

Department of Treasury and Finance

BUY LOCAL

A GUIDE FOR TASMANIAN BUSINESSES

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Contents

1. Introduction	4
2. Key Steps to Winning Government Business	4
2.1 Finding Government business opportunities	4
2.1.1 Invitations to quote.....	4
2.1.2 Tenders.....	4
2.2 Marketing your business to agency buyers	5
2.2.1 Pre-qualification - building and construction/roads and bridges	5
2.3 Understanding how your bid will be evaluated.....	6
2.3.1 Economic and Social Benefits	7
2.4 Planning your bid.....	8
2.5 Preparing your bid	8
2.6 Submitting your bid	10
2.7 Presentations	10
2.8 Finding out why your bid was not accepted.....	10
2.9 Tasmanian Industry Participation Plans.....	11
2.9.1 Private projects with public funding/receipt of grants	11
2.9.2 Publication of TIPPs	12
2.10 To find out more... ..	12
3. Annexures	13
Annexure A – Supplier’s Guide in relation to the economic and social benefits criterion and TIPPs - procurement processes	13
Annexure B – Project Proponent / Grantee Guide - TIPPs	15

1. Introduction

The Tasmanian Government is committed to ensuring that where possible, expenditure by Government agencies on goods and services provides a corresponding benefit to the Tasmanian community.

This Guide aims to provide information and tips to Tasmanian businesses, to increase their competitiveness when competing for government business.

2. Key Steps to Winning Government Business

2.1 FINDING GOVERNMENT BUSINESS OPPORTUNITIES

Tasmanian Government agencies are generally responsible for their own purchasing and are committed to actively approaching Tasmanian businesses when purchasing what they need.

Government purchasing is conducted by encouraging fair and open competition between suppliers, with the objective of achieving best value for money. For these reasons, the purchasing process used depends on the type and value of the purchase.

2.1.1 Invitations to quote

Requests for quotations are generally issued in relation to goods and services procurement valued at less than \$250 000. For building and construction, and roads and bridges works, they are usually issued for procurement valued at less than \$500 000.

Requests for quotations for goods and services purchases and for building and construction/roads and bridges minor works do not need to be advertised. For these, and also when engaging prequalified building and construction consultants, agencies will generally contact businesses directly and invite them to submit a quote, so it is essential to make sure that agency buyers are aware of what your business can offer.

The *Requests for quotation* process must include a minimum of three quotes or submissions sought from potential suppliers, including at least two Tasmanian businesses, where Tasmanian capability exists.

2.1.2 Tenders

Open procurement opportunities are advertised on the Tasmanian Government Tenders website at www.tenders.tas.gov.au and, if determined appropriate by the agency, in the tenders section of newspaper(s) and/or journal(s). *Open procurement opportunities* are generally issued in relation to goods and services procurements valued at \$250 000 or more. For building and construction, and roads and bridges works, they are usually issued for procurements valued at \$500 000 or more.

You can freely browse the information available on the Tenders website without registering. By completing a (free) registration your business can:

- elect to receive automatic email notification of new tenders in categories of interest to your business; and
- where available, download tender documentation and lodge tenders electronically.

The Tenders website also reports details of all awarded contracts with a value of \$50 000 or more and includes the expiry date for each of the contracts. This may provide you with the insight to approach the relevant agency for the chance to bid when a new contract is being sought.

The Tasmanian Government 10 Year Infrastructure Pipeline provides details of future infrastructure projects and is available through the Infrastructure Tasmania website at www.infrastructure.tas.gov.au/home.

2.2 MARKETING YOUR BUSINESS TO AGENCY BUYERS

The key to marketing your business is to target those agencies that use your goods or services and to make sure that they know your capabilities and are confident in your performance.

