

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Supplementary Budget Estimates Hearing – October 2008

Department of Finance and Deregulation,

Finance and Deregulation Portfolio



Outcome 2: Improved and More efficient Government Operations

Output 2.3.2: Centralised Contracting

Topic: Coordinated Procurement Contracting

Question reference number: F46(a) to F46(d)

Type of Question: Written

Date set by the committee for the return of answer: 5 December 2008

Number of Pages: 2

Senator: Senator Fifield asked:

I understand that the Department is conducting scoping studies on centralised procurement of services, including accounting services.

- (a) When did this exercise begin?
- (b) What is the time frame for completion of these scoping studies?
- (c) How will the results of these scoping studies interact with the new procurement guidelines issued on 10 October 2008?
- (d) What coordination has the Department undertaken with the Small Business Division of the Department of Innovation, Industry, Science and Research on these issues?

Answer:

The answers to the Senator's questions are as follows:

- (a) Scoping studies into the feasibility of coordinated procurement arrangements for Travel Services, Telecommunications, a Microsoft Volume Sourcing Arrangement, Desktop Computers, Major Office Machines and Accounting Services were announced by the Minister for Finance and Deregulation on 4 September 2008.
- (b) The timeframe for each scoping study varies, reflecting the complexity of the type of procurement subject to the scoping study. The scoping studies for the first three areas are expected to be completed by the end of 2008. Scoping studies for the latter three areas are expected to be completed around the end of the first quarter of 2009. Following the scoping studies, the Government will consider options for further action.
- (c) The new *Commonwealth Procurement Guidelines* refer to coordinated procurement contracting arrangements, stating:

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“The Government may decide that for certain property or services improved value for money will be achieved through aggregation of government demand and negotiating whole-of-government procurement contracts. These processes are known as coordinated procurement contracting arrangements and may include the establishment of whole of government panels which agencies are required to use unless specifically exempted.”

These arrangements are subject to the *Commonwealth Procurement Guidelines*, in the same way as other government procurements.

- (d) Finance has consulted, and continues to consult with, the Department of Innovation, Industry, Science and Research, including the Industry and Small Business Policy Division, as part of the Coordinated Procurement Contracting Initiative.