

## Country case: Tasmania's (Australia) checklist of potential risks in the goods and services procurement process

### Description

The Tasmanian government developed a checklist of potential risks in the procurement cycle that is composed of 11 parts:

1. Identifying the need and planning the purchase
2. Developing the specification
3. Selecting the purchasing method
4. Purchasing documentation
5. Inviting, clarifying and closing offers
6. Evaluating offers
7. Selecting the successful tenderer
8. Negotiations
9. Contract management
10. Evaluating the procurement process
11. Disposals

Public Procurement  
Principle: **Risk Management**

Procurement Stage:  
**All phases**

Audience: **Policy Maker,  
Procuring Entity**

Risk	Likely consequences	Action
<ul style="list-style-type: none"> <li>• Understatement of the need</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of unsuitable product or service</li> <li>• Money wasted</li> <li>• Need not satisfied</li> </ul>	<ul style="list-style-type: none"> <li>• Analyse need accurately</li> </ul>
<ul style="list-style-type: none"> <li>• Overstatement of the need</li> </ul>	<ul style="list-style-type: none"> <li>• Greater expense</li> <li>• Poor competition</li> </ul>	<ul style="list-style-type: none"> <li>• Analyse need accurately</li> <li>• Use functional performance requirements</li> </ul>
<ul style="list-style-type: none"> <li>• Misinterpretation of user needs</li> </ul>	<ul style="list-style-type: none"> <li>• Totally unacceptable purchase or not most suitable product or service</li> <li>• Time lost</li> <li>• Increased costs</li> <li>• Possible downtime</li> </ul>	<ul style="list-style-type: none"> <li>• Improve consultation with users</li> <li>• Obtain clear statement of work and definition of need</li> </ul>
<ul style="list-style-type: none"> <li>• Insufficient funding</li> <li>• Delay in making the purchase</li> </ul>	<ul style="list-style-type: none"> <li>• Additional costs for re-tender</li> <li>• Obtain appropriate approvals before undertaking process</li> </ul>	<ul style="list-style-type: none"> <li>• Improve planning</li> </ul>

Risk	Likely consequences	Action
<ul style="list-style-type: none"> <li>• Impractical timeframe</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate responses from tenderers</li> <li>• Reduced competition</li> <li>• Delivery schedule not met</li> </ul>	<ul style="list-style-type: none"> <li>• Improve forecasting, planning and consultation with users</li> <li>• Improve communication with potential tenderers</li> </ul>
<ul style="list-style-type: none"> <li>• Probity issues</li> </ul>	<ul style="list-style-type: none"> <li>• Increased procurement costs</li> <li>• Misuse of resources</li> <li>• Most suitable product not obtained</li> <li>• Unethical conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Implement best practice policies, guidelines and practices</li> <li>• Maintain ethical environment</li> <li>• Improve training of personnel</li> <li>• Put suitable controls and reviews in place</li> <li>• Consider using a probity adviser</li> <li>• Improve communication with potential tenderers</li> </ul>

Source: OECD (2015), [Effective Delivery of Large Infrastructure Projects: The Case of the New International Airport of Mexico City](#), OECD Publishing, Paris