

Australian Capital Territory

Government Procurement (Principles) Guideline 2002 (No 2)

Disallowable Instrument DI2002-58

The ACT Government Procurement Board makes the following procurement guideline under the *Government Procurement Act 2001, s 7 (1) (Procurement guidelines)*.

Dated: 6 June 2002

Glen Gaskill
Chair

By authority of the ACT Government Procurement Board

Australian Capital Territory

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Made under the

Government Procurement Act 2001

Clause	CONTENTS	Page
1	Name of guideline	2
2	Commencement	2
3	Definitions	2
4	Notes	2
5	Application of guideline	2
6	Procurement principles	3
7	Value for money	3
8	Open and effective competition	3
9	Probity and ethical behaviour	4
10	Environmental sustainability	4
11	Local industry development	4
12	Management of risk	4

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1 Name of guideline

This guideline is the *Government Procurement (Principles) Guideline 2002 (No 2)*.

2 Commencement

This guideline commences the day after its notification day.

3 Definitions

In this guideline:

board means the Australian Capital Territory Government Procurement Board.

local, in relation to a supplier, means a supplier who operates a business, and has business premises, in the Australian Capital Territory or the Cities of Goulburn and Queanbeyan or the local government areas of Bega Valley, Bombala, Boorowa, Cooma-Monaro, Crookwell, Eurobodalla, Gundagai, Gunning, Harden, Mulwaree, Snowy River, Tallaganda, Tumbarumba, Tumut, Yarrowlumlra, Yass or Young in New South Wales.

supplier means an entity who seeks to provide, is providing or has provided goods, services or works to, or on behalf of, a Territory entity.

Note An entity includes an individual, see *Legislation Act 2001*, dict, pt 1, def **entity**.

Territory entity—see the *Government Procurement Act 2001*, dictionary.

4 Notes

A note included in this guideline is explanatory and is not part of this guideline.

Note See *Legislation Act 2001*, s 127 (1), (4) and (5) for the legal status of notes.

5 Application of guideline and exemptions

(1) This guideline applies to all Territory entities, other than a Territory entity exempted under subclause (3).

(2) A Territory entity may make written application to the board for exemption from this guideline or a provision of this guideline.

(3) The board may give or refuse to give an exemption.

(4) An exemption must be in writing.

Government Procurement (Principles) Guideline 2002 (No 2)

6 Procurement principles

In undertaking a procurement activity, a Territory entity must apply the following procurement principles:

- (a) value for money; and
- (b) open and effective competition; and
- (c) probity and ethical behaviour; and
- (d) environmental sustainability; and
- (e) local industry development; and
- (f) management of risk.

7 Value for money

- (1) A Territory entity must be able to demonstrate value for money in undertaking any procurement activity.
- (2) In this guideline, **value for money** means the best available procurement outcome.
- (3) A decision on price alone does not necessarily represent best value for money.
- (4) To assess what is value for money, a Territory entity must, in relation to proposals from suppliers relating to a procurement activity—
evaluate all proposals against the applicable evaluation criteria; and
assess all relevant risks, costs and benefits on a whole of life basis.

8 Open and effective competition

- (1) A Territory entity must—
 - (a) ensure that procurement activities are carried out in a transparent way; and
 - (b) ensure effective competition in carrying out a procurement activity; and
 - (c) avoid specifications for goods, services or works that favour a particular supplier or group of suppliers unless the requirements of the entity cannot be reasonably met without such specifications.
- (2) If another procurement guideline requires the Territory entity to use a public tender process for a procurement activity, the entity must—
 - (a) comply with that procurement guideline; and
 - (b) publicise the public tender process in a way that gives all suppliers a reasonable opportunity to be aware of the procurement activity; and
 - (c) give suppliers equal access to the opportunities offered by the public tender process.

Government Procurement (Principles) Guideline 2002 (No 2)

9 Probity and ethical behaviour

(1) A Territory entity must comply with the highest standards of integrity, probity, professional conduct and ethical behaviour in carrying out all procurement activities.

(2) A Territory entity must ensure that a person who is carrying out a procurement activity for the entity—

- (a) performs the task honestly and without favour or prejudice; and
- (b) spends public money efficiently and effectively and in accordance with the law and government policy; and
- (c) deals fairly, impartially and consistently with suppliers; and
- (d) keeps confidential all sensitive information obtained as part of the procurement activity; and
- (e) does not have an actual conflict of interest in relation to the procurement activity; and
- (f) does not seek or accept any remuneration, gift, advantage or other benefit except as may be allowed in the normal course of their duties.

(3) Subclause (2) is in addition to the obligations of a public employee under the *Public Sector Management Act 1994*.

10 Environmental sustainability

A Territory entity must consider environmental sustainability in the procurement of goods, services or works.

11 Local industry development

A Territory entity must give consideration to maximising opportunities for local industry development, including the need to maximise the opportunity for local suppliers to compete for the provision of goods, services or works.

12 Management of risk

A Territory entity must, in the procurement of goods, services or works—

- (a) carry out an identification, analysis and evaluation of likely risks; and
- (b) implement sound risk management strategies.