The following are some key tips on marketing your business:

- Identify and target those agencies that buy what your business offers:
 - to find out which agencies buy what you sell, review the Agency Buying Directory located at purchasing.treasury.tas.gov.au > Winning Government Business > Finding Business > Who Buys What > Who Buys What Directory; and
 - get in touch with the relevant buyers in those agencies and arrange a meeting if appropriate. View a list of agency purchasing contacts located at purchasing.treasury.tas.gov.au > Winning Government Business > Finding Business > Who Buys What > Agency Contacts.
- Gain a clear understanding of the agency and its purchasing needs, and determine if the agency offers potentially rewarding and cost-effective opportunities for you to pursue.
- Find out how the agency sources information to research the market and pursue the use of these sources as marketing tools for your business.
- Find out when future purchasing opportunities may be offered, in part through research on the Tenders website.
- Provide information about your business and the products/services you supply (make sure it is relevant and tailored to the agency's needs).
- Maintain regular contact with the agency to build a relationship and reaffirm your capability.
- Build a reputation for quality, service and innovation.

2.2.1 Pre-qualification - building and construction/roads and bridges

The Tasmanian Government's Prequalification scheme classifies prospective contractors, consultants and specialist sub-contractors/sub-consultants according to their expertise and capability in specific work categories within a specific financial range.

Prequalification is an assessment of your financial, managerial and technical resources and competence to execute and complete the work required.

For building and construction/roads and bridges major works contracts, where applicable categories exist, agencies must only engage contractors who are prequalified in those categories to undertake Government works at or above the value of the contract.

For consultancies, where a relevant category exists and regardless of value, agencies must only engage consultants who are prequalified in the relevant category to provide the services at or above the value of the contract.

To apply for prequalification you will need a prequalification application form and the supporting documentation. For more information, or to access the guidelines and application forms, visit purchasing.treasury.tas.gov.au > Winning Government Business > Prequalification > Treasury and Finance Prequalification Scheme - Forms and Guidelines.

2.3 UNDERSTANDING HOW YOUR BID WILL BE EVALUATED

Procurement documentation often includes the following parts:

- Conditions of Quotation/Tender - setting out the terms under which your bid will be accepted for evaluation, including the criteria that will be used to evaluate your bid and the closing time and date and lodgement details;
- Specification - providing a description of what is required by the agency, ie, functional, technical and performance requirements;
- Conditions of Contract - setting out the contractual terms that will be used; and
- Response Schedules - to be completed by the bidder to provide the information specified in a uniform format.

Knowing how your bid will be evaluated will enable you to focus your efforts on those areas that are considered important by the agency.

The criteria that will be used to assess your bid and any relevant conditions for participation or mandatory requirements will be specified in the procurement documents. Where conditions for participation are included, your bid will be first assessed to see if it complies with those mandatory requirements and the contract conditions. If it does not comply, it may be considered to be invalid and eliminated from further evaluation.

An assessment is then undertaken against each of the evaluation criteria specified in the documentation. The criteria are used by the agency to assess the relative strengths and weaknesses of each response. These may include such matters as:

- the technical merit of your proposal;
- the capability of your business to fulfil the requirements, including technical and management competence, financial viability and relevant experience;
- the relevant skills, experience and availability of key personnel;
- quality assurance requirements;
- the risks or constraints associated with your offer;
- for procurements valued at \$100 000 or more, the broader economic and social benefits to the Tasmanian community should you be awarded the contract (please note: this may also be included for competitive processes valued at less than \$100 000); and
- cost/price and overall value for money.

Note: value for money does not necessarily mean choosing the cheapest price.

2.3.1 Economic and Social Benefits

For all competitive procurements valued at \$100 000 or more, agencies are required to assess the broader economic and social benefits of a supplier being awarded a contract. Agencies may also choose to include this criterion for competitive processes valued at less than \$100 000. The Economic and Social Benefits (ESB) criterion has a weighting of 30 per cent of the overall evaluation criteria.

