

2007

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

GOVERNMENT PROCUREMENT REGULATION 2007

EXPLANATORY STATEMENT

**Presented by
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Treasurer**

EXPLANATORY STATEMENT

This explanatory statement relates to the *Government Procurement Regulation 2007* (the Regulation) as notified on the ACT Legislation Register.

Overview

The purpose of the Regulation is to set quotation and tender thresholds for ACT Government procurement activities, identify the classes of procurement proposals that must be reviewed by the Government Procurement Board, provide for the Minister to give directions about the management of procurement activities of territory entities, prescribe information that should be kept confidential to avoid significant adverse effect upon the financial or property interests of the Territory and repeal existing Government Procurement Guidelines.

NOTES ON CLAUSES

PART 1 - PRELIMINARY

Clauses 1 ‘Name of regulation’ and 2 ‘Commencement’ are formal requirements. They deal with the title of the regulation, and the commencement provisions.

Clause 3 ‘Notes’ –confirms that a note is explanatory and is not part of the regulation.

PART 2 – GOVERNMENT PROCUREMENT – QUOTATION AND TENDER THRESHOLDS

Clause 4 ‘Application – pt 2’ –identifies the type of contract to which quotation and tender thresholds do not apply. This is consistent with the current *Government Procurement (Quotation and Tender Thresholds) Guideline 2003 (No 1)* that this *Government Procurement Regulation 2007* will repeal.

Clause 5 ‘Procurement of goods or services less than \$5,000’ – sets the number and type of quotations required for a procurement of goods or services with an estimated value of less than \$5,000.

Clause 6 ‘Procurement of goods or services for \$5,000 or more and less than \$100,000’ - sets the number and type of quotations required for a procurement of goods or services with an estimated value of more than \$5,000 and less than \$100,000.

Clause 7 ‘Procurement of works less than \$20,000’ - sets the number and type of quotations required for a procurement of works with an estimated value of less than \$20,000.

Clause 8 ‘Procurement of works for \$20,000 or more and less than \$100,000’ - sets the number and type of quotations required for a procurement of works with an estimated value of more than \$20,000 and less than \$100,000.

Clause 9 ‘Procurement of goods, services or works for \$100,000 or more’ – requires a territory entity to invite public tenders where the total estimated value of the procurement is \$100,000 or greater.

Clause 10 ‘Procurement of goods, services or works – exemption from quotation and tender requirements’ – provides for circumstances under which a chief executive officer may give a written exemption for a territory entity from compliance with the tender and quotation thresholds for a particular procurement.

PART 3 – MISCELLANEOUS

Clause 11 ‘Procurement proposals of territory entities – Act, s 6 (c)’ - This section identifies the classes of procurement proposals that must be reviewed by the Government Procurement Board. The general threshold for review by the Board is set at \$5 million. The exceptions being proposals for information and communication technology and proposals from non-departmental territory entities. A threshold of \$1 million applies in these cases.

Clause 12 ‘Procurement proposals – minimum requirements’ – sets the minimum components and information to be included in a procurement proposal.

Clause 13 ‘Procurement procedure’ – makes provision for the Minister to give directions about the management of procurement activities of territory entities as necessary.

Clause 14 ‘Confidentiality of information – Act, s 35 (1) (a) (vi)’ – provides for information relating to the financial or property interests of the territory to remain confidential where the disclosure of such information would have an adverse effect on those interests of the territory.

Clause 15 ‘Regulation repealed’ – repeals the *Government Procurement (Quotation and Tender Thresholds) Guideline 2003 (No 1)*. Clauses 4, 5, 6, 7, 8, 9, 10 of the Regulation replace the provisions of the *Guideline*.