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Introduction

The Northern Territory Government Procurement Framework consists of:

- the Procurement Act,
- Procurement Regulations,
- the Northern Territory Procurement Code,
- Procurement Circulars; and
- the Procurement Directions

The Procurement Directions are made up of a Framework Series, a Policy Series and a Process Series.

- **Framework Series** - describes the legislative structure, procurement principles, definitions, procurement entities and delegations.

- **Policy Series** - describes elements such as Best Value for Money procurement, methods of procuring, procurement planning, and specification development through to contract award and contract management.

- **Process Series** - describes the processes for Tier One, Two, Three, Four, Five and Six Procurement activity, Supplies under Existing Period Contracts, Standing Exemptions, Procurement Review Board processes and Disclosure of Percentage Weightings.

The following Contents pages provide an index of the Procurement Directions and topics covered in each.
Content Summary

Framework Series

F1 Legislative Structure

F2 Procurement Principles

Government Procurement Framework and Principles

- Best Value for Money
- Open and Effective Competition
- Enhancing the Capabilities of Local Business and Industry
- Environment Protection
- Ethical Behaviour and Fair Dealing

F3 Interpretation and Definitions

- Interpretation
- Definitions

F4 Procurement Entities

- Agency Responsible for Procurement Policy
- Agencies
- Contracts and Procurement Services (CAPS)
- Contractor Accreditation Limited (CAL)
- Industry Capability Network (NT) Office (ICNNT)
- Local Benefit Advisory Panel
- Procurement Liaison Officer (PLO)
- Procurement Review Board (PRB)

F5 Delegations

- Delegations

Policy Series

PO1 Best Value for Money Procurement

- Best Value for Money
- Assessment Method
- Assessment Criteria
  - Past Performance
  - Local Content
  - Timeliness
  - Capacity
  - Innovation
  - Scope Specific
  - Price

PO2 Procurement Methods

- Tier One and Tier Two Select Quotation Process
- Public Quotation/Tender Process
- Pre-qualification Process
- Select Quotation/Tender Process
- Standing Exemption from Public Quotation/Tender Process
- Period Contracts
Existing and Other Government Period Contracts
   Across Government Contracts
   Agency Specific Period Contracts
   Other Government Period Contracts
Panel Period Contracts
Regional Councils

PO3 Procurement Planning

   Strategic Procurement Planning
   Project Specific Procurement Planning
   Future Tender Opportunities

PO4 Defining Supplies and Estimating their Values

   Defining Supplies
   Defining Assessment Criteria and Percentage Weightings
   Value of Supplies
   Value of Supplies under Lease, Hire or Financing Arrangements
Contractor Accreditation
   Accreditation of sub-contractors
   Period Contracts
   Panel Period Contracts
   Supply and Install Contracts
   Pastoralists

PO5 Request for Quotation/Tender Documentation

   Request for Quotation/Tender
   Request for Quotation/Tender Invitation Period
   Assessment Criteria and Percentage Weightings
   Conditions of Quoting/Tendering and Contract
   Value of Supplies to be in Australian Dollars and GST Inclusive
   Industry Participation Plans
   Local Benefit Advisory Panel

PO6 Receipt and Admissibility of Quotations, Tenders & Appeals

   Receipt of Quotations/Tenders
   Confidentiality of Quotations/Tenders
   Admissibility for Assessment
   Appeals – Inadmissible Quotations/Tenders
   Ineligibility due to Bankruptcy, Insolvency/External Administrative Proceedings

PO7 Conflicts of Interest Disclosure

PO8 Quotation/Tender Assessment

   Quotation/Tender Assessments
   Conforming Quotations/Tenders
   Industry Participation Plans
   Conditional Quotations/Tenders
   Qualified Quotations/Tenders
   Alternative Quotations/Tenders
   Clarification of Quotations/Tenders
   Errors in Quotations/Tenders
   Negotiation
   Quotations/Tenders Validity Period
PO9 Contract Award and Transparency

- Approval to Accept Quotations/Tenders
- Approval to Decline all Quotations/Tenders
- Notification of Procurement Outcomes
- Advice to Tenderers in a Pre-Qualified Tender Process
- Transparent Procurement
- Disclosure of Additional Information

PO10 Debriefing Respondents/Tenderers

PO11 Complaints Management

- Complaint Principles
- Agency Complaints
- Procurement Policy Complaints
- Procurement Review Board Process Complaints
- Role of Procurement Liaison Officer
- Independent Facilitator

PO12 Contract Management

- Contract Management
- Contract Variations
- Contract Expiry
- Performance Reports

PO13 Tendering by Government Agencies

- Tendering by Government Agencies

PO14 Procurement Reporting and Key Performance Indicators

- Reporting Responsibilities
- Key Performance Indicators
- Reporting Timeframes

Process Series

PR1 Procurement Process for Tier One Activity

- Tier One Procurement Activity
- Summary of Procurement Process
- Record Keeping
- Alternative Procurement Process

PR2 Procurement Process for Tier Two Activity

- Tier Two Procurement Activity
- Summary of Procurement Process
- Record Keeping
- Alternate Procurement Process

PR3 Procurement Process for Tier Three Activity

- Tier Three Procurement Activity
- Summary of Procurement Process
- Public and Select Quotation Processes
- Record Keeping
- Alternative Procurement Process
PR4 Procurement Process for Tier Four Activity

Tier Four Procurement Activity
Summary of Procurement Process
Public and Select Tender Processes
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PR5 Procurement Process for Tier Five Activity

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PR6 Additional Process for Procurement Activities ≥ $5 million

Local Benefit Advisory Panel (LBAP) Role
LBAP Tender Assessment Process
LBAP Contract Variation Process
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PR7 Procurement Process for Supplies under Existing Period Contracts

Procurement under Existing Period Contracts
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PR8 Procurement Process for Supplies under Standing Exemptions

Procurement under Standing Exemptions
Attachment 1 - Supplies exempted from the Public Quotation/Tender process
Attachment 2 - Supplies Exempted from Consultation with Industry Capability
Network (NT) Consultation and mandatory Territory Enterprise inclusion requirements

PR9 Procurement Review Board Processes

Role of Procurement Review Board
Procurement Review Board Processes

PR10 Disclosure of Percentage Weightings

Disclosure of Percentage Weightings
Agency Responsibilities
Amendment to Percentage Weightings
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F1 - Legislative Structure

Statement of Intent

This Procurement Direction sets out the legislative basis for the Government Procurement Framework.

Main Features

Section 11 of the *Procurement Act* requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Legislative Structure

- The Government Procurement Framework comprises the *Procurement Act*, Procurement Regulations, Procurement Directions, the Northern Territory Procurement Code and Procurement Circulars issued by the Agency responsible for Procurement Policy.
- Agencies will adhere to the Government Procurement Framework when undertaking procurement activity.
- Agencies will comply with the requirements of other relevant Northern Territory and Federal Government legislation when undertaking procurement activity.
- Agencies will include detailed procurement procedures, consistent with the Government Procurement Framework, in their Agency Procurement Management Plan and Accounting and Property Manuals.
- Employees will operate within their Agency’s procurement procedures.

Contents

Legislative Structure

Authorities

*Procurement Act*

Procurement Regulations

Administrative Arrangements Order
F1.1 The Government Procurement Framework comprises the *Procurement Act*, Procurement Regulations, Procurement Directions, the Northern Territory Procurement Code and Procurement Circulars.

F1.2 Agencies will adhere to the Government Procurement Framework when undertaking procurement activity.

F1.3 Agencies will comply with the requirements of other relevant Northern Territory and Federal Government legislation when undertaking procurement activity.

I. The *Procurement Act* provides the legislative base for the Procurement of Supplies for the Government and Agencies and includes authority for the establishment of the Procurement Review Board (refer Procurement Direction F4).

II. The Procurement Regulations supplement the *Procurement Act* and are made under section 12 of the *Procurement Act*. The Procurement Regulations establish, among other things, the minimum procurement processes which need to be followed in relation to specific procurement activity, the composition and functions of the Procurement Review Board, requirements in relation to Select Quotations, Certificates of Exemption from Public Tendering and requirements for the publication of Contracts awarded.

III. Section 11 of the *Procurement Act* provides for the Minister responsible for Procurement to make directions relating to the principles, practices and procedures to be observed in the Procurement of Supplies by and on behalf of the Government and Agencies. The Procurement Directions expand the concepts of the *Procurement Act* and Procurement Regulations and are binding on all Accountable Officers and Government employees.

IV. Procurement Circulars may be issued by the Agency responsible for Procurement Policy from time to time. These Procurement Circulars will update the provisions of these Procurement Directions.

V. The Agency responsible for Procurement Policy may release Best Practice Guides from time to time. These guides will assist Agencies in determining the benchmark for procurement practise and procedures.

VI. In undertaking all procurement activity, Agencies will also ensure the requirements of other relevant Northern Territory and Federal legislation (for example *Financial Management Act* and *Contracts Act*) are met.

VII. Agencies and Suppliers will abide by the Northern Territory Procurement Code during all procurement activities. The Government may choose not to contract with a Supplier found to be in breach of the Northern Territory Procurement Code.

VIII. The *Procurement Act* does not apply to the disposal of Government assets, which is covered by the *Financial Management Act* and the Treasurer’s Directions issued under that Act.
F1.4 Agencies will, in their Agency Procurement Management Plan and the Accounting and Property Manuals, include detailed and succinct procurement procedures that set out how procurement activities will be conducted in compliance with the Government Procurement Framework.

F1.5 Employees will operate within their Agency’s procurement procedures.

I. Inclusion of clear and succinct procurement procedures within Agency Accounting and Property Manuals will ensure Agency procurement practices comply with the Government Procurement Framework.

II. This means that Agency Accounting and Property Manuals will need to be continually reviewed to take account of new procurement policies and processes implemented through the Government Procurement Framework.

III. Agencies will consider how to best coordinate and allocate appropriate resources to manage its total procurement activity. This will vary based on the Agency structure, its requirements, its Supplies and the nature and dynamics of the markets from which it is sourcing.

IV. The Agency responsible for Procurement Policy may undertake a review of Agencies’ procurement procedures from time to time. Agencies will demonstrate how they comply with the Government Procurement Framework.
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F2 - Procurement Principles

Statement of Intent
This Procurement Direction explains the five Procurement Principles underpinning the Government's Procurement Framework.

Main Features
Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Government’s Procurement Framework and Principles
There are five Procurement Principles underpinning the Government’s Procurement Framework. These are:

1. Best Value for Money
2. Open and Effective Competition
3. Enhancing the Capabilities of Local Business and Industry
4. Environmental Protection
5. Ethical Behaviour and Fair Dealing.

Contents
Government’s Procurement Framework and Principles:

Best Value for Money
Open and Effective Competition
Enhancing the Capabilities of Local Business and Industry
Environmental Protection
Ethical Behaviour and Fair Dealing

Authorities
Procurement Act
Procurement Regulations
F2.1 There are five Procurement Principles underpinning the Government’s Procurement Framework. These are:

1. Best Value for Money

2. Open and Effective Competition

3. Enhancing the Capabilities of Local Business and Industry

4. Environmental Protection

5. Ethical Behaviour and Fair Dealing.

1. Best Value for Money

I. Best Value for Money is the overarching principle governing the Procurement of Supplies, and is the expected outcome of a planned procurement process when all key requirements are considered.