This information will be sought from you in the form of an ESB Statement. A standard template for the ESB Statement is available from purchasing.treasury.tas.gov.au > Buying for Government > Forms and Checklists > Buy Local Policy Forms. Please note that this document is only a template. The procuring agency will provide an ESB template in the procurement documentation specific for each opportunity. This may include instructions and guidance information relating to the areas that the agency has determined are of value for the procurement.

Agencies will assess this criterion like any other evaluation criterion, by rating the degree to which each supplier's submission has satisfied the questions listed before the weighting is applied. The ESB criterion is not treated as a simple "met/not met" assessment.

The ESB criterion evaluates the impact on the Tasmanian community of a supplier being awarded the contract. Any business, regardless of size or location, is able to respond to the criterion by outlining the broader economic and social benefits that will flow to the Tasmanian community as a result of that business being awarded the contract. As such, benefits will generally be forward-looking.

Some examples of broader economic and social benefits may include (but are not limited to): engagement with local suppliers; the potential for training opportunities and/or knowledge sharing; employment opportunities for jobseekers or lower-skilled workers; sourcing the contract's goods or services from a local supplier; minimising the risk of modern slavery in the supply chain; using recycled materials or green technology; apprenticeship and/or mentorship opportunities; opportunities for social enterprises; and contributions to an industry's development in Tasmania.

In completing the ESB Statement, suppliers should include quantitative details, realistic timelines and specificity when possible. Suppliers are urged not to over-promise in their tender documentation; agencies will expect the reasonable fulfillment of commitments made in the ESB Statement of the winning supplier. As a part of their tender assessment process, agencies may also seek evidence in support of commitments/claims made in the ESB Statement, including potential site visits and/or employment-related information.

Should a supplier not provide a completed ESB Statement, it will receive a zero score for the ESB criterion, which makes up 30 per cent of the overall evaluation score.

Please note: For roads and bridges works procurements to which the Department of State Growth's National Prequalification System for Civil (Road and Bridge) Construction Contracts applies, and as per Treasurer's Instruction PF-2 *Policies Impacting on Procurement: All Procurement*, an ESB Statement may not be required from potential suppliers. Please see the Transport Services website maintained by the Department of State Growth at www.transport.tas.gov.au for further information.

2.4 PLANNING YOUR BID

Start early. Get a copy of the procurement documents as soon as you can and note the closing date, time and lodgement details. When planning your response:

- develop a checklist to ensure you cover all aspects required;
- read the documentation and highlight the important issues and requirements such as:
 - any conditions for participation that are listed;
 - the contract terms and conditions; and
 - the conditions of quotation/tender (do not assume that they are always the same!);
- ask for more information, if you need it, to help prepare your response. All questions must be directed to the contact officer noted in the procurement documentation (this officer is the only person allowed to answer your questions about the process);
- check if you need to attend an initial briefing session;
- choose one person from your business who will answer any questions from the agency about your bid. Make sure the person you choose understands your bid well;
- decide whether your business can complete the contract in-house (if you need to sub-contract or form a consortium make sure you give others enough time to provide input into the bid); and
- identify the best way to respond, ie by hard copy or electronic submission, where and by when you are required to lodge your response.

2.5 PREPARING YOUR BID

A contracting agency is looking for a bid that stands out from the competition, is innovative, customer focused and provides value-added services. When preparing your response:

- Understand the Government's procurement principles and relevant procurement policies:
 - information can be found at <https://www.purchasing.tas.gov.au> > Winning Government Business > How Government Buys > Purchasing Overview; and
 - useful guidance documents about How Government Buys are available at <https://www.purchasing.tas.gov.au> > Winning Government Business > Resource Library > Forms and Publications.
- Recognise that agencies assess value for money on a "whole-of-life" basis. This means agencies are not required to choose the lowest-cost suppliers when that choice would, in the long run, cost taxpayers more through the purchase of inferior quality goods or higher ongoing service costs, or would have detrimental social or environmental effects. Agencies balance financial and non-financial factors in the determination of value for money.
- Know how your bid will be evaluated (refer to the previous section "Understand How Your Bid will be Evaluated"). Pay particular attention to mandatory conditions and criteria with the most weighting.
- Ensure you have read each criterion carefully. It is a good idea to break the criterion down into the key points you need to address.

