



OPEN AND EFFECTIVE COMPETITION

Applying open and effective competition provides suppliers with fair and equitable access to government supply opportunities whilst maintaining the transparency and integrity of government procurement.

Procurement Methods

The following table sets out the minimum requirements that a public authority must use to procure goods and services, unless using a common use arrangement or a specific exemption is approved.

Monetary Threshold¹	Minimum Requirements
Up to \$50,000	Public authorities may determine the most appropriate procurement method including direct sourcing, or verbal or written quotations based on assessment of the nature of the market, complexity and risk, and process efficiency. Appropriate documentation of decisions must be retained.
\$50,000 up to \$250,000	Request quotations in writing. Offers must be received in writing.
\$250,000 and above	Open tender through a public advertisement.

The table above sets out the minimum requirements only. A public authority should also consider the nature of the market, complexity and risk, process efficiency or any other relevant factors when selecting the procurement method.

Exemptions from Minimum Requirements

A public authority is not required to comply with the minimum requirements in the table above if:



A public authority requires the use of goods and services from a particular supplier that must be integrated within an existing contractual arrangement, project or ICT standard operating environment and an alternative product is not suitable.

Where direct negotiations or the preferred service provider provisions of the *Delivering Community Services in Partnership Policy (DCSP Policy)* are applied.

Where the total estimated value of the proposed procurement exceeds the covered procurement² threshold under any of the Free Trade Agreements (FTAs) held by the Australian Government, the grounds for exemption from the open tender process, outlined above, may not be applicable. This is due to the requirements of selective and limited tendering processes included in the government procurement chapters of the FTAs.

A partially exempt public authority³ must obtain advice, in accordance with their partial exemption, from the Department of Finance prior to proceeding with an exemption from the minimum requirements, particularly where the estimated value exceeds the covered procurement threshold under any of the FTAs held by the Australian Government.

Purchasing from an Australian Disability Enterprise or an Aboriginal Business

Where there is an opportunity to procure from:

- a business that primarily exists to provide the services of persons with a disability and



A partially exempt public authority is not required to comply with this requirement if the procurement is undertaken under the DCSP Policy. In this circumstance, the Department of Finance may agree to provide support on a case by case basis.

Avoiding Bias

A public authority must ensure that Request specifications promote open and fair competition. Adequate and consistent information must be provided to all potential bidders. Proprietary products must not be specified unless there are no suitable alternatives or there are sound technical or operational reasons for doing so. Where naming a proprietary product is necessary, the Accountable Authority must approve the naming.

Contract Period

When procuring goods or services that will be delivered over a period of time rather than as a one-off purchase, a contract term or timeframe for completion must be specified. For contracts that are intended to exceed five years, a public authority as aelunsi11(,)-4(r)-3(ac13(t)-4(e)-53

