



Commonwealth Procurement Rules (CPRs)

- The CPRs outline expectations and procedures for Australian Government buyers to ensure procurement processes are open, fair, transparent and ethical.
- The CPRs keep Australian Government organisations accountable for how they spend taxpayer money and ensure they achieve value for money.
- The CPRs require Australian Government buyers to consider relevant financial and non-financial costs and benefits when making purchasing decisions.

Value for Money

Achieving value for money is the core principle of the CPRs. Price is not the sole factor when considering value for money.

Other factors include:

- Quality of the goods and services
- Fitness for purpose of the proposal
- Potential supplier's relevant experience and performance history
- Flexibility of the proposal
- Environmental sustainability of the proposed goods and services.

Selling to Government Website

Selling to Government (sellingtogov.finance.gov.au) provides you with the information and support you need to understand how to identify business opportunities and sell to the Australian Government, 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.



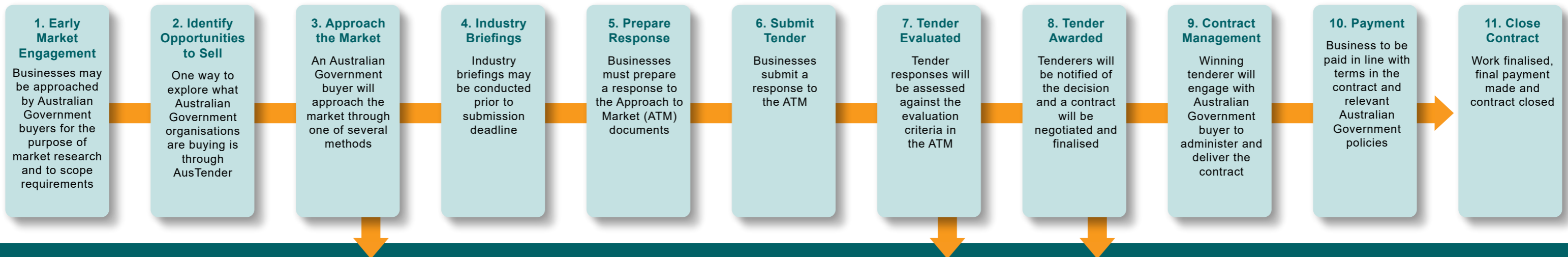
Australian Government



AusTender (tenders.gov.au) is the Australian Government's procurement information system. You can use AusTender to:

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

For tips on how to use AusTender, please visit the AusTender Help and Information Centre (help.tenders.gov.au).



Procurement Method

- **Open Tender:** The tender will be publicly advertised on the AusTender website and any interested suppliers can submit a response.
- **Limited Tender:** A supplier or suppliers will be invited to submit a quote or response to a tender. Limited tenders can only be undertaken in certain circumstances.
- **Standing Offers and Panels:** Australian Government buyers may also approach suppliers through a 'standing offer' that has been established through a previous procurement process (usually an open tender).

Tender Evaluation

- Tender responses will be evaluated against the evaluation criteria on a value for money basis. Achieving value for money is the core underpinning of Australian Government procurement.
- This is not just about price - decisions are based on an assessment of all the costs and benefits of each proposal against the original business need.

Debriefing

- All tenderers, both successful and unsuccessful, are entitled to request a debrief from the Australian Government buyer about their response.
- A debriefing enables tenderers to understand the strengths and weaknesses of their proposal, and help with development of more competitive bids in the future.

1. Early Market Engagement

- Australian Government buyers identify a potential need to approach the market, and may reach out to businesses, and hold industry briefings, to learn more about market conditions and industry capability to supply particular goods and / or services to inform scoping and understanding of requirements.
- This is not for selecting preferred suppliers – engagement is focused on gathering collective market information, not understanding individual business offerings.
- Being approached in this way is not an indication that the Australian Government will buy anything from your business – if you are not sure if someone is approaching you for market research, or to seek a quote, ask.

2. Identifying Opportunities to Sell

- Open tender opportunities are listed on AusTender (tenders.gov.au), the Australian Government's procurement information system. These show what relevant Australian Government organisations are looking to buy. Details of contracts with Australian Government organisations valued over \$10,000 are also published on AusTender.
- The AusTender Help and Information Centre includes guidance and reports to help better understand and identify opportunities, and ensure you are being notified of opportunities suitable for your business (help.tenders.gov.au).
- Australian Government organisations usually publish an annual procurement plan giving an indication of their expected procurement for each year. Information in these plans is also published on AusTender.
- In certain circumstances, Australian Government organisations may also approach you directly for work. Some of the most useful things you can do to make Australian Government buyers aware of your business for these opportunities include having a user-friendly website, promoting yourself on relevant industry directories, building connections in your sector, and attending events and trade shows where buyers may be present.

