

Value for Territory Assessment Framework Terminology Guide

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Acronyms	Full form
NT	Northern Territory
NTG	Northern Territory Government
VFT	Value for Territory
VFTAF	Value for Territory Assessment Framework

Prelude

This guide is intended to provide business with an understanding of the Value for Territory Assessment Framework (the framework), and how the NT Government applies the framework through its procurement activities.

The framework is currently in use for the Local Content assessment criterion. The aim of the framework is to increase transparency and consistency in public procurement and to make the tender assessment process clear, simple, fair and objective to help more Territory businesses win work and participate in the supply chain.

How to use this guide

This guide should be read in the context of the Value for Territory Assessment Framework. It provides guidance on what terms used within the framework mean, including how to assess the Local Content criterion and is a support document for the Value For Territory Assessment Framework – Segmentation Guide. Some of these terms might have different meanings in other contexts, so it is important this guide is only applied to the Value for Territory Assessment Framework.

Other terms relating to procurement, not specifically identified within this framework, will be defined in other materials such as the Procurement Governance Policy. If you have any concerns, or can't find a definition, contact Procurement NT via email at VFT@nt.gov.au or via phone at 8999 6621.

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1. Aboriginal Participation

This is a sub-element of the Local Content criterion.

This sub-element focuses on supporting employment opportunities for Aboriginal and Torres Strait Islander Territorians, as Aboriginal Territorians are significantly underrepresented in the workplace. Supporting Aboriginal Participation by NT businesses and individuals benefits the Territory by growing the local economy, increasing business and regional development and building the local Territory workforce.

2. Administrative and support services

Administrative and support services covers activities that are indirectly related to the delivery of the contract. These activities are important for the smooth operation of a supplier's business, and to ensure they are able to meet their contract commitments. These services include but are not limited to:

- Accounts payable/receivable
- General administration support (outside of main project resources)
- HR management/recruitment
- Accounting/legal services
- Facility services (accommodation, fleet)
- ICT technical support
- Business management

3. Apprentice /Trainee

An employee residing in the Northern Territory on an ongoing permanent basis that meets one of the following requirements:

- a) has a signed training contract for the apprentice/trainee registered with Australian Apprenticeships NT; or
- b) the apprentice's/trainee's details appear on the Data Entry Level Training Agreement (DELTA) database, maintained by the Department of Industry, Tourism and Trade; or
- c) the training being undertaken is a recognised accredited training course.

Tenderers and contractors may;

- a) directly employ apprentices/trainees;
- b) utilise group training scheme apprentices/trainees;
- c) utilise sub-contractors apprentices/trainees; or
- d) utilise any combination of the above.

4. Benchmarking

Benchmarking refers to the method of assigning a score to a tenderers' response, based on a predetermined scale.

For example, to objectively assess the number of years a business has been established in the NT, the benchmarks will determine what score is given to tenderers for certain periods i.e.

- less than 12 months scores 1 point
- between 1-10 years scores 2 points
- more than 10 years scores 3 points (noting these figures are examples only).

The local content criterion is scored using benchmarks that have been pre-determined for each question and each scenario of the segmentation process. All the components of the segmentation process can influence the benchmark that is assigned to a question. Refer to the Segmentation Guide for further information on the segmentation process.

A range of factors, government policies and frameworks guided the formation of the benchmarking, such as the procurement framework, the Aboriginal Economic Participation Framework and Aboriginal Procurement Policy.

5. Commitment to advancing the Territory

This is a sub-element of the Local Content criterion, and is also known as “Territory Benefit”.

This sub-element enables tenderer’s to showcase they ways they are committed to the past and future economic, social, environmental and cultural development of the Northern Territory. There are a number of ways that an organisation can demonstrate this commitment, including advancing the Northern Territory through focusing on:

- Aboriginal participation
- Regional development
- Territory Culture
- Support for disadvantaged people or groups
- Environmental Protection
- Gender Equality
- Research and innovation

Further information can be found [on NT.GOV.AU](https://www.nt.gov.au).

6. Context Statement

Context Statements describe the elements that are assessed for each criterion. They are intended to provide tenderers with guidance on what the panel may be looking for in their assessment.

Context Statements are included in the Response Schedule for each criterion and sub-element, and provide tenderers additional context on what is being assessed and why it is important to the NTG. This should inform tenderers on how best to respond to the questions, and ensure that the NTG gets relevant information in tender responses.

7. Direct Benefit

A direct benefit refers to a positive outcome or advantage that is received directly by an entity; this can include NTG, a community group, an organisation etc. A direct benefit can be clearly attributed to a specific action as a result of the contract.

This is referred to in the Focus Area section of the segmentation tool.

8. Direct involvement

Active participation, personal contribution, influence, interaction or engagement in a project. This may include decision-making processes, undertaking specific tasks, leading or coordinating efforts, or providing input.

This is referred to in some Local Content questions.

9. Employment

This is a sub-element of the Local Content criterion.

This sub-element will consider where the people proposed to undertake the contract requirements normally reside, including head contractor and subcontractors. The questions included in the Response Schedule may refer to current employment, as well as employment opportunities during the contract delivery. It is important that tenderers always read the question in full, to ensure the correct information is provided.

Utilising local permanent residents to deliver contract requirements contributes to all Territorians having access to meaningful employment, and will be scored more favourably.

