Annex A.

Australia: Raising supplier awareness of tendering processes

Background

To meet business needs, Western Australian government public authorities look for value for money contracting solutions. More than 40,000 individual contracts are established each year between public authorities and private sector suppliers. These contracts supply a diverse range of Western Australian government business needs, from the purchasing of information technology to the engagement of consultants.

To win a contract through a Western Australian Government public authority, bidders should satisfy some requirements that evaluate their ability to fulfil the request’s requirements. The contracting authority will determine the number of suppliers under the framework agreement. To make sure that suppliers understand the requirements, the department of finance of the Western Australia government published online the “Suppliers Guide to Tendering – Products and Services”.

Implementation

The guide provides information on the Western Australian government’s tendering processes. It helps the bidder to prepare and submit offers, and supports them to provide products and services to government.

The guide also gives very clear guidance on requirements and selection criteria. The first two requirements are assessed on a yes/no basis:

- Pre-qualification requirements:

  Each requirement will be assessed on a yes/no basis. They are not given a numeric score. Bidders must answer all requirements if they want their response to be considered. An assessment of “no” against any requirement will eliminate the bidder from further consideration.

- Compliance and disclosure requirements:

  Each requirement will be assessed on a yes/no basis. They are not given a numeric score. Bidders must answer all of these requirements if they want their response to be considered. If a compliance requirement is not met, it may eliminate the bidder response from consideration.

  This is an efficient way to automatically eliminate bidders not fulfilling requirements as public officials do not have to conduct a deep analysis of the qualification criteria and can thus concentrate on the valid tenders.

- Qualitative requirements:
Qualitative requirements are used by the Evaluation Panel to identify the requirements of the request and evaluate the ability of the bidder to successfully perform these requirements. As a general rule, they will include such things as:

- Product requests (suitability of proposed products, ability to meet project timeframes, service and maintenance, demonstrated experience in completing similar projects, and “buy local”).
- Service requests (a demonstrated understanding of the required tasks, skills and expertise of the key personnel relevant to this requirement, demonstrated experience in completing similar projects, project timeframes, “buy local”).

Qualitative requirements are normally weighted. It is therefore important to give significant consideration to requirements with a higher weighting. This will have a significant influence on the selection process.

The framework agreement will be awarded to suppliers depending on their ranking and the rules set out in the tender specifications.

- Price

Price is the dollar value of the response. This is based on the predetermined pricing schedule outlined in the request. It is very important that the bidder completes the pricing in exactly the format asked for in the request. The bidder must also be prepared to maintain the price for a period of time known as the “validity period”, which will be specified in the request.

- Value for money

When a supplier addresses the selection requirements, it is important to demonstrate how their submission represents value for money for the Western Australian government.

Key lessons learned

A guide for suppliers is a good way to make them aware of tendering processes in the public sector. This document can be used as a reference to understand the tendering process.

The assessment of questions on a yes/no basis, with the elimination of suppliers with “no” answers, enables the bids to be analysed efficiently.