- List each criterion as a heading in your response and provide examples of how and when your company has demonstrated the ability to meet the criterion. How well did you do it? Detail the results or outcomes.
- Set yourself apart from your competitors by emphasising areas where you exceed the requirements and where you feel you can add value for the agency.
- Ensure your claims against each criterion are strong, clear and concise – use plain English, avoid jargon and overly technical language.

Example:

A poor response to an evaluation criterion on 'providing analysis' might be a statement that simply asserts that you meet the criterion, for example, "*The company has the ability to provide detailed analysis of the survey results.*" This statement does not provide any evidence that you can do the job. A better response might start with: "*The company's ability to provide thorough and detailed analysis from raw data is demonstrated through the following approach: ...*" then go on to provide specific examples of your company's ability and experience in analysing data;

- Present your bid in the format requested by the agency. If a format has not been clearly specified, contract the agency to determine if there are any specific requirements. If there is no specific format, follow the general format and numbering of the procurement documentation and specification. This will make it easier for the people evaluating your bid to check that you have addressed all of the requirements.
- The following may also be a useful format:
 - Cover page – match the title of your response to the procurement title;
 - Table of contents;
 - Executive summary – usually only useful for large or complex responses;
 - Response to evaluation criteria and statement of compliance with, and evidence to support meeting of, conditions for participation, eg;
 - capability – detail the knowledge, experience, and availability of your proposed team for this project, including sub-contractors;
 - past performance – include details of previous work of a similar nature to the tender and provide a list of referees and their contact details; and
 - quality assurance achievements – attach any necessary documentation to demonstrate your compliance.
 - Address each criterion in detail giving particular attention to mandatory conditions and criteria that carry the most weight;
 - Statement of compliance – with specifications, contract terms, conditions of tender/quotation etc;
 - Price or cost schedules - remembering to include all items/services you are tendering for and check whether prices are to include or exclude GST; and
 - Any appendices - attach any relevant, but not critical, items as appendices, eg, your company profile and staff resumes.
- Make your bid competitive.

- Provide any additional information to support your submission if appropriate.
- Remember to use the ESB Statement to highlight the broader economic and social benefits you will be able to bring to the Tasmanian community, as a result of winning the contract.

2.6 SUBMITTING YOUR BID

In most cases, late bids will not be accepted. When submitting your bid, make sure that you:

- review the checklist to make certain you have completed everything you needed to do;
- identify the way the bid needs to be submitted (ie, physical tender box, electronic lodgement through the Tenders website or email);
- sign and attach all appropriate forms; and
- submit your bid at the right location and before the closing time.

2.7 PRESENTATIONS

The Conditions of Tender may indicate that you could be requested to make a formal presentation to the evaluation committee, to clarify your bid and provide the opportunity for the committee to ask questions. Under these circumstances, it is especially important that you do not introduce new or revised information as this would be considered an alternative bid and may result in being considered non-compliant.

If you are required to provide a presentation, make sure that you:

- know when and where the meeting will be held and who will be representing the agency;
- understand what the agency is requiring you to provide at the meeting and know how much time you will have;
- if making a visual presentation, find out what resources will be available to you; and
- carefully prepare your presentation – keep it simple, deliver it clearly and focus on your key points.

Note that questions and answers will be formally recorded, so respond openly and if you are unsure of an answer, suggest that you will investigate and provide a more considered response by a certain date.

2.8 FINDING OUT WHY YOUR BID WAS NOT ACCEPTED

If your bid was not successful, it is strongly recommended that you seek a debriefing interview with the relevant agency to find out why.