II. The objectives of Best Value for Money are:

a. Rigorous assessment process which recognises enhancement of industry and business capabilities in the Northern Territory.

b. Selection of Suppliers based on predetermined Assessment Criteria which result in the best outcome for Government.

c. Achievement of broader Government strategic outcomes, including enhancement of industry and business capability and competitiveness in the Northern Territory, through procurement.

III. Best Value for Money includes consideration of Respondents/Tenderers:


b. Whole-of-life costs.

c. Capacity to contribute to Government’s broader strategic and policy outcomes.

d. Timeliness of delivery of Supplies and the supply chain.

e. Capacity to deliver and experience.

f. Innovative methods.

g. Any scope specific requirements.

IV. Best Value for Money is not about selecting the successful Respondent/Tenderer based on price alone. Best Value for Money means achieving the best return for Government recognising that this may not necessarily be at the lowest price.

2. Open and Effective Competition

I. The objectives of Open and Effective Competition are to:

a. Ensure that all Suppliers wishing to conduct business with the Government are given fair and reasonable opportunity to do so.

b. Instil confidence in industry and business and the public as to the probity and cost-effectiveness of public sector procurement.
c. Maximise prospects of achieving the most beneficial outcomes for Government and the Northern Territory including advancement of Government strategic objectives.

II. Open and Effective Competition means:
   a. Competitive procurement processes which provide opportunities for business to competitively bid for Government Contracts.
   b. Procurement procedures and processes are consistent and transparent to Agencies, Suppliers and the public.
   c. Procurement activity is conducted in an open and transparent way and in accordance with the Government’s Procurement Framework.
   d. Ensuring that Quotation/Tender documents and Contracts reflect clear Supply requirements and desired outcomes.
   e. Ensuring that all Suppliers involved in Government procurement activities are subject to the same terms, conditions and requirements.
   f. For Tier One and Tier Two procurement activity the preferred method of procurement is to invite Quotations.
   g. For Tier Three procurement activity the preferred method of procurement is Public Quotation.
   h. For Tier Four and Tier Five procurement activity the preferred method of procurement is Public Tender.
   i. Delegations, authorisations and associated financial thresholds are appropriate for the level of judgement expected of individual delegated officers.

III. Open and Effective Competition does not allow:
   a. Government entities (including Government owned businesses, Local, Territory, State and Federal Government Agencies and Authorities) to compete against the private sector on Government-funded projects (refer Procurement Direction PO13).
   b. The use of processes that only favour the lowest price or are biased towards a particular Respondent/Tenderer.

3. Enhancing the Capabilities of Local Business and Industry
   I. The objectives of Enhancing the Capabilities of Local Business and Industry through the Government’s procurement activities include:
      a. Development of existing and new businesses in the Northern Territory.
      b. Using Government procurement activities as a driver for an improved business environment in the Northern Territory.
      c. Raising the skills level, capability and capacity of Northern Territory industry and business (for example through consideration at the assessment stage of Tenderers’ training initiatives, either proposed or implemented as a direct result of participation in Government procurement activity).
d. Increased opportunities for business on the basis of Best Value for Money.

e. Promotion of industry and business awareness of its rights and obligations under the Government’s Procurement Framework.

II. Enhancing the Capabilities of Local Business and Industry means that the Government’s procurement processes:

a. Result in procurement activities which facilitate participation by businesses in the Northern Territory.

b. Enhance capacity building for businesses in the Northern Territory.

c. Recognise and take account of measures taken to offer local employment opportunities and raise the skills level of industry and business by training staff in the Northern Territory.

d. Are effective in encouraging development in the Northern Territory of an industry and business workforce that is more skilled and capable of competitively bidding for Government requirements.

e. Recognise that Government’s strategic objectives for Indigenous job creation and economic development can be achieved through Government procurement.

f. Provide competitive businesses with full, fair and reasonable opportunity to participate in the growth of the Northern Territory.

4. Environmental Protection

I. Environmental Protection supports the Government’s objective of adopting best practices to promote and protect the environment and minimise environmental harm.

II. Environmental Protection means that the Government procurement policies and processes will be implemented so as to minimise the risk of:

a. Breaching laws in force in the Northern Territory that are designed to protect the environment.

b. Non-compliance with complementary policies, programs and strategies.

c. Adverse impacts on the environment and wildlife arising directly or indirectly from the Procurement of Supplies by Government.

d. Endangering the public.

e. Consuming a disproportionate amount of energy, water, fuel and non-renewable resources during manufacture, use or disposal of Supplies.

f. Causing unnecessary waste, including but not limited to over-packaging or because of an unduly short useful life of Supplies.

g. Using materials derived from threatened species or from threatened environments.

III. Government procurement policies and processes will be implemented to:
Procurement Direction F2 (Procurement Principles)

a. Maximise resource recovery by considering products with high reused, recycled or renewable content and products with high reusability and recyclability.

b. Foster the development and production of products and processes of low environmental impact.

c. Provide leadership and incentive to business, industry and the community by promoting the use of environmentally sensitive Supplies.

5. Ethical Behaviour and Fair Dealing

I. The objectives of Ethical Behaviour and Fair Dealing are to ensure that in all its procurement activities, the Government will:

a. Behave with impartiality, fairness, independence, openness, integrity and professionalism.

b. Advance the interests of the Northern Territory in all transactions with Suppliers in accordance with the Government’s Procurement Framework.

c. Ensure that its delegated officers attain a high level of credibility with Suppliers.

II. Ethical Behaviour and Fair Dealing means that:

a. Standardised and consistent procurement practices, policies and processes are adopted across Government.

b. Government procurement practices acknowledge and support legislative frameworks which apply to and regulate the activities of Suppliers.

c. Officers engaged in procurement activity, including decision makers, will not be biased toward or treat certain Respondents/Tenderers more favourably.

d. Officers engaged in procurement activity including decision makers will declare all conflicts of interest and not make improper use of their position.

e. All parties will adhere to the relevant codes of practice.
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F3 - Interpretation and Definitions

Statement of Intent

This Procurement Direction sets out the interpretation rules for the Procurement Directions and defines terms used in the Procurement Directions and related documents.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Interpretation

Sets out the interpretation rules to be used in the Procurement Directions.

Definitions

Defines terms that apply in the Procurement Act, Procurement Regulations, Procurement Directions and Procurement Circulars issued by the Agency responsible for Procurement Policy.

Contents

Interpretation

Definitions

Authorities

Procurement Act

Procurement Regulations
Interpretation

F3.1 All references to monetary amounts set out in the Procurement Directions are in Australian Dollars and inclusive of GST (where relevant).

F3.2 Questions regarding the interpretation, content and form of the Government Procurement Framework should be referred to the Agency responsible for Procurement Policy, as described in the Administrative Arrangements Order.

Definitions

F3.3 In the Procurement Directions and Procurement Circulars, unless the contrary is stated, the following definitions apply:

Accountable Officer: in relation to an Agency means the Chief Executive (however described) of the Agency or a person who the Treasurer declares in writing to be the Accountable Officer for the purposes of the Financial Management Act.

Across Government Contracts (AGC): means mandated whole of government Period Contract which has been established for certain Supplies that are commonly used throughout Government Agencies.

Agency: means a unit of government administration, or office or statutory corporation, stated in an Administrative Arrangements Order to be an Agency for the purposes of the Financial Management Act, and includes:

I. Power and Water Corporation and any other Government Owned Corporation (GOC), established pursuant to the Government Owned Corporations Act, until that GOC has a procurement policy approved pursuant to section 36 of the Government Owned Corporations Act.

II. Where the case requires, a part or division (by whatever name called) of an Agency or a Government Business Division.

Agency Minister: is the Minister who is allocated responsibility, in the Administrative Arrangements Order, for an Agency.

Agency Procurement Management Plan (APMP): is the annual procurement plan for an Agency developed in accordance with Procurement Direction PO3.

Agency Purchase Requisitions Online System (APRO): means the system managed by Contract and Procurement Services and mandated to record, track and report Tier Two and greater procurement activity undertaken by Agencies.

Agency responsible for Procurement Policy: the Agency allocated responsibility in the Administrative Arrangements Order for the administration of the Procurement Act.

Agency Specific Period Contract: is a Period Contract as defined in Procurement Direction PO2.

Alternative Quotation/Tender: is a Quotation/Tender that provides an alternative solution to the technical requirement stated in a Request for Quotation/Tender. The alternative solution is not necessitated by the unavailability of specified materials or equipment and is not due to clarification of any ambiguity within the documents.

Approval to Obtain Less than Three Quotes: means an approval issued by the Accountable Officer under Procurement Regulation 4(2), exempting an Agency from
the requirement to invite a minimum of three written Quotations for a particular Tier Two procurement activity.

**Approval to Invite Select Quotation:** means an approval issued by the Accountable Officer under Procurement Regulation 4(2), exempting an Agency from the requirement to invite Public Quotations for a particular Tier Three procurement activity.

**Assessment Criteria:** means the assessment criteria that appear in all Request for Quotation/Tender documentation, and form the basis on which Quotations/Tenders will be assessed.

**Assessment Panel:** means the panel appointed to assess Quotations/Tenders received from Respondents/Tenderers in response to a Request for Quotation/Tender.

**Best Value for Money:** means achieving the best return for Government recognising that this may not necessarily be at the lowest price (i.e. benefits are commensurate with costs).

**Business Day:** means any day which is not a Saturday, Sunday or a NT wide public holiday within the meaning of the *Public Holidays Act*.

**Certificate of Exemption:** means a certificate issued under Procurement Regulation 8, exempting an Agency from the requirement to either:

I. obtain three written quotes for a particular Tier Two procurement activity;

II. invite Public Quotations for a particular Tier Three procurement activity; or

III. invite Public Tenders for a particular Tier Four or Tier Five procurement activity.

**Conforming Quotation/Tender:** means a Quotation or Tender that has been assessed to be conforming, based on predetermined criteria.

**Contract:** means a written agreement for the provision of Supplies. This may be in the form of a purchase order, notice of acceptance, service agreement, formal instrument or similar.

**Contract and Procurement Services (CAPS):** the division of the Department of Corporate and Information Services which provides procurement services, some of which are mandated, to Agencies.

**Contractor:** means a Supplier who has undertaken to provide Supplies under a Contract.

**Contractor Accreditation Limited (CAL):** is a Government sponsored, non-profit company operated by the NT Chamber of Commerce and Master Builders Association to manage a scheme of self-regulation for the building and construction industry.

**Future Tender Opportunities (FTO):** is the advance publication of proposed procurement activity.

**Government:** means the Government of the Northern Territory of Australia and includes Agencies, Government Business Divisions or other emanations of the Crown of the Northern Territory of Australia.

**Government Procurement Framework:** comprises the *Procurement Act*, Procurement Regulations, these Procurement Directions, the Northern Territory Procurement Code and Procurement Circulars.