3. Approach the Market

- An Australian Government buyer can approach the market in a number of different ways:
 - Open tenders are publicly listed on AusTender. Businesses can also register to receive notifications.
 - Limited tenders are only made accessible to suppliers that are invited to submit a response. Limited tenders can only be conducted in certain circumstances, including when the value of the procurement is below \$80,000 for most entities (\$400,000 for specific entities, or \$7.5 million for construction services) or there is an exemption outlined in the Commonwealth Procurement Rules (CPRs).
 - Approaching suppliers through an existing standing offer or panel arrangement. Suppliers enter into a standing offer to provide goods or services for a set period under agreed terms and conditions, which can include agreed pricing. Where there are multiple suppliers under a standing offer arrangement, it is commonly called a 'panel'. Australian Government buyers can then approach businesses on a panel, requesting responses in line with the standing offer. Approaches to Market (ATMs) to establish or refresh a panel are usually published as an open tender. There is no guarantee the Australian Government will buy from a business through a standing offer or panel.

4. Industry Briefing

- Australian Government buyers may conduct industry briefings for potential suppliers for complex ATMs.
- These sessions give potential suppliers an opportunity to engage directly with the Australian Government buyer and increase understanding of tender requirements or processes, prior to submitting a tender response.
- Questions and answers from industry briefing sessions are usually collated and provided to all potential suppliers participating in the procurement process. Businesses will not be identified in this process.

5. Prepare Response

- When responding to an ATM, businesses will need to submit a response that complies with the ATM documentation. ATM documentation will usually include:
 - A description of the procurement, and statement of requirements
 - Conditions for participation, such as licenses, standards, insurance, or a Statement of Tax Record
 - Evaluation criteria that will be used to assess tender responses (these vary across procurements)
 - Minimum content and format requirements
 - Process rules outlining how the tender will be run
 - A draft contract, to allow you to clearly understand requirements, terms and conditions.
- Many ATMs include a template document for businesses to complete. You should ensure that you meet any conditions of participation, address evaluation criteria, complete any mandatory forms / requirements, and demonstrate why your business should be selected.
- ATM documents and requirements can vary depending on the value and nature of the procurement.

If you are an Indigenous business, you may be approached to provide a quote on contracts valued between \$80,000 and \$200,000, or in remote areas, before a general approach to market.

Australian Government buyers need to know that you are an Indigenous business and need to be able to find you to approach you for work. Being a registered or certified business with Supply Nation (supplynation.org.au) is one easy way for Australian Government buyers to find you.

If you are a small and medium enterprise, Australian Government buyers must ensure that you are not unfairly discriminated against during procurement processes.

There are also exemptions under the CPRs enabling Australian Government buyers to directly approach you for procurements up to \$500,000.

6. Submit Response

- Lodgement timelines and processes are clearly outlined in ATM documentation.
- Responses to open tenders are usually lodged via AusTender. If there are alternative arrangements, the process will be clearly outlined in ATM documentation.
- For a limited tender, responses are typically lodged via email to a nominated email address.
- Late tenders will not be accepted.

7. Tender Evaluated

- Australian Government buyers will evaluate tenders against the evaluation criteria, and complete an evaluation report, selecting suppliers that represent the best value for money.
- If your tender response does not clearly show how your goods or services meet any mandatory criteria, your response will be set aside and excluded. This is not discretionary – the Australian Government buyer must set aside any responses that do not comply with mandatory criteria.
- If required, Australian Government buyers may contact you to clarify aspects of your tender response, and can negotiate with one or more preferred suppliers prior to entering into a contract.

8. Contract Awarded

- A contract will be finalised with the preferred tenderer, and tenderers will be informed of the final decision.
- All tenderers, including the successful tenderer, are entitled to a debriefing session with the Australian Government buyer, detailing the strengths and weaknesses of their tender response.
- Contracts valued at \$10,000 or more are publicly reported on AusTender within 42 days of entering into an agreement. This will show the successful supplier and contract value.

9. Contract Management

- The Australian Government organisation should appoint a contract manager with whom you can discuss delivery, acceptance, administration, and payment details.
- Contract management between the supplier and the buyer can involve contract governance, performance management, rendering of invoices, milestone reporting requirements and potential contract variations.
- The most important thing is to deliver goods and services on time, on budget, and in a professional manner, and to keep your contract manager informed as you progress work.

10. Payment

- The payment terms will be contained in the contract between your business and the Australian Government organisation.
- The Australian Government has a Supplier Pay On-Time or Pay Interest Policy which means that in most cases where an Australian Government organisation has acknowledged the satisfactory delivery of goods and services and receipted a correctly rendered invoice, it must pay suppliers within:
 - 5 calendar days for eligible electronic invoices (eInvoices), where the Australian Government agency and the supplier both have invoicing capability via the Peppol network and have agreed to use this method, or
 - 20 calendar days in all other circumstances unless shorter payment terms have been agreed.
- The Australian Taxation Office (ATO) can assist you to implement eInvoicing capability. Further information is available on the eInvoicing for businesses section of the ATO website (ato.gov.au).
- If the contract allows for it, you may be paid progressively for satisfactory completion of the work. This is commonly called a milestone payment. In this case, the contract will indicate dates or work completion targets that must be met before you can submit your invoice for payment.

11. Close Contract

- Ensure that all deliverables have been completed and contractual obligations have been met, including any reporting requirements, within the timeframes specified in the contract.
- In certain circumstances, there may be a need to vary timeframes for a contract, or to take up an option for extension (which will be outlined in the terms of the contract), depending on business needs, market conditions and contract terms.