

Department of Treasury and Finance

BUY LOCAL

A GUIDE FOR TASMANIAN BUSINESSES

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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, services and building and construction works valued at less than \$250 000. For 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.

2.1.2 Tenders

Open procurement opportunities are advertised on the 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, services and building and construction works valued at \$250 000 or more. For roads and bridges works, they are usually issued for procurement valued at \$500 000 or more.

You can freely browse the information available on the Tenders website or by registering your business you 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.

For information on future State Government capital projects, see the [Future Procurement Opportunities Schedule](#), which is updated quarterly and is available from the Winning Government Business section of the Purchasing website and also the Future Opportunities section of www.tenders.tas.gov.au.

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.

Generally businesses that are invited to bid have either marketed themselves to the agency or previously provided goods or services to the agency.

Following are some key hints 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;
 - 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, then pursue the use of these sources as marketing tools for your business;
- find out when future purchasing opportunities may be offered;
- 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; and
- build a reputation for quality, service and innovation.

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

The Government's Prequalification schemes classify 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 - regardless of value - where a relevant category exists, 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 > How Government Buys > Purchasing Process > Prequalification.

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.

The criteria specified in the documentation will be used by the agency to assess the relative strengths and weaknesses of each bid. 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. The criteria is 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; and
- for procurements valued at \$100 000 or more, the economic and social benefits of your submission on the Tasmanian community (this may be included for competitive processes valued at less than \$100 000); and
- cost/price/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 with valued at \$100 000 or more, one of the mandatory criteria that is required to be used by agencies will relate to economic and social benefits (this may be included for competitive processes valued at less than \$100 000). This will have a minimum weighting of at least 25 per cent.

The information submitted by you should detail how you will provide a positive impact on the Tasmanian community. Relevant information will include the direct and indirect local impact of your submission

For roads and bridges works procurements to which the Department of State Growth's *Prequalification System for Roads and Bridges Construction Contracts* applies, this information will be sought through completion of a Tasmanian Industry Participation Plan specific to roads and bridges. For all other procurements it will be sought from you in the form of an Economic and Social Benefits Statement. The Economic and Social Benefits Statement (if not provided in the procurement documentation) is available from the [Purchasing website](#).

Agencies will assess this criterion like the other criteria by rating the degree to which each supplier's submission has satisfied the questions listed before the weighting is applied. The economic and social benefits criterion will not be treated as a simple "met/not met" assessment.

Submission of the information is voluntary (ie it cannot be a condition for participation), however, should you not provide the information, you will not be able to be scored in relation to this criterion.

Note: The test evaluates the impact on the Tasmanian community if a supplier is awarded the contract. As such, any business, regardless of size or locale, is able to respond to the criteria, by demonstrating how its submission, and ultimately how any contract awarded to it, will benefit Tasmania.

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;
 - 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 (this information can be found at purchasing.treasury.tas.gov.au > Winning Government Business > How Government Buys > Purchasing Overview);
- 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 high ongoing service costs, or would have detrimental social or environmental effects;
- 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 specified contact the agency to determine if there are any specific requirements. If there is no specified 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 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;
 - 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 you are tendering and check whether prices are to include or exclude GST; and
 - Any appendices - attach any relevant, but not critical items, as appendices, for example your company profile and staff resumes.
- make your bid competitive;
- provide any additional information to support your submission if appropriate; and
- remember to highlight the importance of buying from a local supplier.

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 (eg physical tender box or electronic lodgement through the Tenders website, email or facsimile);
- 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.

In relation to building and construction/roads and bridges, the debriefing interview is usually held with the main contractor/consultant; while 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 is required to be prepared and approved prior to contracts are entered into. The purpose of the Plan 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 Plan is tiered dependent on contract value, to ensure compliance costs are appropriate to contract value.

The information provided by a preferred supplier(s) and used by the agency in assessing the Economic and Social Benefits Test will form the basis of the final Plan. Where this information has been provided, it is anticipated that little additional work should be required by either agencies or suppliers to finalise a plan ready for approval by the Accountable Authority. Where a competitive process has not been undertaken (or the preferred supplier has not provided this information), a Plan will need to be separately prepared and approved prior to the contract being awarded.

Tier	Value	Industry Participation Plan requirement?
Tier 1	Procurements up to \$2 million	No.

Tier	Value	Industry Participation Plan requirement?
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 Plan is required, the preferred supplier's Plan 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 Plan 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 plans

The relevant Agency is to provide approved Tasmanian Industry Participation Plans to Treasury and Finance within 10 days of the execution of the contract for publication on Treasury website(s). An Agency may determine that an Executive Summary rather than the full Plan be published.

Agencies must ensure that they include, in relevant documentation, the requirement to complete a Tasmanian Industry Participation Plan and also, in relevant contract documentation, permission for the Plan in its entirety (or Executive Summary) to be published on Treasury website(s).

2.10 TO FIND OUT MORE...

The Winning Government Business section of the Purchasing website at 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.

Further information on the Buy Local Policy available from the publication *Buy Local Policy* available from the Purchasing website (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 the 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 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 the information where value of the procurement is expected to be \$100 000 or more (may also be requested for competitive processes valued at less than \$100 000).

Note: the provision of the information is voluntary however, if you fail to submit the information you will receive no score for the weighted criterion that relates to this requirement.

What is required to be provided for the Economic and Social Benefits criterion...

Generally, the requisite template should be lodged with your quotation/tender submission, in accordance with the requirements set out in the procurement documentation. However, for roads and bridges works procurement using the Department of State Growth's Prequalification System for Road and Bridge Construction Contracts, this information will be collected and retained for the period of the contractor's prequalification.

The template(s) set out the information that should be included.

How will an agency assess the information ...

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

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

Tasmanian Industry Participation Plans are required for larger procurements. A Plan 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 Plan may be required, at the discretion of the procuring entity.

The Plan is to be approved prior to finalisation of the contract.

Where a competitive process has been undertaken, and information provided as part of evaluation process in relation to the economic and social benefits criterion, that information will form the basis of the Plan.

Where a competitive process has not been undertaken or the information not provide provided as part of the evaluation process, a Plan will need to be separately prepared and approved prior to the contract being awarded.

The Agency will provide the approved Tasmanian Industry Participation Plan to Treasury and Finance within 10 days of the execution of the contract with the project proponent, for publication on Treasury website(s). In some cases an Executive Summary may be published instead.

Further information ...

Further information is available from the publication *Buy Local Policy* 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 templates 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 Tasmanian Industry Participation Plan.

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

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 Tasmanian Industry Participation Plan ...

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 will provide the approved Tasmanian Industry Participation Plan, or an Executive Summary of the Plan, to Treasury and Finance within 10 days of the execution of the contract with the project proponent, for publication on Treasury website(s).

Further information ...

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

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