**Goods and Services Tax (GST):** has the same meaning as in the *A New Tax System (Goods and Services Tax) Act* of the Commonwealth.
Industry Participation Plans (IPP): means a Tenderer’s outline of their best endeavours to build Northern Territory industry participation and foster industry development which is required for all successful Tenders where the estimated value of the requirement is $5 million or greater.

Industry Capability Network (NT) Office (ICN NT): is a Government sponsored private company owned by the Chamber of Commerce NT and Master Builders NT that promotes and supports local Suppliers.

Local Benefit Advisory Panel (LBAP): is a panel of Territorians established by the Minister Responsible for Procurement to provide advice on Local Content and Local Benefit Commitments.

Local Benefit Commitments (LBC): means the commitments and undertakings made by the successful Respondent/Tenderer under the Local Content Assessment Criteria and are incorporated into the contract.

Minister responsible for Procurement: means the Minister allocated responsibility, under the Administrative Arrangements Order, for the Procurement Act.

Northern Territory Public Sector Procurement Capability Strategy: means the procurement capability strategy established by the Agency responsible for Procurement Policy.

Panel Period Contract: means an arrangement under which a number of Suppliers may each provide the same Supply to an Agency in accordance with terms and conditions specified in the contract or deed of standing offer supporting the arrangement.

Percentage Weightings: means the weightings given to Assessment Criteria applicable to each procurement activity, and forms the basis on which calculations to determine the best value for money Quotation/Tender are made.

Period Contract: means a contract for Supplies that is valid for a specified period of time.

Performance Report: means a formal review of contractor performance undertaken by the delegated officer from time to time.

Pre-qualification Process: is a two stage process where in stage one, potential Suppliers are publicly invited to pre-qualify and are assessed in terms of their technical, financial and managerial capacity and capability in relation to the project concerned. In stage two, only those that are pre-qualified are invited to submit a Tender.

Procurement Circulars: issued to Agencies by the Agency responsible for Procurement Policy from time to time to explain and provide further guidance on the principles, practices and procedures to be observed by Agencies in the conduct of their procurement activity.

Procurement Code: means the Northern Territory Procurement Code.

Procurement Directions: means these Directions as issued by the Minister responsible for Procurement under section 11(1) of the Procurement Act.

Procurement Policy: means this policy contained in these Procurement Directions and incorporating the Government Procurement Framework.

Procurement Principles: the five fundamental principles on which the Territory’s procurement policy is based.
Procurement Review Board (PRB): means a Board established by or continued in existence under section 6 of the *Procurement Act*.

Project Specific Procurement Plan (PSPP): means the Agency’s plan for a specific procurement activity developed in accordance with Procurement Direction PO3.

Public Quotation Process: means the procurement process where an Agency requirement for specific Supplies is invited through advertising a Request for Quotation on the Quotations and Tenders Online system.

Public Tender Process: means the procurement process where an Agency requirement for specific Supplies is invited through advertising a Request for Tender on the Quotations and Tenders Online system.

Quotation: means an offer to provide Supplies in Tier One, Tier Two or Tier Three level at a stated or calculated price made in response to a notice given, in writing or orally, to prospective Suppliers inviting offers for Supplies, whether that notice is given publicly or selectively.

Quotations and Tenders Online System (QTOL): means the web-based system that manages publishing Future Tender Opportunities and Request for Quotation/Tender, and provides for the electronic lodgement of Quotations/Tenders through the Quotations and Tenders Online system.

Request for Quotation (RFQ): means the document(s) containing or referring to the Conditions of Quoting and Contract, the Annexure, Special Conditions of Contract (if any), Northern Territory Procurement Code, Scope of Supplies, Response Schedules and any other document issued for the purposes of inviting Quotations for the specific procurement activity.

Request for Tender (RFT): means the document(s) containing or referring to the Conditions of Tendering and Contract, the Annexure, Special Conditions of Contract (if any), Northern Territory Procurement Code, Scope of the Supplies, Response Schedules and any other document issued for the purposes of inviting Tenders for the specific procurement activity.

Requisition: means an Agency authority to procure Supplies.

Respondent: is a Supplier who has submitted a Quotation to provide Supplies to an Agency.

Response Schedules: means the Quotation/Tender Form and all other schedules that make up the Respondents/Tenderers offer for a specific procurement activity request.

Select Quotation Process: means the process where an Agency requirement for specific Supplies is directly issued to selected Suppliers following the issuing of an Approval to Invite Select Quotations or in the case of Tier Two an Approval to Obtain Less than Three Quotes.

Select Tender Process: means the process where an Agency’s requirement for specific Supplies is directly issued to select Suppliers, following the issuing of a Certificate of Exemption from Public Tendering.

Sub-contracting: means the provision of Supplies by another party to a Contractor in order to satisfy particular elements of a Contract.

Supplier: is an organisation or individual capable of providing Supplies.

Supplies: means a requirement of the Agency and includes works, goods or services (including consultancies) provided or to be provided to the Agency.
Tender: means an offer to provide Supplies for Tier Four and Tier Five levels at a stated or calculated price made in response to a notice given, in writing to prospective Suppliers inviting offers for Supplies, whether that notice is given publicly or selectively.

Tenderer: is a Supplier who has submitted a Tender to provide Supplies to an Agency.

Territory Enterprise: an enterprise operating in the Northern Territory, with a significant permanent presence in the Northern Territory and employing Northern Territory residents.

Tier One: means Supplies with an estimated total value of less than $15,000.

Tier Two: means Supplies with an estimated total value of $15,000 but less than $100,000.

Tier Three: means Supplies with an estimated total value of $100,000 but less than $500,000.

Tier Four: means Supplies with an estimated total value of $500,000 but less than $2 million.

Tier Five: means Supplies with an estimated total of $2 million and greater.
# Table of Amendments

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<td>Amended definition of “Industry Participation Plan” to include all projects Tier Five and greater</td>
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<td>Amended definition of “Contract” to clarify can be in different forms</td>
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<td>Amended definition of “Value for Money” to insert the words in lieu of cross reference</td>
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<td>Corrections to ensure consistent use of terminology</td>
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<td>Definitions</td>
<td>Amended definition of Industry Capability Network (NT) Office to reflect name change</td>
<td>1 July 2012</td>
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<td>Added definitions for Agency Purchase Requisition</td>
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<td>ions Online system, Approval to Obtain Less than Three Quotes, Approval to Invite Select Quotation, Assessment Panel, Delegated Officer, Percentage Weightings, Project Specific Procurement Plan, Quotation(s), Response Schedules and Quotations and Tenders Online system</td>
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<td>This consolidates terms defined in individual Directions as they are terms commonly used throughout the Procurement Directions. In some cases these distinguish lower value terms from those higher value terms already defined</td>
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<td>Corrected definitions for Across Government Contracts, Certificate of Exemption, eLodgement, Panel Period Contracts, Pre-qualification Process, Public and Select Quotations/Tenders, Request for Quotation/Tender and Supply or Supplies</td>
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| Definitions | Formatted for web compatibility  
Replaced definitions of “Agency Procurement Requisition Online System” with “Agency Purchase Requisition Online System”, “Agency Assessment Panel” with “Assessment Panel” and “Certificate of Exemption from Public Tendering” with “Certificate of Exemption”.  
Deleted definitions of Contract Variation, Delegated Officer, eLodgement and Market Testing and removed references to plurals.  
Amended to reflect Buy Local plan – new definition of Territory Enterprise | 15 February 2016                                           |
| Definitions | Amended to reflect the Buy Local Plan – new definitions of the Local Benefit Advisory Panel, Local Benefit Commitments and the Northern Territory Public Sector Procurement Capability Strategy | 18 April 2016                                             |
F4 - Procurement Entities

Statement of Intent

This Procurement Direction details the entities involved in Government procurement activities and includes the purpose and roles of these entities.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Agency Responsible for Procurement Policy

- The Agency responsible for Procurement Policy is the Agency responsible for the Procurement Act under the Administrative Arrangements Order and is responsible for the development, maintenance and administration of Government’s Procurement Framework, including the standard Conditions of Quoting/Tendering and Contract.

- The Agency responsible for Procurement Policy is accountable to the Minister responsible for Procurement and is the first point of contact in relation to queries or issues related to the Government’s Procurement Policy and Government Procurement Framework.

Agencies

- Agencies are solely responsible for procurement activity related to Tier One and Tier Two Supplies.

- Agencies are mandated to use the Agency Purchase Requisitions Online system when procuring Tier Three, Tier Four and Tier Five Supplies (and for record keeping purposes for Tier Two).

- Government Procurement Policy and processes will be adhered to in the procurement of all Supplies.

Contract and Procurement Services (CAPS)

- Contract and Procurement Services provides centralised procurement and quoting/tendering services for all Agencies.

- Agencies will use the Agency Purchase Requisitions Online system and the Quotations and Tenders Online system operated by Contract and Procurement Services for all procurement activity in Tier Three, Tier Four and Tier Five.

- Agencies will also record all procurement activity in Tier Two in the Agency Purchase Requisitions Online system.

Contractor Accreditation Limited (CAL)

- Contractor Accreditation Limited is a Government sponsored, non-profit company operated by the NT Chamber of Commerce and Master Builders Association to manage a scheme of self-regulation for the building and construction industry.
Industry Capability Network (NT) Office (ICN NT)

- Industry Capability Network (NT) Office (ICN NT) is a Government sponsored, private company owned by the Chamber of Commerce NT and Master Builders NT that promotes and supports local Suppliers.

Local Benefit Advisory Panel

- A panel of Territorians established by the Minister responsible for Procurement to provide advice on Local Content and Local Benefits.
- The Local Benefit Advisory Panel will provide advice on the Local Content component of Tender responses where the Tender has an estimated value of $5 million and greater.
- Agencies have a responsibility to notify the Local Benefit Advisory Panel when variations that significantly impact the Local Benefit Commitments are proposed to contracts that were subject to Local Benefit Advisory Panel advice requirements in the tendering stage. The Local Benefit Advisory Panel will provide advice to Accountable Officers on these significant variations.

Procurement Liaison Officer (PLO)

- The Government Procurement Liaison Officer, an independent industry and business contact, is located in the Department of Business.

Procurement Review Board (PRB)

- The Procurement Review Board is a board established under the *Procurement Act* to review Government procurement processes, the functions of which are as set out in the Procurement Regulations and Procurement Direction PR9.
- Agencies have a responsibility to ensure that matters submitted for Procurement Review Board consideration are comprehensive and in sufficient detail to enable Procurement Review Board to make a decision on the process.

Contents

Agency Responsible for Procurement Policy

Agencies

Contract and Procurement Services

Contractor Accreditation Limited

Industry Capability Network (NT) Office

Local Benefit Advisory Panel

Procurement Liaison Officer

Procurement Review Board

Authorities

*Procurement Act*

Procurement Regulations

Administrative Arrangements Order
Agency Responsible for Procurement Policy

F4.1 The Agency responsible for Procurement Policy is the Agency allocated responsibility for the *Procurement Act* under the Administrative Arrangements order.