The primary purpose of the debriefing interview is to help you submit more competitive bids in the future by identifying the ways in which your offer could have been improved. Agencies will not be able to provide you with any details about the winning bid or supplier.

In relation to building and construction/roads and bridges, the debriefing interview is usually held with the main contractor/consultant, and sub-contractors/consultants that have assisted with the preparation of the submission do not attend. Therefore, to improve the effectiveness of competition at the sub-contractor/consultant level, the main contractor/consultant should pass on

to the sub-contractors/consultants any relevant briefing information impacting on their component of the tender.

2.9 TASMANIAN INDUSTRY PARTICIPATION PLANS

For larger value procurements, a formal Tasmanian Industry Participation Plan (TIPP) is required to be prepared and approved before a contract is entered into. The purpose of the TIPP is to assist in the development of Tasmanian SME industry and ensure that Tasmanian SMEs are provided with every opportunity to participate in both Government procurement activity and in major private projects funded partly by Government.

The requirement for a TIPP is tiered, dependent on contract value, to ensure compliance costs are appropriate to contract value.

Agencies will provide successful suppliers with a TIPP template, to be completed and returned to the agency. In some cases, the information provided by a preferred supplier(s) and used by the agency in assessing the Economic and Social Benefits criterion will form the basis of the TIPP. In these cases, it is anticipated that little additional work will be required by the agency and the supplier to finalise a TIPP ready for approval by the agency's Accountable Authority.

Where a competitive process has not been undertaken and/or an ESB Statement was not provided, a TIPP will need to be separately prepared and approved prior to the contract being awarded.

Tier	Value	TIPP required?
Tier 1	Procurements up to \$2 million	No.
Tier 2	Procurements with a value greater than \$2 million up to (and including) \$5 million	At the discretion of the relevant Accountable Authority. Where a TIPP is required, the preferred supplier's TIPP must be approved by the Accountable Authority before the contract is finalised and before that supplier enters into sub-contracting arrangements.
Tier 3	Procurements with a value greater than \$5 million	Tasmanian Industry Participation Plan required. The preferred supplier's TIPP is to be approved by the Accountable Authority before the contract is finalised and before that supplier enters into sub-contracting arrangements.

2.9.1 Private projects with public funding/receipt of grants

Proponents of private sector projects valued at more than \$5 million that receive support, including in-kind support, from the Government valued at or more than \$500 000 or projects valued at more than \$5 million that receive a grant valued at or more than \$500 000, will also be required to develop a Tasmanian Industry Participation Plan.

The Plan is to be reviewed and approved by the Accountable Authority providing the funding/grant before any funding contract or grant deed is finalised with the project proponent and before sub-contracting arrangements are entered into by the project proponent.

2.9.2 Publication of TIPPs

The agency is required to provide approved TIPP

s to the Department of Treasury and Finance within 10 days of the execution of the contract, for publication on the Purchasing website at <https://www.purchasing.tas.gov.au>. An agency may determine that an Executive Summary rather than the full TIPP be published.

2.10 TO FIND OUT MORE...

The Winning Government Business section of the Purchasing website at <https://www.purchasing.tas.gov.au> has comprehensive information on how government buys, finding and winning business, and a range of resources including checklists, useful links and frequently asked questions.

The Buy Local Policy publication is available from the Purchasing website at <https://www.purchasing.tas.gov.au>.

3. Annexures

ANNEXURE A – SUPPLIER'S GUIDE IN RELATION TO THE ECONOMIC AND SOCIAL BENEFITS CRITERION AND TIPPS - PROCUREMENT PROCESSES

Before you start ...

You should familiarise yourself with the requirements of this document, as well as with any necessary templates that may need to be completed. For roads and bridges works procurement, where the Department of State Growth's Prequalification System for Road and Bridge Construction Contracts is to be used, the template is available from State Growth. For all other procurements, the Economic and Social Benefits Statement template and Tasmanian Industry Participation Plan templates are available from the [Purchasing website > Buying for Government > Resource Library > Forms](#).

