

Guide to the application of the Voluntary Standard

To implement AI bans and the Voluntary AI Safety Standard (**Voluntary Standard**) in procurement processes and contract management, we have outlined the recommended changes.

Item	Recommendation
Stage 1—Procurement Planning	
Procurement Plan	<p>The Procurement Plan should detail:</p> <ul style="list-style-type: none"> • The overall proposed approach of the process to identify and manage contractor AI risks. • How any agency-related AI risks will be managed, including the management of risks associated with: <ul style="list-style-type: none"> – The use of AI by the agency, such as in the drafting or development of the RFT or during evaluations. – The use of AI by contractors or consultants to the agency, such as external experts or advisors involved in drafting the documents or during evaluations.
Industry Engagement Plan	<p>The Industry Engagement Plan should detail information to be provided to industry regarding:</p> <ul style="list-style-type: none"> • the applicability to the procurement of any AI bans currently in place; • the use of AI by the agency, including by contractors; and • if AI will be used during the evaluations and whether the conditions of tender will include a tenderer review mechanism (for review of the aspects of the evaluation using AI).
Probity Plan	<p>The Probity Plan should detail how the risks associated with agency's use of AI during the evaluations will be managed.</p>
Stage 2— Approach to Market documents	
Conditions of tender	<ul style="list-style-type: none"> • The evaluation criteria should include an evaluation criterion that considers the AI related risks. As an example: <p><i>The extent to which the tenderer is assessed as complying with each applicable band and supporting the agency to be an exemplar in the safe and responsible use of AI and compliant with Australia's ethics principles and each applicable AI ban.</i></p> • As noted by the Australasian Construction and Procurement Council⁸, agencies should develop and adhere to clear guidelines that outline the use of AI in procurement processes. Consistent with such guidelines, the COT should clearly state if AI is, or may be, used by the agency in the tender process in a material manner

⁸ See paragraph 5.1.3 of the [Artificial Intelligence in Government Procurement Whitepaper](#) by the Australian Procurement and Construction Council.

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	<p>that impacts on the tender outcome (including by contractors, such as evaluators or advisors). If it is, this should be disclosed to tenderers and a review mechanism provided that facilitates human review of that aspect of the procurement decision.</p>
Tenderer information requirements	<p>The request for tender should request the following information from tenderers where the AI is known or intended to be used by the tenderer:</p> <ul style="list-style-type: none"> • The proposed process for: <ul style="list-style-type: none"> – ensuring the agency does not breach any AI ban; – identifying AI risks and potential harms; and – managing the mitigation of AI related risks and harms. • The proposed data management process (including data quality and data provenance), privacy, security and cybersecurity practices for each AI system or component. • The proposed allocation of responsibility between the tenderer (contractor) and the customer (the agency) for monitoring and evaluating the AI model. • The proposed governance and oversight plan for human intervention, if required. • The proposed: <ul style="list-style-type: none"> – Public transparency mechanism (to ensure that those using the AI are made aware of it). – Dispute mechanisms to enable those impacted by AI systems to challenge the use or outcomes. – Roles, responsibilities and information flow across the AI supply chain that ensure transparency across the lifecycle of the AI system. • The proposed documentation and retention of records obligations, that will allow third parties to assess compliance with requirements. • The proposed AI stakeholder impact assessments and how the tenderer proposes to remove potential biases and ethical prejudices based on stakeholder feedback.
Draft contract	<p>The draft contracts should include clauses in relation to the following:</p> <ul style="list-style-type: none"> • The process for: <ul style="list-style-type: none"> – Ensuring compliance with each AI ban. – Identifying AI risks and potential harms. – Managing the mitigation of AI related risks and harms. • The data management process (including data quality and data provenance), privacy, security and cybersecurity practices for each AI system or component. • A detailed governance and oversight regime that includes a process for human intervention when required. • The contractor's responsibility for monitoring and evaluating the AI model (if relevant).

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	<ul style="list-style-type: none"> • The contractor's public transparency obligations that inform end users of AI system use. • The contractor's obligation to provide for, and oversee, AI and human intervention if required. • The contractor's: <ul style="list-style-type: none"> – Public transparency obligations (to ensure those using the AI are made aware of it), and – Dispute mechanisms to enable those impacted by AI systems to challenge the use or outcomes. • The roles, responsibilities and information flow across the AI supply chain that ensure transparency across the lifecycle of the AI system.
Stage 3—Contract management	
Contract management	<ul style="list-style-type: none"> • The agency should undertake a review of current contractors to determine which, if any, are using AI in the provision of goods or services and whether any are in breach of any AI ban. Agencies may wish to take a risk-based approach to this review.⁹ • For contractors that are not using AI, the agency should consider amending the contract to provide that it must not use AI without the organisation's prior consent (which may include conditions). • For contractors that are using AI, the agency should consider what changes need to be made to the contract to ensure compliance with each relevant AI ban and the Voluntary AI Safety Standard, including: <ul style="list-style-type: none"> – working with each contractor to undertake AI impact assessments and understand the needs of systems' stakeholders, and – monitoring contractors' actions to understand potential bias, minimise negative effects of unwanted bias, implement accessibility and remove ethical prejudices from the AI solution or component.

⁹ Agencies may wish to review those contractors / contracts that are 'high-risk' as discussed in the [Safe and responsible AI in Australia Proposals paper for introducing mandatory guardrails for AI in high-risk settings September 2024](#).