Australian Government
Department of Finance

Consultancy procurement checklist

Purpose

From 1 July 2026, the Australian Government's policy position is that entities will be required to collect and provide data to the Department of Finance regarding the activities they undertook prior to engaging consultancy services valued at or above $2 million.

To support central procurement teams of entities subject to the Commonwealth Procurement Rules (CPRs), this document sets out potential questions that entities may wish to consider adapting or embedding in their existing procurement planning documentation, such as templates, checklists or planning forms. It is designed to support the early capture of information that entities may later need when reporting their high value consultancy contracts, so that these matters are considered during planning and appropriately documented from the outset. These questions should be considered in conjunction with the CPRs, existing procurement guidance published by the Department of Finance and any internal policies or processes.

For further detail on the $2 million consultancy reporting requirement, see the Procurement Policy Note on finance.gov.au.

For further detail on how to determine whether a contract is a consultancy, consider the Contract Characteristics guidance and Resource Management Guide 423.

APS STRATEGIC COMMISSIONING FRAMEWORK ALIGNMENT

The APS Strategic Commissioning Framework (SCF) is one of a range of policies that supports the Australian Government's commitment to reducing reliance on contractors and consultants and strengthening APS capability. It focuses on bringing 'core work' in house and requires core public service work to be done by APS employees, not outsourced, except in limited circumstances. The SCF applies to all agencies that employ staff under the *Public Service Act 1999*.

Some work is considered core APS-wide, while other work will be defined as core at an agency level. Each year, APS agencies report on their core work in corporate plans and annual reports. In line with the SCF, where core work is outsourced, agencies need to:

- maintain records of the procurement and the reason for outsourcing
- avoid or manage conflicts of interest
- ensure active oversight of privacy, confidentiality and integrity
- ensure outsourcing does not create or perpetuate APS capability gaps
- build in mechanisms to transfer knowledge and skills to the APS
- explicitly state the behaviours and conduct required of external personnel.

The APSC website provides guidance for agencies on implementation and monitoring and reporting requirements.

1. APS SCF Framework	• *Are you outsourcing core work? This includes work on the APS-wide list and agency-specific core work, defined by your agency.*
	  ○ *If yes,*
	  ▪ *It is recommended you consult with the relevant area in your agency on the SCF and your agency's processes and procedures on outsourcing of core work before proceeding.*
	  ▪ *Please note outsourcing of core work is only appropriate if it meets the **limited circumstances** outlined in the SCF. Agencies are required to report where they outsource core work beyond the limited circumstances set out in the SCF.*
	  ○ *If no, it is recommended to document the basis to support why this is not core work.*

CONSIDERATIONS FOR THE PROCUREMENT	
2. Consideration of existing resources and intellectual property	• *Have you considered whether existing Commonwealth intellectual property or other existing Commonwealth resources can be used to meet this business need?* – *It is recommended to document if relevant existing resources were considered, and either how they were used to inform this procurement process or why they were not used.*
3. Incumbency	• *Are there any incumbency risks associated with this procurement process?* • *If this procurement replaces an existing contract for the same or similar services, will you only be approaching the incumbent for the new consultancy service?* – *If yes, describe what the incumbency risks are, why you can only procure the services from the incumbent and how these risks are being managed?*
4. Contract Options – *included* in the original approach to market and contract	• *This question is only applicable for contracts that include planned contract provisions allowing an entity to exercise an option, such as buy additional quantities of the goods or particular 'extra' items or to extend the contract under pre-agreed terms. These are typically considered within the scope of the original procurement process and included in the initial approach to market and contract.* – *It is recommended that you document the details of:* ▪ *What are the additional services being provided?* ▪ *How has supplier performance tracked to date?* ▪ *How exercising the option continues to represent value for money.*

5. Contract Variation – *not included* in the original approach to market or contract	• *This question is only applicable for contract variations to an existing contract where the changes in scope and/or value of the contract were not originally included or accounted for in the initial approach to market or original contract.* • *Have you considered whether you can use existing resources instead of varying the contract?* • *Have you reviewed the Department of Finance's guidance on Extending a contract through variation?* • *Have you reviewed the Procurement Policy Note on senior oversight of contract variations?* – *It is recommended that you document:* ▪ *The basis for the variation.* ▪ *Whether this variation is considered a major change in scope.* ▪ *Whether any changes to the terms and conditions are being proposed.* ▪ *Details on the additional proposed time and value and proposed new maximum contract value including GST.* ▪ *Whether this variation may compromise the original value for money assessment that took place for the original approach to market/request for quote.* • *i.e. had this additional scope been included as part of the original approach to market, could this have resulted in a different value for money outcome and proposals from tenderers; and* ▪ *Whether the variation represents value for money.*