F4.2 The Agency responsible for Procurement Policy is responsible for the development, maintenance and administration of Government’s Procurement Framework, including the standard Conditions of Quoting, Conditions of Tendering and Conditions of Contract.

F4.3 The Agency responsible for Procurement Policy is accountable to the Minister responsible for Procurement.

F4.4 The Agency responsible for Procurement Policy is the first point of contact in relation to queries or issues related to the Government’s Procurement Framework.

   I. The Agency responsible for Procurement Policy has responsibility for the development of whole of Government Procurement Policy, for consideration by the Minister responsible for Procurement and will issue and provide advice on Government Procurement Policy and processes.

   II. The Agency responsible for Procurement Policy has responsibility for Government’s standard suite of Conditions of Quoting, Conditions of Tendering and Conditions of Contract.

   III. The Agency responsible for Procurement Policy is responsible for administration of the Procurement Framework and related advice.

Agencies

F4.5 Agencies are solely responsible for procurement activity related to Tier One and Tier Two Supplies.

F4.6 Agencies are mandated to use the Agency Purchase Requisitions Online system for recording Tier Two Supplies, including Contract award.

F4.7 Agencies are mandated to use the Agency Purchase Requisitions Online system when procuring Tier Three, Tier Four and Tier Five Supplies.

F4.8 The Accountable Officer is responsible for determining and authorising the procurement method to be used.

   I. Agencies are responsible for all processes associated with procurement activity in Tier One and Tier Two (refer Procurement Directions PR1 and PR2).

   II. Agencies will use the mandated Contract and Procurement Services Agency Purchase Requisitions Online system, for all Tier Three, Tier Four and Tier Five procurement activity.

   III. Agencies will ensure that appropriate procurement planning (including determination of relevant Assessment Criteria and Percentage Weightings) is undertaken before commencing the procurement process. The Agency Accountable Officer determines and authorises the procurement method to be used.
IV. Accountable Officers will ensure Agencies comply with relevant government requirements in relation to their procurement activities. These requirements are outlined in the Procurement Framework.

Contract and Procurement Services (CAPS)

F4.9 Contract and Procurement Services provides centralised procurement and tendering services for all Agencies.

F4.10 Agencies will use Agency Purchase Requisitions Online system for all procurement activity in Tier Three, Tier Four and Tier Five.

F4.11 Agencies will use Agency Purchase Requisitions Online system to record all procurement activity in Tier Two.

I. Under the mandated procurement services, Contract and Procurement Services:

   a. Provides a procurement document production, tendering and contract award service.

   b. Administers period contracts on behalf of Agencies including Across Government Contracts (AGC).

   c. Advertises Future Tender Opportunities.

   d. Advertises, issues, received and closes Quotations and Tenders for Tier Three, Tier Four and Tier Five Supplies.

   e. Checks the admissibility of Quotations and Tenders lodged and provides advice on admissibility to Agencies.

   f. Notifies respondents where inadmissible.

   g. Advises general public and Agencies on the Tender quotation process.

   h. Forwards Quotations and Tenders to Agencies for determination of admissibility and detailed assessment.

   i. Notifies unsuccessful Tenders with details of the award.

   j. Arranges publication of awarded Contracts on the Territory Government website.

II. Agencies may negotiate variations to the Contract and Procurement Service services where they are not mandated within the Procurement Directions.

Contractor Accreditation Limited (CAL)

I. Contractor Accreditation Limited is a not-for-profit company that is operated by the NT Chamber of Commerce and Master Builders Association to manage a scheme of self-regulation for the building and construction industry.

II. Accreditation of Contractors to perform works (that is construction and allied services), provides a basis for industry self-assessment and regulation and fosters confidence and professionalism in local civil, building construction and allied service Contractors.

III. Contractor Accreditation Limited accredits Contractors engaged in the civil, construction and allied service industries to specific levels of technical,
managerial and financial capability. Under the accreditation arrangement, Contractors wishing to be considered for Northern Territory Government work valued at Tier Three or greater within these categories, are assessed by their peers against standard criteria determined by industry and business.

IV. Contractor Accreditation Limited assesses applicants with regard to:
   a. Technical capacity.
   b. Managerial capacity.
   c. Financial capacity.
   d. Past performance.
   e. Local factors.
   f. The Northern Territory Procurement Code.

V. Accreditation is broken down into categories, groups and sub-groups. Contractors may seek accreditation in more than one category/group/sub-group and at specific rating levels.

VI. A rating level is the financial level within a sub-group to which a Contractor is accredited.

VII. Contractors make their own assessment of the categories/group/sub-group which best cover their business operations.

VIII. Contractors not wishing to provide work to the Government are not compelled to apply for accreditation.

IX. Further information can be obtained from the Contractor Accreditation Limited\footnote{http://www.accreditation.com.au/} website.

Industry Capability Network (NT) Office (ICN NT)

I. The Industry Capability Network (NT) Office is an industry-based incorporated association, owned jointly by the Chamber of Commerce Northern Territory and the Master Builders Association of Northern Territory, which promotes and supports local Suppliers.

II. The Industry Capability Network (NT) Office maintains a database, cross-referencing Northern Territory Suppliers, products and services. The Industry Capability Network (NT) Office is also linked into a national database and has access to other Industry Capability Network offices throughout Australia and New Zealand.

III. The Industry Capability Network (NT) Office will be consulted when sourcing Tier One and Tier Two supplies from outside the Northern Territory (refer Procurement Direction PO2).

IV. The Industry Capability Network (NT) Office will provide quarterly reports to the Procurement Review Board on agency consultation.

\footnote{http://www.accreditation.com.au/}
V. The Industry Capability Network (NT) Office may also be utilised as a reference source to determine availability and capacity of local suppliers as part of Agency market testing.

VI. Further information can be obtained from the Industry Capability Network (NT) website. 

Local Benefit Advisory Panel

F4.12 A panel of Territorians established by the Minister responsible for Procurement to provide advice on Local Content and Local Benefit Commitments.

F4.13 The Local Benefit Advisory Panel will provide advice on the Local Content component of Tender responses where the Tender has an estimated value of $5 million and greater.

F4.14 Agencies have a responsibility to notify the Local Benefit Advisory Panel when variations that significantly impact the Local Benefit Commitments are proposed to contracts that were subject to Local Benefit Advisory Panel advice requirements in the tendering stage. The Local Benefit Advisory Panel will provide advice to Accountable Officers on these significant variations.

F4.15 The functions of Local Benefit Advisory Panel are set out in Procurement Direction PR6.

Procurement Liaison Officer (PLO)

I. A Procurement Liaison Officer, who monitors procurement processes, is based in the Department of Business.

II. The Procurement Liaison Officer is an independent contact for industry and business in relation to Government procurement processes and procurement complaints (refer Procurement Direction PO11).

III. The Procurement Liaison Officer’s role includes:

   a. Actively visiting industry associations and businesses to discuss procurement processes and identify any concerns they may have about those processes.

   b. Assisting businesses with the procurement process and working with Agencies to respond quickly to any queries business may have.

   c. Monitoring and tracking procurement complaints and issues, and providing feedback to Agencies and the Agency responsible for Procurement.

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2 http://www.icn.org.au/
Procurement Review Board (PRB)

F4.16 The Procurement Review Board is a board established under the Procurement Act to review Government procurement processes.

F4.17 The functions of the Procurement Review Board are as set out in the Procurement Regulations and Procurement Direction PR9.

F4.18 Agencies have a responsibility to ensure that information submitted to the Procurement Review Board is comprehensive and in sufficient detail to enable Board members to perform their function.

I. The role of the Procurement Review Board is to review Agencies’ adherence to Government’s procurement process by independently reviewing procurement activities undertaken by or on behalf of Government, to ensure that the processes followed comply with Procurement Policy.
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<td>1 July 2012</td>
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F5 - Delegations

Statement of Intent

The *Procurement Act*, Procurement Regulations and Procurement Directions confer powers and functions on certain persons. This Procurement Direction provides information regarding the delegation of powers and functions under the Government Procurement Framework.

Main Features

Section 11 of the *Procurement Act* requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Delegations

- A person on whom a power is conferred or function imposed by the *Procurement Act* may, in writing, delegate those powers and functions to specific persons.
- Delegations under the *Procurement Act* are not to be further delegated.
- A delegated officer is to exercise delegated powers or functions in good faith and in the interests of the Northern Territory.

Contents

Delegations

Authorities

*Procurement Act*
F5.1 A person on whom a power is conferred or functions imposed by the Procurement Act may, in writing, delegate those powers and functions to specific persons.

I. The Procurement Act confers powers and imposes functions exclusively on specific persons (for example the Minister responsible for Procurement and Accountable Officers).

II. These persons may, by instrument in writing, delegate to a person or a person holding, acting or performing the duties of a named office, designation or position, those functions and powers conferred under the Procurement Act. Section 4 of the Procurement Act provides for the delegation of those powers and functions.

III. The delegation of powers and functions allows for the efficient administration of the Government, while maintaining a strong accountability and control environment. In particular, delegations reduce the need for persons, such as the Minister responsible for Procurement and Accountable Officers, to personally attend to all powers and functions conferred on them by the Procurement Act.

IV. The provision of powers or functions to a delegated officer does not prevent the exercise of those powers or the performance of those functions by the person who delegated the power or function. For example, the Minister responsible for Procurement may still exercise a power provided under the Procurement Act, even though the power has been delegated.

F5.2 Authority to issue Certificate of Exemption for Tier Four or Tier Five procurements cannot be delegated.

I. Authority to issue a Certificate of Exemption for Tier Four or Tier Five procurements vests with the Accountable Officer and cannot be further delegated.

II. Authority to issue a Certificate of Exemption for Tier Two or Tier Three procurements may be delegated.

F5.3 Delegations under the Procurement Act are not to be further delegated.

I. Delegations provided under the Procurement Act are specific to the delegated officer and cannot be further delegated (section 46A of the Interpretation Act). For example, where the Minister responsible for Procurement has delegated powers to an Accountable Officer, the Accountable Officer cannot delegate those same powers to another person.

F5.4 A delegated officer must exercise delegated powers or functions in good faith and in the interests of the Northern Territory.

I. For the purposes of the Procurement Act, a delegated power or function is deemed to have been exercised or performed by the person who delegated the power or function. In this regard, a delegated officer is accountable to the person who delegated the power or function. As such, the application of the delegated power or function is to be in writing and needs to be undertaken in good faith, having regard to the interests of the Northern Territory.
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PO1 - Best Value for Money Procurement

Statement of Intent

This Procurement Direction outlines Government’s requirement for Best Value for Money procurement and establishes the minimum Assessment Criteria and Percentage Weightings that will assist achievement of Best Value for Money procurement.

Main Features

Section 11 of the Procurement Act 1995 (NT) requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Best Value for Money

Best Value for Money is the expected outcome of a planned procurement process when all key requirements are considered.

Assessment Method

Assessment will be carried out using a comparative analysis of the weighted scores.

Assessment Criteria

Assessment Criteria which may be applied to Quotations and Tenders:

- Past Performance
- Local Content
- Timeliness
- Capacity
- Innovation
- Scope Specific
- Price

The Assessment Criteria against which Quotations/Tenders will be assessed must be included in all Request for Quotation and Request for Tender documentation.

