In some instances, you can prepare documents to meet common minimum requirements well before closing dates or even before you start a tender application.
- For example, for certain tenders, you may be required to submit a Statement of Tax Record, which you can obtain before a tender process begins.

3. Determine your responses to the evaluation criteria

- Meeting evaluation criteria is critical to competitively responding to a tender and demonstrates your ability to deliver the proposed work. Buyers assess each supplier's tender response against these requirements.
- Criteria will vary for each tender. Some commonly used criteria may ask you to demonstrate an ability to provide the requested goods / services, ability to manage risk, pricing, and compliance with stated contract conditions.

4. Make sure you meet the deadline and submit your response in the format requested, with the required documentation, before the closing date



Reminder: Value for money is not just about cost

Buyers must consider the **relevant financial and non-financial aspects** of each quote or tender response, including, but not limited to:

- quality of the goods and services
- fitness for purpose of the proposal
- potential supplier's relevant experience and performance history
- flexibility of the proposal (including innovation and adaptability over the lifecycle of the procurement)
- environmental sustainability of the proposed goods and services (such as energy efficiency, environmental and climate change impact and the use of recycled products)
- whole-of-life costs, which could include initial purchase price, maintenance, operating, and transition out costs.



Important things to keep in mind for all ATMs

- ✓ You **must** submit your response by the specified date and time, to the specified location and in the specified format (for example electronically via AusTender). Instructions are outlined in the ATM documentation.
- ✓ To competitively tender for work, you should meet any conditions of participation, address the evaluation criteria, complete any mandatory forms, meet any minimum requirements, and clearly demonstrate why your business should be selected on a value for money basis.
- ✓ ATM documents and requirements can vary so always read the documentation and understand what is required.



Remember that all businesses, including those who successfully win a contract, are entitled to request a debriefing. Contracts valued over \$10,000 **must** be reported on AusTender by the Australian Government buyer within 42 days of the agreement being entered into.

Contract Management



The Australian Government organisation should appoint someone to oversee management of the contract, **including acceptance, delivery, payment and administration.**

Contract management can involve **governance, performance management, rendering of invoices, milestone reporting requirements and potential contract variations.**

The contract sets out the roles and responsibilities of all parties, including how, when and to what standard the deliverable/s identified in the contract are to be delivered.

The contract will also contain provisions for how the organisation will monitor outputs and outline your rights and obligations, including details such as managing conflicts of interest, managing confidential and personal information, auditing arrangements, liability and indemnification and dispute resolution.

Payment terms will be contained in the contract.

Contract documentation for purchases under \$200,000 is generally consistent, and you may wish to view the standard contract documentation via the **Commonwealth Contracting Suite** on the Department of Finance website to understand what to expect and your obligations.

Working
successfully with
Australian
Government
organisations



- ✓ The most important thing is to deliver the goods or services on time, on budget and in a professional manner.
- ✓ Fill in the paperwork for your contract promptly and give the Australian Government contract manager any information that they need as soon as you can.
- ✓ Keep your contract manager informed – you might do this by phone, email or attending meetings – regular meetings relevant to the contract are good practice.
- ✓ Don't be afraid to advise of issues – a professional contract manager would prefer to work with you to prevent issues rather than try to fix them afterwards.
- ✓ Ensure that all deliverables have been completed and contractual obligations have been met, including any reporting requirements, within the timeframes specified in the contract.

Debriefing and feedback



Every business that responded to an ATM is entitled to **request a debriefing** after the completion of the procurement process.

Aspects of another business's response or submission **cannot** be discussed with you.

The purpose of a debriefing is not to justify the selection of the successful tender but rather give you feedback on your response.

It is recommended businesses **request** a debriefing to receive feedback on your tender response. This can help you to compete more effectively in future processes.

Typical themes that may be covered in a debriefing are:

- comparison of your submission to the evaluation criteria
- strengths and weaknesses of the submission
- suitability of your experience and qualifications
- an indication of cost competitiveness
- referee reports or past performance
- understanding of the Australian Government procurement process.



Can I complain if I don't win?



After a tender process is over, you may have concerns that the process was flawed, or the evaluation was inaccurate or unfair.

Requesting a debriefing is good practice as you can obtain feedback about your submission and gain a better understanding of the process.

If you feel a matter is unresolved, you should indicate this clearly to the Australian Government organisation that managed the procurement process before making a formal complaint.

Complaints should only relate to the **process** followed by the Australian Government organisation and its consistency with the requirements of the Commonwealth Procurement Rules.

The fact that your submission was not selected is not sufficient grounds for complaint.

There are further mechanisms you may wish to consider if you are not happy with the outcome – depending on your concerns, you may raise the matter with the Australian Government Procurement Coordinator, approach the Commonwealth Ombudsman, or there may be recourse through Federal Circuit Court or the Federal Court of Australia.



The Department of Finance's **Selling to Government** website provides information to support businesses to understand how to participate in Australian Government procurement and contracting opportunities, including:

- Where to find opportunities to sell to the Australian Government
- What rules and processes Australian Government organisations follow when procuring goods and services
- How to respond to an approach to market
- What to expect if you are awarded a contract.

The Department of Finance is continuously updating the website to improve information for suppliers.

If you are interested in supplying to the Australian Government,
visit sellingtogov.finance.gov.au to find out more.



Questions and Feedback?



Feedback

sellingtogov.finance.gov.au/feedback/supplier-introduction

Contact Us

sellingtogov.finance.gov.au/contact-us