Who is required to provide details of economic and social benefits...

An agency will request all potential suppliers to provide a completed ESB Statement where the value of the procurement is expected to be \$100 000 or more (and agencies may also request it for competitive processes valued at less than \$100 000).

Note: If you fail to submit a completed ESB Statement you will receive a zero score for this criterion, which is worth 30 per cent of the overall evaluation.

What is required to be provided for the ESB criterion of 30 per cent...

The procuring agency will provide the ESB Statement template as a part of procurement documentation, along with guidance information within the document setting out the information that should be included.

Generally, the Statement should be lodged with your quotation/tender submission, in accordance with the requirements set out in the procurement documentation.

For roads and bridges works procurements to which the Department of State Growth's National Prequalification System for Civil (Road and Bridge) Construction Contracts applies, and as per Treasurer's Instruction PF-2 *Policies Impacting on Procurement: All Procurement*, an ESB Statement may not be required from potential suppliers. Please see the Transport Services website maintained by the Department of State Growth at www.transport.tas.gov.au for further information. **How will an agency assess the information ...**

Agencies will assess this criterion in the same manner as any other, i.e., by rating the degree to which each supplier's response has satisfied the questions, before the weighting is applied. The ESB criterion will not be treated as a simple "met/not met" assessment.

Who is required to prepare a Tasmanian Industry Participation Plan (TIPP)...

TIPPs are required for larger procurements. A TIPP is mandatory for all procurements with a value of more than \$5 million. For procurements with a value greater than \$2 million up to (and including) \$5 million a TIPP may be required, at the discretion of the procuring entity.

The TIPP is to be approved by the procuring agency prior to finalisation of the contract.

Where a competitive process has been undertaken and an ESB Statement has been provided as part of the evaluation process, that information will form the basis of the TIPP. The procuring agency will provide the successful supplier with the TIPP template.

Where a competitive process has not been undertaken and/or an ESB Statement was not provided, a TIPP will need to be separately prepared and approved prior to the contract being awarded.

The agency is required to provide the approved TIPP to the Department of Treasury and Finance within 10 days of the execution of the contract with the project proponent, for publication on the Purchasing website (www.purchasing.tas.gov.au). In some cases, an Executive Summary may be published instead of the full TIPP.

Further information ...

Further information is available in the *Buy Local Policy* publication available from the Purchasing website (www.purchasing.tas.gov.au).

ANNEXURE B – PROJECT PROPONENT / GRANTEE GUIDE - TIPPS

Before you start ...

You should familiarise yourself with the requirements of this document, as well as with the Tasmanian Industry Participation Plan (TIPP) templates which are available from the [Purchasing website > Buying for Government > Resource Library > Forms](#).

Who is required to prepare a Tasmanian Industry Participation Plan...

Proponents of private sector projects valued at over \$5 million that receive support, including in-kind support or grants, valued at, or greater than \$500 000 from the Government are required to prepare a TIPP.

What is required to be included in the TIPP ...

The information required to be provided will vary depending on the project and the proponent/grantee. Largely it will focus on ensuring, and where necessary improving, opportunities for Tasmanian SMEs to participate in the project through enhancing opportunities for sub-contracting, establishment of supply chains, development and training etc.

Who approves the TIPP ...

The Plan is to be reviewed and approved by the Accountable Authority providing the funding/grant, before any funding contract/grant deed is finalised and before sub-contracting arrangements are entered into.

The agency is required to provide the approved TIPP or an Executive Summary of the TIPP to the Department of Treasury and Finance within 10 days of the execution of the contract with the project proponent, for publication on the Purchasing website (www.purchasing.tas.gov.au) .

Further information ...

Further information is available from the [Buy Local Policy](#) publication available from the Purchasing website (www.purchasing.tas.gov.au).

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