Contents

Best Value for Money
Assessment Method
Assessment Criteria and Percentage Weightings:

- Past Performance
- Local Content
- Timeliness
• Capacity
• Innovation
• Scope Specific
• Price

Authorities

Procurement Act 1995 (NT).

Procurement Regulations
Best Value for Money

PO1.1 Best Value for Money is the expected outcome of a planned procurement process when all key requirements are considered.

I. Best Value for Money is not a separate assessment criteria but the outcome of a comprehensively planned and appropriately conducted procurement process where all key Government requirements are considered.

II. Best Value for Money is not about selecting the successful Respondent/Tenderer based on price alone. Price is one factor which is taken into consideration in the assessment process.

III. The objectives of achieving Best Value for Money are:
   a. Rigorous assessment process which recognises enhancement of industry and business capabilities in the Northern Territory.
   b. The selection of a preferred Supplier on predetermined Assessment Criteria which would result in the best outcome for Government.
   c. The achievement of broader Government strategic outcomes, including, but not limited to, the enhancement of local business capability and competitiveness.

IV. To achieve Best Value for Money, Agencies need to:
   a. Undertake appropriate planning before commencing procurement activities (refer Procurement Direction PO3).
   b. Accurately and comprehensively define the scope of Supplies to ensure there is no ambiguity in the requirement Government seeks (refer Procurement Direction PO4).
   c. Incorporate Assessment Criteria directly linked to the scope of the requirement which will facilitate assessment of Quotations/Tenders (refer Procurement Direction PO4).
   d. Estimate the value of the requirement taking account of all relevant cost factors to provide a robust benchmark against which Quotations/Tenders can be compared (refer Procurement Direction PO4).
   e. Undertake a procurement process that is open, transparent, competitive and non-discriminatory to ensure that all Suppliers with capacity to deliver the requirement are able to submit an offer.
   f. Assess all eligible Quotations/Tenders with impartiality and fairness based on the predetermined Assessment Criteria (refer Procurement Direction PO8).

Assessment Method

PO1.2 Assessment is to be carried out using a comparative analysis of the scores given to each Quotation/Tender against each weighted criteria.

I. Percentage Weightings totalling 100% are to be allocated to the Assessment Criteria that are applicable to each procurement activity.
II. All conforming Quotations/Tenders are assessed against the Assessment Criteria applicable to the Request for Quotation/Tender and awarded a score in accordance with the predetermined scoring scale and relative to the criteria weighting.

III. A calculation is applied to the scores for each Quotation/Tender and the one with the best value for money score is selected as the preferred Quotation/Tender.

IV. In the case of period contracts or where part offers are to be considered, the “price” used must correspond to the pricing structure allowed for in the Request for Quotation/Tender pricing schedules. This may mean that separate calculations will be necessary for each part offer allowed.

V. Prior to finalising their decision, Assessment Panels may undertake a final validity check of the outcome produced to ensure the result can be justified.

Assessment Criteria and Percentage Weightings

PO1.3 The following Assessment Criteria may be applied to all Quotations and Tenders:

- Past Performance
- Local Content
- Timeliness
- Capacity
- Innovation
- Scope Specific
- Price.
PO1.4 In planning each procurement Agencies must develop Assessment Criteria that are appropriate to the specific procurement activity.

PO1.5 The Response Schedule to each Request for Quotation/Tender must be framed in a logical, clearly articulated, comprehensive manner so as to solicit relevant information that will allow assessment against the Assessment Criteria that are considered appropriate for the specific procurement activity.

PO1.6 All relevant Assessment Criteria against which a specific Quotation/Tender will be assessed are to be included in the Request for Quotation/Tender.

PO1.7 Percentage Weightings are to be applied to Assessment Criteria used in relation to the procurement. The total percentage is to equal one hundred.

PO1.8 A minimum 30% weighting must be allocated to the Assessment Criterion of Local Content.

PO1.9 The Assessment Criterion of Price is to be weighted for Tier Three, Tier Four and Tier Five procurement activity.

PO1.10 Percentage Weightings are to be disclosed for Tier Three, Tier Four and Tier Five Requests for Quotation/Tender documentation.

PO1.11 Accountable Officers (or their delegates) are responsible for determining appropriate weightings on price and non-price criteria on a case by case basis for each procurement activity (refer Procurement Direction PO4).

I. The Percentage Weighting allocated to each Assessment Criterion will differ depending on the Agency’s specific requirements (for example importance/complexity/risk) in relation to each procurement activity.

II. Assessment Criteria not considered relevant to a procurement activity may be set to zero weighting (except Local Content) when recorded in the Agency Purchase Requisitions Online system.

Past Performance

III. A Respondent’s/Tenderer’s previous performance can be informed by Contractor Performance Reports or Referee Reports.

IV. When considering the Percentage Weighting to be applied to the Assessment Criterion of Past Performance, the following may be relevant and weighted and scored accordingly:

a. Standard of work – was previous work at the standard expected and contracted for?

b. Product quality – was the quality of previous products at the standard expected and contracted for?

c. Project delivery – has the Respondent/Tenderer successfully completed work of a similar nature and size in the past?
d. *Extent of Contractor supervision required* – did the Respondent/Tenderer require a high level of supervision in the past?

e. *Performance history* – extent to which the Contractor delivered on claims made in previous Tender documents (for example use of local suppliers and sub-contractors, jobs for Territorians and Indigenous opportunities provided).

f. *Previous disputes and claims* – does the Respondent/Tenderer have a good history regarding resolution of disputes and claims?

g. *References* (including Contractor Accreditation Limited if applicable) – what are the views of other parties who have previously contracted with the Respondent/Tenderer, and would they recommend the Respondent/Tenderer for the purpose of this Contract?

h. *Safe and fair workplace record* – has the Respondent/Tenderer adhered to relevant workplace and occupational health and safety laws and regulations?

i. *Local Benefits* – consideration of any advantage, relevant to this criterion, as a result of local presence, local supply chain, local sub-contractor network base and local environmental knowledge.

### Local Content

V. A minimum 30% weighting must be allocated to the Assessment Criterion of Local Content.

VI. Enhancing the capability of business and industry in the Northern Territory is one of the Government’s five Procurement Principles which requires a minimum 30% of the Assessment Criteria be allocated in a way that enhances capacity building of business in the Northern Territory. The degree to which this assessment criterion is relevant will vary between supplies.

VII. When considering the Percentage Weighting to be applied to the Assessment Criterion of Local Content, the following may be relevant and weighted and scored accordingly:

a. *Enhancement of industry and business capability in the Northern Territory* – the extent to which the offer will improve the Northern Territory business environment and subsequent benefits to Northern Territory consumers.

b. *Improved capacity and quality in supply and service response* – for example improved practices and training or a local presence.

c. *Accredited training programs supported by the Respondent/Tenderer.*

d. *Proposed level of usage of apprentices and trainees.*

e. *Proposed number of jobs for Territorians* – this may have a specific focus on the employment of Indigenous Territorians or persons residing in the region of the Supplies.

f. *Proposed level of usage of local Indigenous enterprise.*

g. *Regional development opportunities.*
h. Northern Territory research and development being undertaken or proposed.

Timeliness

VIII. The importance of Timeliness will vary significantly between Supplies. In many cases, Timeliness can be directly related to the requirement for a local presence or local industry capacity.

IX. A lack of planning, resulting in increased urgency of supply, will not justify increased weighting applied to this category of Assessment Criteria.

X. When considering the Percentage Weighting to be applied to the Assessment Criterion of Timeliness, the following may be relevant and weighted and scored accordingly:

a. Completion/delivery time offered – being available immediately may be an overriding factor in some instances. In other instances, when the Supplies can be completed/delivered may not be as important. Agencies need to consider the operational and financial effects of a delayed completion/delivery of Supplies in determining the importance of timing.

b. Length or vulnerability of the supply chain – whether this is important or relevant will depend on the nature of the Supplies.

c. Compliance with timeframes sought by Government – this needs to be considered with the timing requirements of the Agency and evaluated accordingly.

d. Local Benefits – consideration of any advantage, relevant to this criterion, as a result of local presence, local supply chain, local sub-contractor network base and local environmental knowledge.

Capacity

XI. The Capacity of Suppliers to deliver supplies is critical in every assessment.

XII. When considering the Percentage Weighting to be applied to the Assessment Criterion for Capacity, the following may be relevant, and weighted and scored accordingly:

a. Ability to carry out the works, perform services or supply products – this relates to the experience of the Respondent/Tenderer and the personnel nominated to undertake the procurement activity in accordance with the Contract and could include:

   i. demonstrated managerial expertise
   ii. technical expertise
   iii. knowledge of best practice methods or products
   iv. use of performance/quality/workplace health and safety management systems/processes in relation to the proposed Contract.

   The extent to which this is important depends on the nature of the procurement activity.
b. **Number and value of Contracts in progress** – the number and value of Contracts the Respondent/Tenderer already has in progress relative to the resources of the Respondent/Tenderer will be an indication of the Respondent's/Tenderer’s physical capacity to deliver the Supplies according to requirements.

c. **Contractor Accreditation Limited accreditation** – this may be applicable in construction and some service contracts for Tier Three and above procurements.

d. **Legal action pending** – this may be an indication of the Respondent's/Tenderer’s ability to provide the Supplies according to requirements.

e. **Financial capacity** – the extent to which this is important depends on the nature of the procurement activity and is directly related to the value of the Contracts already in progress by the Respondent/Tenderer. Financial capacity is important where it can affect the successful completion of the Quotation/Tender.

f. **Local Benefits** – consideration of any advantage, relevant to this criterion, as a result of local presence, local supply chain, local sub-contractor network base and local environmental knowledge.

**Innovation**

XIII. Where an Agency seeks Innovation it should be aware that the method or solution offered may constitute an alternative offer. The Agency needs to ensure that the Request for Quotation/Tender allows for alternative Quotations/Tenders to be submitted.

XIV. Agencies need to structure Quotation/Tender Assessment Criteria and processes to consider Alternative Quotations/Tenders wherever possible.

XV. When considering the Percentage Weighting to be applied to the Assessment Criterion for Innovation, the following may be relevant and weighted and scored accordingly:

a. **New technology** – Agencies may be aware of this from market testing conducted and have built this into their definition of the Supplies required. There is also potential for Respondents/Tenderers to respond with "leading edge" technology.

b. **Alternative solutions** – Agencies may be aware of this from market testing. Respondents/Tenderers should be encouraged to respond with innovative solutions that would still achieve the same outcome.

c. **Local Benefits** – consideration of any advantage, relevant to this criterion, as a result of local presence, local supply chain, local sub-contractor network base and local environmental knowledge.