10. Full-time Equivalent

Full-time equivalent (FTE) is a unit of measurement used to determine the workload of an employee or the total staffing capacity of an organisation. It represents the number of hours worked by one employee on a full-time basis. For part-time employees, their FTE value is calculated proportionally to their hours worked relative to a full-time schedule.

For example; if a full-time schedule at your workplace is 40 hours a week, a person working 20 hours a week is classified as 0.5 FTE, as they work 50% of the full-time schedule at your workplace.

11. Graduate

An employee who obtained an Advanced Diploma or Bachelor degree within the last 3 years¹, and resides in the Northern Territory on an ongoing permanent basis.

12. Indirect Benefit

An indirect benefit refers to an advantageous outcome that is not received directly by an individual or entity but is rather experienced as a secondary or consequential effect. It may arise from an action, decision, or circumstance and can have a positive impact on related parties or the overall system.

13. Indirect involvement

Indirect involvement refers to a level of engagement or participation in a situation, project, or activity that is not direct or immediate. It implies having an influence or impact on the outcome or process without being directly and actively engaged in it.

14. Local Industry Development

¹ In line with the NTG Graduate Development Program Policy.

This is a sub-element of the Local Content criterion.

Industry development activities help to maintain a strong and competitive industry environment. Organisations can contribute to the development and standing of their industry sector in many ways such as:

- Partnering and joint venturing (see the [Tendering and joint ventures guide](#) for further information)
- Undertaking leadership roles with and/or actively contributing to peak body organisations
- Mentoring/coaching other industry members
- Undertaking research and development activities
- Utilising their specialist capability to support community or not for profit organisations

Tenderers must only include information that can be verified or substantiated. Assessment Panels should take efforts to verify claims made in tender submissions.

15. Local Industry Participation

This is a sub-element of the Local Content criterion.

Local Industry Participation considers the proportion of the work being performed by Territory Enterprises throughout the entire supply chain (including Head Contractor and Subcontractors). Use of Territory Enterprises throughout the supply chain delivers significant direct and indirect benefit to the NT.

16. Local Presence

This is a sub-element of the Local Content criterion.

Local Presence considers whether Tenderers currently operate, maintain a permanent presence, and employ Territorians within the NT.

Use of Contractors that maintain a permanent presence with proximity to where work is to be undertaken has significant advantages including;

- Shorter supply chains
- Decreased mobilisation/demobilisation costs
- Increased awareness of local social, environmental and economic conditions

Both of these reduce project delivery risks, while investment in infrastructure, business development, employment and upskilling increases the NT's capacity and capability, and contributes to further the Territory's economy.

17. Managerial Roles

Tenderers may be asked to nominate the number of employees in managerial roles. The determination of whether a role is a Managerial Role is made by the Tenderers, and should be guided by this document.

Managerial roles involve a combination of skills to effectively manage resources and achieve the objectives of the organisation. These skills include;

- leadership
- planning

- co-ordination
- decision-making
- communication
- problem-solving

Managerial roles are often responsible for a function, and oversee and direct the activities of the function. These roles do not always include directly working on technical aspects of the business. Rather, these mainly involve leading people and making decisions based on data and resources. Managerial roles can require specific qualifications, but it is not a necessity.

Roles such as Engineering Manager, HR Manager, or Director of Finance fall into this category.

18. Meaningful employment

Meaningful employment refers to a working arrangement in which an individual engages in work that aligns with their values, interests, and personal goals, while also providing a sense of purpose, fulfilment, and satisfaction. In many cases, these may be connected to the goals and aspirations of the individual's wider community, and securing meaningful employment can help an individual contribute more meaningfully to their community.

19. Permanent presence

This relates to the definition in the Buy Local Plan, to determine if an entity is deemed a Territory Enterprise.

Permanent presence refers to a continuous and enduring operation of a business within the NT, without interruption or temporary absence. Presence necessitates people; therefore a virtual office or mailing address is not considered a permanent presence.

20. Remote Community

Means a remote community located within the Northern Territory.

21. Technical Roles

Technical roles require you to hold specific technical skills, knowledge, and expertise to perform functions. These could be junior or senior level roles that are an expert in a particular domain. For example, a financial analyst, HR specialist, or junior software engineer are all technical roles in different industries.

Technical roles require specific skills and knowledge to be able to complete; these can be obtained through tertiary qualifications or on-the-job training over a number of years (depending on the role). The skills and knowledge requirements are specific to the role, there is no minimum standard to define a role as technical.

Listed below are some examples of technical roles and the skills or experience that may be considered appropriate (note "3+ years" is an example only and not a hard rule).

- HR specialist – formal HR qualification, and/or 3+ years in HR focused role
- Financial analyst – accounting or commerce qualification, and/or 3+ years in analytical role
- Quantity surveyor – specific qualification

- Civil engineer – specific qualification
- Architect – specific qualification

Roles that require licences or quick to obtain certificates (i.e. 1-2 day course) to complete are not necessarily technical. For example, a forklift operator requires a licence to operate the machine but is not classified as a technical role.

22. Undergraduate

An employee currently being supported to undertake an Advanced Diploma or Bachelor degree, and resides in the Northern Territory on an ongoing permanent basis.

23. Upskilling

This is a sub-element of the Local Content criterion.

Upskilling is the transfer of skills, knowledge or competencies from one individual or organisation to another, to enhance the capabilities and performance of the other. This may include participating in training programs or workshops, on-the-job mentoring programs, or other educational activities designed to develop new or existing skills that are directly relevant to the objectives of the contract. This can be represented in hours, or days (workshop style) relevant to the industry and audience.