

Changes to the Tasmanian Government Building and Construction Procurement Framework

June 2023

WHAT'S CHANGING?

When purchasing building and construction works, there are a number of requirements that Tasmanian Government agencies must comply with, depending on the value of the works.

Some of these requirements are changing. It is expected that the changes will be in place from

1 September 2023. Key changes will include:

The open tender threshold

The threshold above which an open tender process must be used will increase from \$250 000 to \$500 000.

This means that:

- For the procurement of **minor works** valued at \$100 000 or more and less than \$500 000, a quotation or open tender process may be used.
- For the procurement of **major works** valued at \$500 000 or more, an open tender process must be used.

Major works vs minor works

The definitions of building and construction minor works and major works will change to align with the new open tender threshold:

- **Major works** will be defined as building and construction works valued at \$500 000 or more (an increase from \$250 000).
- **Minor works** will be defined as building and construction works valued at less than \$500 000 (an increase from \$250 000).

Similarly, a **substantial procurement opportunity** will be defined as a procurement process with an estimated combined contract value of \$500 000 or more (increased from \$250 000).

Prequalification

The threshold at which contractors and sub-contractors must be registered under the Department of Treasury and Finance Prequalification Scheme, in order to be eligible to bid for building and construction works, will increase to \$500 000 (from \$250 000).

Contractors will no longer need to be prequalified to bid for government works contracts valued at less than \$500 000.

New contract documents

Tasmanian Government agencies will start using a more contemporary suite of building and construction contract documents, based on the AS4000 series.

Insurance requirements

The value of building and construction projects that must be insured using the Government's contract works insurance policy will increase to \$500 000 (from \$250 000).

Performance security

Some form of performance security will be required for works contracts valued at \$500 000 or more (an increase from \$250 000).

WHEN WILL THIS HAPPEN?

It is intended that the changes will take effect from **1 September 2023**.

FURTHER INFORMATION

If you have any questions about the changes to the Tasmanian Government building and construction procurement framework, please email purchasing@treasury.tas.gov.au.