**Scope Specific**

XVI. Scope Specific Criteria are those criteria that are considered relevant to the nature of the Supplies.

XVII. When considering the Percentage Weighting to be applied to the Assessment Criterion for Scope Specific, the following may be relevant, and weighted and scored accordingly:

a. **Environmental requirements** - particular Supplies require consideration of environmental issues or requirements and may include, but are not limited to:
i. Environmental impact during manufacture, use and disposal of the Supplies.

ii. Respondent's/Tenderer's evidence of environmental management plans, practices or systems and compliance with ISO14001 requirements.

iii. Sustainability – examples include:
   - Use of renewable resources such as timber sourced from plantations and managed forests.
   - Use of recycled or recovered materials.
   - Product reusability, recyclability and durability.
   - Energy, water and fuel efficiency and consumption.

b. **Technical requirements** - Respondents/Tenders may be called whereby the Supplies being offered must meet specific technical requirements (for example Australian Standards).

c. **Specific experience and expertise** - Certain classes of Supplies (for example consultancies) require Respondents/Tenderers to provide details of the experience and expertise of the resources offered for the procurement activity in order that an informed assessment can be undertaken as to the relevance of the experience and expertise to the project.

d. **Local Benefits** – consideration of any advantage, relevant to this criterion, as a result of local presence, local supply chain, local sub-contractor network base and local environmental knowledge.

**Price**

XVIII. Agencies must allocate an explicit weighting to price for all procurement at Tier Three and above.

XIX. Agencies may assess price on the basis of upfront costs only, or on a combination of upfront costs and through-life costs.

XX. In determining through-life costs, Agencies need to consider whether costs of operation and/or internal implementation costs should be taken into account as part of the evaluation. Internal implementation costs may differ significantly between Respondents/Tenderers depending on the solution being offered.

XXI. When considering the Percentage Weighting to be applied to the Assessment Criterion for Price, the following may be relevant:

a. Upfront costs.

b. Through-life costs may be relevant for particular Supplies such as equipment/machinery which requires regular servicing or upgrading (for example photocopiers, computer hardware, software licence arrangements, property leases, etc).

When considering through-life costs for Supplies, provision must be made in any schedule of pricing for the Respondent/Tenderer to
submit prices to allow comparative Net Present Value (NPV) analysis of the Tenders received.

Factors such as the following may be relevant:

i. Costs of training Agency staff, operating and/or maintaining/servicing the Supplies over a specific time.

ii. Costs of upgrades to the Supplies.

iii. Warranties – cost and life of any extended warranties offered are relevant in many cases.

iv. Costs associated with transition in/out or implementation from one Supplier to another and may include, for example, new equipment, new systems, new leased premises, etc.

c. Any other factors that might impact directly on costs to the Government.
### Table of Amendments

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<tr>
<td>General</td>
<td>Amend the application of Assessment Criteria to ensure it can be directly linked to the scope of Supplies to facilitate procurement outcomes</td>
<td>30 March 2009</td>
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<td>General</td>
<td>Amended to reflect new Tier levels and Quotation requirements</td>
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<tr>
<td>General</td>
<td>Corrected references to Industry Capability Network (NT) Office to reflect name change</td>
<td>1 July 2012</td>
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<td>Amendments to remove the use of acronyms in the Directions and maintain consistency in the use of defined terminology</td>
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<tr>
<td>General</td>
<td>Removed duplication of the Direction in the following explanations</td>
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<tr>
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<td>Introduced a sixth Procurement Tier</td>
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<td>PO1.2</td>
<td>Added new Direction – Assessment Method covering the explanation and treatment of weighting price in assessments (this has resulted in consequential adjustments to Direction numbering)</td>
<td>1 July 2012</td>
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<td>PO1.9 – PO1.10</td>
<td>Applying explicit weighting on price and mandatory minimum 20% weighting for local development and value adding assessment criterion</td>
<td>1 July 2012</td>
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<td>PO1.12 – PO1.15</td>
<td>Disclosure of Assessment Criteria Percentage Weightings for all procurement activity from Tier Three and greater (that is $50 000+)</td>
<td>1 July 2012</td>
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<td>Assessment Criteria</td>
<td>Changed criterion of “Whole of Life Costs” to “Price”</td>
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<td>1 July 2012</td>
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<tr>
<td>General</td>
<td>Formatted for WCAG2.0 accessibility – changes to formatting, spelling, grammar and punctuation</td>
<td>1 January 2013</td>
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<td>PO1.14 XIX</td>
<td>Inserted to clarify the requirements for weighting Price</td>
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<tr>
<td>General</td>
<td>Formatted for web compatibility. Amended to reflect Buy Local plan - substituted “Local Development and Value Adding” with “Local Content” and increased minimum assessment weighting for Local Content to 25%.</td>
<td>15 February 2016</td>
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<td>General</td>
<td>Amended to reflect the Buy Local Plan – introduction of local benefit considerations in all Assessment Criteria</td>
<td>18 April 2016</td>
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<td>Amended to reflect Buy Local plan - increased minimum assessment weighting for Local Content to 30%.</td>
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PO2 - Procurement Methods

Statement of Intent

This Procurement Direction details the different procurement methods that are available to Agencies.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Procurement Methods

- The Government uses four methods for obtaining Supplies:
  1. Direct Purchase.
  4. Existing Contracts.

- Agencies will select the appropriate procurement method in accordance with this Direction.

- If there is a significant demonstrable benefit to use an alternative procurement method the Agency must obtain the approval of the Accountable Officer to use the alternative method.

Regional Councils

- Agencies will ensure that Regional Councils that are willing and able and have the capacity to undertake works or services within their Council Area with a minimum of thirty percent Indigenous employment are provided adequate opportunity to do so.

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Tier One and Tier Two Select Quotation Process
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  - Across Government Contracts
  - Agency Specific Period Contracts
  - Other Government Period Contracts
Panel Period Contracts
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Authorities

*Procurement Act*

Procurement Regulations
Tier One and Tier Two Select Quotation Process

**PO2.1** Agencies may obtain one written Quotation for Tier One Supplies. This must include an invitation to a Territory Enterprise to provide a Quotation.

**PO2.2** An Agency may purchase Tier One Supplies locally without obtaining a quote where the Supplies are freely available.
   I. Supplies that are freely available include “off the shelf” and low risk or complexity items.

**PO2.3** Agencies will invite a minimum of three written Quotations for Tier Two Supplies, including at least one Territory Enterprise, unless there is significant demonstrable benefit in obtaining a lesser a number.
   I. Agencies shall ensure processes used to conduct Tier One and Tier Two procurement activity demonstrate competition and provide Best Value for Money outcomes with as little administrative cost or inconvenience as possible.
   II. Seeking responses from a range of Respondents, including at least one Territory Enterprise, will assist in ensuring that the procurement process remains competitive and demonstrates commitment to the Government’s Procurement Principles, particularly Best Value for Money, Open and Effective Competition, and Enhancing the Capabilities of Local Business and Industry.
   III. Agency processes need to cover:
      a. Reasons for the selection of a Supplier(s) to submit a Quotation(s) (regard should be given to the number of available Suppliers).
      b. Consideration of Territory Enterprises.
      c. Where competitive Quotations have been obtained, details of the assessment undertaken need to be recorded.

**PO2.4** Where an Agency seeks to invite less than the minimum of three written Quotations for Tier Two Supplies, a Certificate of Exemption must be granted by the Accountable Officer prior to procurement action commencing.
   I. Full justification is to be documented in each instance including consideration given to the number of available Suppliers.
   II. All approval documents are to be held with the procurement papers as part of the procurement audit trail.

**PO 2.5** Where an Agency determines that there are no Territory Enterprises capable of providing the Supply, the Agency may procure the Supply without having sought a quote from a Territory Enterprise:
   I. with the approval of the Accountable Officer; or
   II. where the class of supply is included in the standing exemption from the requirement to invite at least one Territory Enterprise to quote for Tier One or Tier Two supplies (refer Procurement Direction PR8 Attachment 2).
PO2.6 The Industry Capability Network (NT) Office will be consulted prior to an Agency sourcing Quotations for Tier One and Tier Two procurement activity outside the Northern Territory.

I. Local Suppliers will be given every opportunity to submit Quotations/Tenders for Government Supplies. Agencies may consult with the Industry Capability Network (NT) Office to identify potential Suppliers within the Northern Territory capable of providing the Supplies.

II. Consultation with the Industry Capability Network (NT) Office is not required when sourcing Supplies from outside the Northern Territory when those Supplies are listed under a standing exemption (refer Procurement Direction PR8 Attachment 2).

Public Quotation/Tender Process

PO2.7 Agencies will use a Public Quotation Process for Tier Three Supplies, unless there is significant demonstrable benefit in using a Select Quotation Process.

PO2.8 Agencies will use a Public Tender Process for Tier Four and Tier Five Supplies, unless there is significant demonstrable benefit in using a Select Tender Process.

I. A Public Quotation/Tender Process is the preferred method of acquiring Supplies and involves a Request for Quotation/Tender being publicly advertised.

II. A Public Quotation/Tender Process ensures that Suppliers are aware of the Government’s requirement for particular Supplies and provides an opportunity to tender for the Supply requirement.

III. A Public Quotation/Tender Process demonstrates commitment to the Government’s Procurement Principles, particularly Best Value for Money, Open and Effective Competition, and Enhancing the Capabilities of Local Business and Industry.

IV. All approval documents are to be held with the procurement papers as part of the procurement audit trail.

Prequalification Process

PO2.9 Agencies will obtain Accountable Officer approval at the end of each stage, as well as prior progressing to the next stage, of a Prequalification Process for Tier Five Supplies.

I. In certain situations, a Public Tender Process could involve a two stage process, commonly referred to as a Pre-qualification Process. A Prequalification Process is appropriate where Government requirements are complex and responding to detailed assessment criteria may be costly and resource intensive for Suppliers.

II. In stage one of a Pre-qualification Process Tenderers demonstrate compliance with Assessment Criteria based on elements such as experience, qualifications, financials, managerial capacity and competence. In the second stage, Tenderers who have been shortlisted in stage one are invited to respond to a detailed Request for Tender against Assessment
Criteria based on elements such as specific technical requirements, timeliness and price.

III. Although potentially a more lengthy process, the Prequalification Process could be more efficient from an industry and business perspective as Suppliers do not need to expend significant resources preparing a stage one submission.

Select Quotation/Tender Process

PO2.10 Select Quotation/Tender Processes may be used where it can be demonstrated to have significant benefit to Government and Suppliers (refer Procurement Regulations 8).

I. Under a Select Quotation/Tender Process a Request for Quotation/Tender document is made available to a select list of Suppliers. In certain cases, it may be that only a sole Supplier is invited to submit a Quotation/Tender.

