



Procurements with an overseas component

Australian Skills Guarantee guidance for potential suppliers

The Commonwealth Government has introduced the Australian Skills Guarantee (Skills Guarantee) to leverage its significant purchasing power to help address skills shortages and gender segregation in the construction and Information and Communication Technology (ICT) sectors.

This resource is for potential suppliers and provides guidance on the application of the Skills Guarantee Procurement Connected Policy (PCP) where either an approach to market seeks to, or where a potential supplier proposes to, deliver part of the procurement overseas.

This resource should be read in conjunction with the Skills Guarantee PCP.

Overview

The Skills Guarantee PCP does not apply to procurements delivered wholly overseas. However, where only a component of a procurement is being delivered overseas, the Skills Guarantee applies to the domestic component of the procurement (component delivered in Australia).

For the purposes of the Skills Guarantee, a procurement is partially delivered overseas if any labour aspect of the procurement is delivered at or from an overseas location. For example, if the potential supplier is proposing to subcontract part of the build of an ICT system to a company whose workers are based overseas.

Applying targets to the domestic component

Where a relevant entity has identified that the Skills Guarantee applies to a procurement, they will indicate this by including Skills Guarantee model clauses in the approach to market.

Where the potential supplier intends to submit a tender that seeks to deliver services partially overseas, the Skills Guarantee targets will need to be applied to the domestic component of the procurement.

The Skills Guarantee will not apply to any labour hours delivered by workers based overseas.

Evaluating submissions

Relevant entities will consider information provided by potential suppliers in their tenders to determine the submission that demonstrates the best value for money, in accordance with the *Commonwealth Procurement Rules*. Relevant entities should assess the Skills Guarantee requirements as per section 5.4 of the Skills Guarantee PCP.

When a relevant entity receives a submission where the potential supplier is proposing to partially deliver the procurement overseas, or the procurement otherwise requires labour hours to be undertaken both overseas and domestically, relevant entities should have regard to the extent to which a potential supplier is able to demonstrate it will meet the proposed targets for the Australian component of the services and adjust the potential supplier's scores against the relevant evaluation criteria accordingly.

Need more information?

- Visit the Australian Skills Guarantee website for more resources: www.dewr.gov.au/australian-skills-guarantee
- Read the Australian Skills Guarantee Procurement Connected Policy
- Email ASG@dewr.gov.au