

## **Commonwealth Procurement Rules Explanatory Statement**

The Commonwealth Procurement Rules (CPRs) are issued by the Minister for Finance under s105B(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). As per s105B(2) of the PGPA Act, the instrument is not subject to section 42 (disallowance) of the *Legislative Instruments Act 2003*. This instrument commences on 1 January 2018 and repeals the Commonwealth Procurement Rules (F201L00136).

The updated CPRs incorporate the requirements of Australia's international trade obligations and government policy in procurement into a set of rules, which apply to Commonwealth procurement. The CPRs apply to procurement conducted by non-corporate Commonwealth entities and certain procurements conducted by prescribed corporate Commonwealth entities as listed in section 30 of the PGPA Act.

Procurement encompasses the whole process of acquiring goods or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, the awarding of a contract, the delivery of and payment for goods and services and, where relevant, the ongoing management of the contract and consideration of disposal of goods.

Division 1 of the CPRs contains rules applying to all procurements regardless of their value or whether an exemption applies. Division 2 of CPRs contains additional rules applying to procurements valued at or above the relevant procurement threshold.

The updates to the CPRs reflect Australia's international obligations on government procurement. This includes necessary changes to provisions on prequalified tender, limited tender and minimum time limits.

The CPRs are supported by guidance available at <http://www.finance.gov.au/procurement/>.

### **Consultation**

The Minister for Finance approved the updated CPRs.

The Department of Finance consulted with the Department of Foreign Affairs and Trade and the Attorney-General's Department in relation to international obligations incorporated in the CPRs. All entities subject to the CPRs were consulted on the key change to prequalified tender and the removal of one condition for limited tender.