II. While the preferred procurement method is through a Public Quotation/Tender Process, the Select Quotation/Tender Process may be justified in some circumstances, including the following:

   a. The Supplies are required urgently in an emergency situation (for example where life, property or equipment are at immediate risk or standards of public health, welfare, security or safety have to be re-established without delay), or where there is an urgent request from a Minister (although urgency alone is not a valid reason where an Agency has failed to plan properly).

   b. The nature of the Supplies necessitates confidentiality.

   c. The required Supplies are available from a limited or single source (for example standardised Supplies, compatibility with existing Supplies, availability restrictions, warranty stipulation or restricted access, patent or copyright restrictions or specific accreditation, certification or qualifications are required to undertake the Supply), and a Public Quotation/Tender Process unreasonably puts Suppliers that would be unable to meet the special circumstances to unnecessary cost.

   d. Standardisation of Supplies, where it can be demonstrated that a similar product will not operate within the current system or that standardisation will lead to significant cost benefits and efficiencies in operation.

   e. Where a Public Quotation/Tender Process has resulted in no admissible Quotations/Tenders being received.

   f. There are warranty, patent or copyright considerations that limit the number of Suppliers.

   g. Supplies are required within a Regional Council Area and it has been established that the Regional Council is capable of undertaking the work with a minimum of thirty percent Indigenous employment.

III. All approval documents are to be held with the procurement papers as part of the procurement audit trail.
PO2.11 Prior to commencing a Select Quotation or Tier Four Select Tender Process, the Agency will obtain a Certificate Exemption from the Accountable Officer.

PO2.12 Prior to commencing a Tier Five Select Tender Process, the Agency will obtain a Certificate of Exemption from the Accountable Officer and approval of the Agency Minister.

PO2.13 A Certificate of Exemption means that Agencies are exempted from the need to publicly advertise for a specific procurement activity. Agencies are still required to adhere to all other procurement processes.

PO2.14 Where a Select Quotation/Tender Process is used, Agencies will ensure that the process is competitive.

I. There is no minimum number of Suppliers who can be invited to participate in a Select Quotation/Tender Process however regard should be given to the number of available Suppliers.

II. Seeking responses from a broad range of Respondents/Tenderers will assist in ensuring that the procurement process remains competitive, and demonstrate commitment to the Government Procurement Principles of Open and Effective Competition and Best Value for Money.

III. Agencies may contact the Industry Capability Network (NT) Office to ensure that potential Suppliers are not overlooked.

Standing Exemption from Public Quotation/Tender Process

PO2.15 Approval has been given by the Minister responsible for Procurement for certain classes of Supplies to be exempt from the requirement to undertake a Public Quotation/Tender Process (refer Procurement Direction PR8 Attachment 1).

I. These Supplies may be sourced without the requirement for a Certificate of Exemption from Public Tendering.

II. This exemption only permits the Agency to seek Quotations/Tenders from identified Suppliers without the need for a public invitation. Agencies are still required to adhere to all other procurement processes.

Period Contracts

PO2.16 Period Contracts must not be for a term in excess of three years unless Accountable Officer approval is obtained prior to commencing the procurement activity.

PO2.17 Where a Period Contract is to be established, the Request for Quotation/Tender is to clearly set out the term of the Period Contract.

I. Period Contracts are Contracts spanning a period of time which have been arranged for convenience and economic considerations, giving Contractors a reasonably assured, or in some circumstances guaranteed, volume of business during the Contract period.
II. Period Contracts may result from a Public Tender or Select Tender process and are appropriate for Supplies which are regularly required and conform closely to commercial standards.

III. Period Contracts may be established as:
   a. Standing offer: These are continuing offers to provide Supplies. Although estimated requirements are provided, Government does not bind itself to any specific quantity. The Period Contract establishes the prices/rates and conditions under which Supplies will be provided, if required, over the contract period.
   b. Exclusive or binding offer: These are where Government binds the Contractor to provide set requirements. The Period Contract establishes the prices/rates and conditions under which Supplies will be provided, over the period of the contract.
   c. Combination of both: These have elements of both of the above. Government will require set requirements to be provided and also allow for requirements to be obtained as and when required.

IV. Period Contracts may be with:
   a. A single Supplier providing specified Supplies.
   b. Multiple Suppliers each providing different Supplies.
   c. A panel of Suppliers or groups of Suppliers each providing for the same Supplies.

V. Where there is justification to do so, the maximum period of three years may be offered in a one or two-year fixed term/s, with (an) option/s to extend up to the maximum term of three years.

Existing and Other Government Period Contracts

Across Government Contracts

PO2.18 Where Supplies are available under an existing Across Government Contract, to which Government is a party, the Supplies will be obtained under that Contract unless otherwise approved by the Accountable Officer.

I. Across Government Contracts are established to introduce a more open and transparent procurement process. A large number of small ad hoc purchases are aggregated and subjected to a planned and more rigorous procurement process following which a Supplier or a panel of Suppliers is established.

II. Elements which could be considered in the decision as to whether an Across Government Contract would be appropriate are:
   a. Supplies are required in large volumes and/or high frequency.
   b. Negotiation leverage would be substantially enhanced by aggregating Government demand for the Supplies.
   c. Supplies requirement can be specified simply and in a widely understood manner.
   d. Supplies are required by multiple Agencies.
**Procurement Direction PO2 (Procurement Methods)**

**e.** Whether an Across Government Contract will adversely impact Government’s commitment to ensuring local industry and business is given adequate opportunity to compete for Government business.

**f.** Implications for conversion involving changeover from existing systems.

**g.** Whether Supplies can be sourced using Government’s standard contract terms.

**h.** If a single Supplier is likely, what is the risk of assigning Government’s Supplies to one Supplier, and has the Supplier sufficient capacity to sustain quality and service standards.

**III.** Where an Accountable Officer approves an Agency purchasing outside an existing Across Government Contract, the Agency will advise the Agency responsible for the Across Government Contract of the purchase and the reasons for the use of an alternative Supplier.

**PO2.19** Where a category of supply is coordinated on behalf of whole of Government by a mandated service provider, Agencies will utilise the service provider unless otherwise approved by the Accountable Officer responsible for the service provision.

**I.** Some categories of Supplies are coordinated across Government by a mandated service provider.

**II.** The benefit of this approach is the introduction of consistency, and professional oversight to specific classes of Supply.

**Agency Specific Period Contracts**

**PO2.20** Where Supplies are available to an Agency under an existing Agency Specific Period Contract, that Agency is to obtain all Supplies under that Contract in accordance with the terms and conditions of the Period Contract.

**I.** An Agency Specific Period Contract is a Contract for specific Supplies which are established by an Agency or a group of Agencies. These Contracts may be established by region.

**PO2.21** Where Supplies are available to an Agency under an existing Agency Specific Period Contract, another Agency may use that Period Contract with prior approval from the Accountable Officers of both Agencies and the Contractor.

**I.** An Agency Specific Period Contract is established based on the scope of Supplies as determined when the Agency Specific Period Contract was established. At that stage, the level of other Agency utilisation of the Agency Specific Period Contract would not have been considered. Careful consideration will therefore need to be given to an Agency, which is not a party to the Contract, utilising an Agency Specific Period Contract.

**II.** Where an Agency seeks to access an Agency Specific Period Contract to which it is not a party, the Agency will need to consider the terms and conditions establishing the Agency Specific Period Contract in terms of suitability.

**III.** An Agency seeking to access an Agency Specific Period Contract to which it is not a party, should obtain the approval of the sponsor Agency’s Accountable Officer before seeking the agreement of the Contractor.
Other Government Period Contracts

PO2.22 Where Supplies are available under an existing Period Contract of the Federal Government, a State or another Territory, Procurement Review Board approval is required before an Agency is able to obtain Supplies in accordance with that Contract.

Panel Period Contracts

PO2.23 Accountable Officer approval is required prior to a specific Contract being awarded to a panel provider under a Panel Period Contract where the contract value will be equivalent to the Tier Five procurement threshold.

Regional Councils

PO2.24 Agencies will ensure that Regional Councils that are willing and able and have the capacity to undertake works or services within their Council Area with a minimum of thirty percent Indigenous employment are provided adequate opportunity to do so.

PO2.25 The selection of a Regional Council to undertake works or services at Tier Three, Tier Four or Tier Five within their Council Area is conditional on an Agency obtaining all necessary approvals for Select Quotation/Tender Processes.

PO2.26 Regionals Councils submitting Quotations/Tenders for NT Government requirements must submit competitively neutral bids (refer Procurement Direction PO13).

I. The Government has endorsed a policy that aims to ensure that Regional Councils have the opportunity to undertake work within their respective Council Areas where a minimum of thirty percent Indigenous employment outcomes can be achieved.

II. Regional Councils are required to register their capability and capacity to perform works or services by registering with the Industry Capability Network (NT) Office and maintain their profile data.

III. In all cases, during the planning, design and documentation of the works or services, Agencies will give consideration to maximising Regional Council involvement in the project and confirm their capability and capacity with the Industry Capability Network (NT) Office.

IV. Where an Agency has identified works or services required within a Regional Council Area that are considered capable of being delivered by that Regional Council, and a minimum achievement of thirty percent of employment for the works or services is Indigenous, the Agency will obtain approval to invite Select Quotations/Tenders by obtaining a Certificate of Exemption from Public Tendering prior to obtaining a Quotation/Tender from that Regional Council.

V. Regional Councils cannot sub-contract the entire works or services contracted to it by an Agency.
VI. Regional Councils may sub-contract work where skilled or licensed labour is not readily available through the Regional Council resources (for example licensed electrician, plumber, etc.).

VII. Regional Councils and any sub-contractors must have appropriate levels of accreditation from Contractor Accreditation Limited where the works or services fall within an applicable accreditation category/group/sub-group (refer Procurement Direction PO4).
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<tr>
<td>General</td>
<td>Amended to reflect new Tier levels and Quotation requirements</td>
<td>30 March 2009</td>
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<tr>
<td>PO2.17</td>
<td>Amended to distinguish that PRB approval only required for Panel Period Contract arrangements with no rates</td>
<td>19 October 2009</td>
</tr>
<tr>
<td>2.6 IV (f)</td>
<td>Replaced Indigenous Communities Organisations undertaking work in Indigenous Communities with Regional Councils using 30% Indigenous employment</td>
<td>1 July 2010</td>
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| PO2.18 – PO2.21 | Removed all provisions for Indigenous Community Organisations  
Introduced provisions for Regional Councils                                                                                      | 1 July 2010    |
| General   | Corrected references to Industry Capability Network (NT) Office to reflect name change  
Amended to remove the use of acronyms in the Directions and maintain consistency in the use of defined terminology  
Introduced a sixth Procurement Tier  
Removed duplication of the Direction in following explanations                                                                 | 1 July 2012    |
| PO2.3 and PO2.12 | Added as Direction formally stated as following explanations only (this has resulted in consequential adjustments to Direction numbering)                                                                 | 1 July 2012    |
| PO2.13 – PO2.14 | Period Contracts clarified explanations                                                                                                          | 1 July 2012    |
| Page 2    | Standing Exemptions from Public Quotation/Tender Process replaced incorrect reference to PR7 with PR8                                                                                   | 1 September 2012|
| PO2.9     | Included requirements for Tier Four Selected Tenders to be approved by PRB and Agency Minister                                                                                                    | 1 September 2012|
| PO2.12    | Replaced incorrect reference to PR7 with PR8                                                                                                                                                    | 1 September 2012|
| General   | Formatted for WCAG2.0 accessibility – changes to formatting, spelling, grammar and punctuation                                                                                                  | 1 January 2013 |
| Page 1    | Corrected the 2nd dot point in Select Quotation/Tender Process by removing the reference to Tier 2                                                                                                  | 1 February 2013|
| General   | Amended to reflect Procurement Reforms changes                                                                                                                                                    | 1 July 2014    |
## Table of Amendments

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<tr>
<td>General</td>
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<td>15 February 2016</td>
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<tr>
<td>PO2.1, 2.2, 2.3 and 2.5</td>
<td>Amended to reflect Buy Local plan – mandatory requirement to invite a quote from a Territory Enterprise for Tier 1 and 2 Supplies. New PO 2.5 provides an exemption mechanism.</td>
<td>15 February 2016</td>
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<tr>
<td>PO2.2, PO2.5 &amp; PO2.10</td>
<td>Minor amendments to ensure clarity of Territory Enterprise requirements</td>
<td>18 April 2016</td>
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PO3 - Procurement Planning

Statement of Intent

This Procurement Direction outlines Agency procurement planning requirements.

