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## Transfund General Circular No. 04/14

# Electronic Notification of Invitation to Tender Transfund Procurement Procedure Policy

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<b>Circulation</b>	All Approved Organisations (Transfund agreement representatives)	<i>for action</i>
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	NZ Road Markers' Federation	<i>for information</i>
	Local Government NZ	<i>for information</i>
	Audit New Zealand	<i>for information</i>

## Purpose

This general circular confirms that Transfund procurement procedure policy requires (where an open tender process is to be used) that the invitation to tender be advertised in print media but also allows for the invitation to be notified electronically.

## Context

We are confirming Transfund policy at this time to remove any doubt that a system of electronic notification of invitations to tender is acceptable to Transfund.

Local Government On Line Ltd (LGOL) is introducing such a system at present. Local authorities will progressively join the scheme and suppliers will be offered a subscription to the electronic notification service, so they can receive invitations to tender for work that matches their 'profile'.

So that all potential tenderers will continue to have access to tender invitations, electronic invitations will be supplemented by print media invitations. Print media advertisements will not be as comprehensive as they have been and will direct potential tenderers to the electronic source or to the local authority for more information.

The scheme is supported by Local Government New Zealand. Following discussion with supplier industry associations we concluded that though there was strong support for an electronic scheme, print media advertising should continue in parallel with it to ensure that all suppliers continued to have access to invitations to tender.

### **Possible future policy change**

Electronic notification of invitations to tender has been shown elsewhere to very cost effective. Transfund intends to monitor the impact of the LGOL scheme and seek the views of local authorities and their suppliers on its effectiveness. If it proves to be effective, and the additional cost of supplementary print media advertising is no longer justified, then we will reconsider the current policy requirement to use print media advertising.

Current Transfund policy is found in our competitive pricing procedures (CPP) manuals, *Volume: 1 Physical Works & Professional Services (sections 2.2, 4.1.5, 4.2 and 4.3.3)* and *Volume: 2 Public Passenger Transport (section 2.2)*.

### **Policy confirmation**

This general circular seeks only to confirm Transfund policy around the **invitation to tender** process.

In particular this general circular makes no reference to the **tender submission** process. Tender submission processes are not specifically referred to in Transfund procurement procedure policy and individual tendering authorities are expected to establish their own policy for this.

### **Comment and enquiries**

For further information, or to offer comment on the operation of the LGOL electronic notification of tenders scheme, please contact Bernard Cuttance, Performance Measurement Team Leader – Phone (04) 916 4273 or email [bernie.cuttance@transfund.govt.nz](mailto:bernie.cuttance@transfund.govt.nz).

Further information on the LGOL electronic tender notification scheme is available on their web site – [www.lgtenders.co.nz](http://www.lgtenders.co.nz).

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