



Incorporating CPRs into Industry Tender Responses

Government Procurement Principles

The Australian Government emphasises the importance of procurement processes and contract management in ensuring the delivery of goods and services. The procurement process involves purchasing goods and services through a structured approach, while contract management involves overseeing and ensuring the fulfillment of the purchased contracts.

The Australian Government has reported a significant number of contracts (824,178) **with a total commitment of \$565 billion between July 2012 and June 2022.**

Commonwealth Procurement Rules & Legislation

Efficient procurement practices should lead to more effective public services, better value for money, and significant savings for the taxpayers. The Commonwealth Procurement Framework, which includes the Commonwealth Procurement Rules (CPRs), guides the government in utilising public funds properly and achieving value for money. The framework aims to provide equal opportunities for businesses to secure government contracts and ensures ethical use of public spending. It primarily relies on principles-based guidelines, with minimal prescriptive rules and mandatory requirements.

The key principles of the Commonwealth Procurement Framework are:

1. **Achieving value for money:** The central tenant for Government Procurement, which focuses on obtaining the best possible outcome for the resources invested.
2. **Encouraging competition:** Emphasises the importance of competition to achieve value for money.
3. **Efficient, effective, economical, and ethical procurement:** Promotes procurement practices that are efficient, effective, economical, and ethical.
4. **Accountability and transparency:** Calls for transparency in decision-making processes and the accountable use of public funds.
5. **Risk management:** Requires the identification and management of risks associated with procurement activities.

Lessons Learned from ANAO Audits

ANAO audits have identified cases where entities focus on meeting the limited mandatory requirements without considering how they align with the fundamental principles of the Commonwealth Procurement Framework.

To conduct Australian Government procurements effectively, the audits have highlighted eight key lessons:

1. **Use appropriate expertise:** Ensure the involvement of experts with relevant knowledge and skills.



2. **Begin planning early:** Start the procurement process well in advance to allow sufficient time for planning and decision-making.
3. **Be transparent about decision-making:** Maintain transparency throughout the procurement process, including documenting and communicating decisions.
4. **Use competition to achieve value for money:** Encourage competition among suppliers to obtain the best value for money, where possible.
5. **Assess the options and demonstrate value for money:** Evaluate various options and justify the chosen solution based on value for money.
6. **Act ethically:** Follow ethical practices and guidelines during procurement activities.
7. **Monitor contractor performance:** Regularly assess and monitor the performance of contractors to ensure contract obligations are met.
8. **Keep good records and report accurately:** Maintain comprehensive records of procurement activities and report accurately on the outcomes.

By adopting these lessons, Federal Government and Defence can enhance its procurement processes, achieve better value for money, and ensure the proper use of public funds while conducting business to ensure the delivery of critical capability for Australians.

By understanding the above requirements, Industry can tailor their products and their interactions with Departments to put themselves ahead of their competition and be viewed as favourable and less risky by their Government clients.

How can EMA Advisory help?

EMA Advisory can provide extensive support to our Industry clients when responding to Federal Government Requests for Tender, taking into account the key principles of the Commonwealth Procurement Framework. To illustrate how we can support Industry by tailoring their responses to meet the requirements of the Federal Government client, please refer to the table below outlining the considerations for each principle:

Key Principle	How EMA Advisory can support industry	Tailoring the Response	Examples
Achieving value for money	Demonstrate how the proposed solution offers the best value for the investment, even if it is more expensive.	Highlight cost savings, long-term benefits, and superior quality of the solution.	Show a cost-benefit analysis comparing the proposed solution with alternatives and provide evidence of past successful implementations.
Encouraging competition	Showcase how the proposal is competitive.	Develop solutions which are competitive, focusing on a sovereign solution, timely delivery and affordable.	Include a clear breakdown of evaluation criteria, qualification requirements, and demonstrate how the solution is competitive.



<p>Efficient, effective, economical, and ethical procurement</p>	<p>Outline efficient processes, cost-effective strategies, and adherence to ethical guidelines.</p>	<p>Describe streamlined procurement procedures, optimised resource allocation, and commitment to ethical practices.</p>	<p>Provide details on innovative procurement methods, plans to leverage existing frameworks, and examples of successful cost savings achieved in similar projects.</p>
<p>Accountability and transparency</p>	<p>Provide clear documentation and reporting structures to ensure accountability and transparency.</p>	<p>Establish mechanisms for monitoring and reporting project progress, costs, and outcomes.</p>	<p>Include a detailed project plan with milestones, financial reports, and a commitment to regular stakeholder communication and disclosure of project information.</p>
<p>Risk management</p>	<p>Demonstrate a comprehensive understanding of risks and proactive measures to manage them.</p>	<p>Identify potential risks, develop risk mitigation strategies, and outline contingency plans.</p>	<p>Include a comprehensive risk register, risk assessment methodologies, and demonstrate experience in successfully managing risks in similar projects.</p>

By leveraging the expertise of EMA Advisory, industry can align their responses with the key principles of the Commonwealth Procurement Framework. This approach will showcase the respondent's ability to provide value for money, foster competition, implement efficient and ethical procurement practices, ensure accountability and transparency, and proactively manage risks.

Author

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