

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Estimates, November 2004

Question: Supp 7

Topic: AOFM - Procurement

Hansard Page: Written

Senator Murray asked:

1. When did the Department last update its procurement policy documentation?
2. What mechanisms does the Department have in place to ensure its procurement guidelines reflect current policy in relation to government contracting?
3. Do the Department's current procurement guidelines refer to all of the following accountability mechanisms:
 - The Senate order for departmental and agency contracts;
 - The Department of Finance and Administration's February 2003 *Guidance on Confidentiality of Contractors' Commercial Information*; and
 - The Commonwealth Procurement Guidelines (CPGs) ?
4. Do the Department's tender documentation and contract templates include the following elements:
 - a statement outlining the various Commonwealth accountability requirements;
 - a consistent definition of confidential information across all templates;
 - a provision for the inclusion of specific reasons justifying why a tenderer may wish to protect certain information in the contract if it awarded;
 - a section that outlines the obligations of confidentiality after the contract has been awarded;
 - a more detailed outline, with the general non-disclosure clauses, of the exceptions to confidentiality obligations for Commonwealth contracts; and
 - the model contract clauses, given in DOFA's February 2003 *Guidance on Confidentiality of Contractor's Commercial Information* ?
5. At page 51 of ANAO Audit Report No.10 2004-2005, *The Senate Order for Departmental and Agency Contracts (Calendar Year 2003 Compliance)*, the ANAO has concluded that all FMA agencies would benefit from implementation of contract training courses, or a review of current courses, to ensure that the Senate order

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requirements are adequately covered and that procurement staff receive relevant DOFA guidance.

What training does the Department currently have in place for procurement staff?

6. Does this training cover the requirements of the Senate order for departmental and agency contracts and refer to DOFA's February 2003 *Guidance on Confidentiality of Contractor's Commercial Information*?

Answer:

1. The AOFM's Chief Executive Instructions (CEIs) which form the basis of procurement policy in the agency were last updated on 18 June 2004. Other procurement documentation is currently being updated to take into account the revised Commonwealth Procurement Guidelines (January 2005 edition).
2. The AOFM's compliance area conducts semi annual reviews of the CEIs as per a documented procedure. Circulars and other updates from the Department of Finance and Administration are monitored and adopted as required. Due to the modest nature of procurement at the AOFM, the agency maintains a strong relationship with the Department of the Treasury and makes use of their specialised procurement staff and documentation. Informal reviews of the procurement process and documentation also occur whenever major procurement activities are undertaken.
3. Yes, the current procurement guidelines, incorporating the Department of the Treasury guidelines, refer to the three listed accountability mechanisms.
4. Yes, the AOFM's tender documentation and contract templates for the provision of goods and services, which are based on the Department of the Treasury documentation, include all of the listed elements. However, the Department of the Treasury Request for Tender and Draft Contract templates for the provision of consultancy services do not contain a statement outlining the various Commonwealth accountability requirements.
5. Due to the modest nature of procurement undertaken by the AOFM, there is only a limited need for procurement training. However, information sessions on procurement processes have been held during 2004 for all staff and those staff directly involved in procurement are encouraged to undertake relevant training as opportunities arise.
6. As part of internal training sessions informing all agency staff about procurement processes, the requirements of the Senate order for agency contracts was discussed. The *Guidance on Confidentiality of Contractor's Commercial Information* has been made available to all staff and promoted via email. Any other procurement training undertaken by agency staff would also

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cover these areas and specific training related to these two requirements has been scheduled by the Department of the Treasury for early 2005.