Main Features

Section 11 of the *Procurement Act 1995 (NT)* requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Strategic Procurement Planning

- Agencies will incorporate procurement requirements and processes into strategic planning at the corporate level.
- Agencies will produce a five year Agency Procurement Management Plan on an annual basis.
- Agency Procurement Management Plans will be submitted to the Procurement Review Board for review.

Project Specific Procurement Planning

- Agencies will undertake appropriate planning before commencing project specific procurement activities.
- Project Specific Procurement Plans must be approved by the Accountable Officer for Tier Three, Tier Four and Tier Five procurement activities.
- Agency Project Specific Procurement planning is to be undertaken in accordance with the procurement requirements outlined in the Government Procurement Framework.
- In their specific procurement activity planning, Agencies can access the Industry Capability Network (NT) Office as a resource to identify potential Suppliers within the Northern Territory capable of providing the Supplies.

Future Tender Opportunities

- Future Tender Opportunities are required to be published by Contract and Procurement Services to provide advance notice to industry and business of proposed procurement activities.
- Agencies will forward details of all proposed Tier Four and Tier Five procurement activities to Contract and Procurement Services in sufficient time to enable publishing of the Future Tender Opportunities advice a minimum of two months prior to the Request for Tender being issued.

Contents

- Strategic Procurement Planning
- Project Specific Procurement Planning
- Future Tender Opportunities
Authorities

*Procurement Act 1995 (NT)*

Procurement Regulations
Strategic Procurement Planning

PO3.1 Agencies will incorporate procurement requirements and processes into strategic planning at the corporate level.

PO3.2 Agencies will produce, on an annual basis, a five year Agency Procurement Management Plan that is approved by the Accountable Officer.

I. Procurement planning will be incorporated into the Agency’s planning cycle in a coordinated manner in a similar way to other corporate plans, as each area of planning influences the other.

II. As part of strategic procurement planning, the Agency Procurement Management Plan sets out the Agency’s strategies for improving their procurement procedures and for ensuring the Agency’s procurement related expenditure is well managed.

III. An Agency Procurement Management Plan should clearly assign responsibility within each Agency for:

   a. Facilitation of improved competency in procurement functions; and
   b. Monitoring and reporting on procurement processes, including any areas of improvement or deterioration.

IV. An Agency Procurement Management Plan will detail:

   a. Significant procurement activity planned for the next five years.
   b. Significant procurement activity planned for the next 12 months including the purpose, region, estimated release date, proposed procurement method and estimated value.
   c. Agency’s consideration of ways to maximise local benefits in undertaking procurement activities.

V. An Agency Procurement Management Plan should detail:

   a. Reporting performance against procurement activities, including significant departures from the Agency Procurement Management Plan of previous years.
   b. Relevant decision making structures including delegations.
   c. Both planned and actual procurement-related training, organisational learning and development that aligns with the Northern Territory Public Sector Procurement Capability Strategy.
   d. Relevant systems support.
   e. Supplier engagement strategies.
   f. Relevant risk management arrangements.
   g. Contract management arrangements.

VI. Agencies need to develop a good understanding of their procurement expenditure profiles, key supply markets, local supply markets and the
position of the Agency within these markets, the Agency’s procurement organisation, systems, procedures and staff capabilities.

PO3.3 Agency Procurement Management Plans will be submitted to the Procurement Review Board for review by 1 September each year.

PO3.4 The Agency responsible for Procurement Policy may review Agency Procurement Management Plans to ensure compliance with these Procurement Directions.

PO3.5 The Agency responsible for Procurement Policy will publish each Agency’s significant procurement activities for the next 12 months on a regular basis.

I. The Agency responsible for Procurement Policy will consult with Agencies regarding the advertising of procurement activities which are subject to confidentiality requirements or of a sensitive nature.

Project Specific Procurement Planning

PO3.6 Agencies will undertake appropriate planning before commencing a specific procurement activity.

PO3.7 Project Specific Procurement Plans are to be approved by the Accountable Officer for all Tier Three, Tier Four and Tier Five procurement activities.

PO3.8 Project Specific Procurement planning will be undertaken in accordance with the procurement requirements outlined in the Government Procurement Framework.

I. Procurement planning is critical to achieving effective procurement outcomes by assisting Agencies to better understand the specific procurement activity to be undertaken.

II. Important elements to be considered in developing the Project Specific Procurement Plan will include:

a. Investigations into local market capability and capacity of local industry and business to meet Supply requirements – this could be done by way of market testing or a request for information arrangement.

b. Accurately and comprehensively defining the scope of Supplies, including consideration of longer term Agency requirements (particularly for Supplies which are not consumables and which are expected to be used over an extended period of time), and timeframes for completion/delivery (including length and vulnerability of supply chain).

c. Identification of local benefit opportunities specific to the procurement activity.

d. Establishing Assessment Criteria and allocating associated Percentage Weightings that clearly reflect Best Value for Money outcomes (refer Procurement Direction PO1).
e. Establishing Assessment Criteria questions that are relevant and specific to the procurement activity to elicit sufficient information from Respondents/Tenderers to complete an evaluation.

f. Estimating the cost of the Supply, which includes consideration of direct costs, indirect costs and ongoing costs over the life of the Supply.

g. Identifying Northern Territory industry, business and commercial capacity to deliver the Supplies (in part through the Industry Capability Network (NT) Office), including opportunities to enhance skill levels of the Northern Territory workforce, job creation, and retention of jobs in the Northern Territory.

h. Potential for Regional Council involvement in the project (refer Procurement Direction PO2.22).

i. Identifying the appropriate procurement method to be used.

j. Identifying timeframes for the various stages of the procurement activity.

k. Identifying the procurement outcomes intended to be achieved.

l. Defining contract management performance indicators, benchmarks, targets or milestones to assess the success and performance of proposed Contractor(s) including consideration of Local Benefit Commitment reporting (refer Procurement Direction PO12.3).

PO3.9 A Project Specific Procurement Plan may be subject to audit and review by the Agency responsible for Procurement Policy to ensure compliance with these Procurement Directions.

Future Tender Opportunities

PO3.10 Future Tender Opportunities are to be published by Contract and Procurement Services to provide advance notice to industry and business of proposed specific procurement activities.

PO3.11 Agencies are to provide Contract and Procurement Services with details of all proposed Tier Four and Tier Five procurement activity in sufficient time to allow publishing the Future Tender Opportunities advice for a minimum of two months prior to a Request for Tender being issued.

I. When planning Agency procurement activities, it is important to recognise that industry and business also need time to plan resources and capacity, particularly in respect of high value, complex or multi-disciplinary requirements.

II. Future Tender Opportunities is the mechanism through which Government can bring to industry and business attention significant specific procurement activity.

III. Agencies are to provide advice through the Agency Purchase Requisitions Online system of proposed specific procurement activity (whether to be sourced through Public Tender or Select Tender).

IV. Where it can be clearly demonstrated that there is a sole provider for those classes of “supplies exempted from Public Quotation/Tender requirement”
(refer Procurement Direction PR8 Attachment 1) there is no requirement for a Future Tender Opportunity to be published.

V. The Agency responsible for Procurement Policy maintains statistics of Agency compliance with Future Tender Opportunity requirement.
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<tr>
<td>General</td>
<td>Re-ordered topics to align to procurement order</td>
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<td></td>
<td>Included requirement for Individual Procurement Plans for Tier Three</td>
</tr>
<tr>
<td>General</td>
<td>Removed duplication of instructions and rename Individual Procurement Plans to Project Specific Procurement Plans</td>
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<tr>
<td>PO3.7 11(f)</td>
<td>Included requirements for Agencies to consider Shire Council involvement in projects during planning</td>
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<td>General</td>
<td>Amended to remove use of acronyms in instructions and maintain consistency in the use of defined terminology and remove duplication of instructions</td>
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<td>PO3.10 III</td>
<td>Removed requirement for FTOs to be published in the print media</td>
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<td>Removed PO3.11</td>
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<td>General</td>
<td>Updates to Agency Procurement Management Plans and Project Specific Management Plan requirements to align with the Buy Local Plan</td>
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PO4 - Defining Supplies and Estimating Their Values

Statement of Intent

This Procurement Direction provides information to assist Agencies to define the Supplies that they require, and provides guidance on elements that are to be considered when estimating the value of Supplies.

Main Features

Section 11 of the Procurement Act 1995 (NT) requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Defining Supplies

Agencies will clearly and accurately define the Supplies required.

Defining Assessment Criteria and Percentage Weightings

Agencies must develop Assessment Criteria and associated Percentage Weightings relevant to the Supplies required.

Value of Supplies

Agencies must estimate the value of the Supplies prior to commencing a procurement activity.

Prior to commencing a procurement activity, the Accountable Officer will verify the availability of sufficient funds to procure the Supplies; and unless there are exceptional circumstances, Agencies will not use budget limitations to terminate a procurement process once the request has been put to the market.

Value of Supplies under Lease, Hire or Financing Arrangements

Where Supplies are to be obtained under lease, hire or financing arrangements, the value of the Supplies is to be the total value over the term of the arrangement.

Contractor Accreditation

Accreditation of Suppliers by Contractor Accreditation Limited is mandatory where there is an applicable accreditation category/group/sub-group that has an estimated value from Tier Three or greater, unless an exemption has been given by the Accountable Officer.

Contents

Defining Supplies

Defining Assessment Criteria and Percentage Weightings

Value of Supplies

Value of Supplies under Lease, Hire or Financing Arrangements

Contractor Accreditation:

- Accreditation of Sub-Contractors
Procurement Direction PO4 (Defining Supplies and Estimating Their Values)

- Period Contracts
- Panel Period Contracts
- Supply and Install Contracts
- Pastoralists

Authorities

*Procurement Act 1995 (NT)*

Procurement Regulations
Defining Supplies

PO4.1 As part of the procurement planning process and prior to commencement of any procurement activity, Agencies will clearly and accurately define the Supplies that are required.

I. To achieve Best Value for Money and ensure the Supplies meet Agency requirements, it is critical that the Agency accurately and comprehensively defines the scope of the Supplies.

II. In defining the scope of the Supplies, consideration needs to be given to the longer term requirements of the Agency, particularly where the Supplies are not a consumable but expected to have a relatively long lifespan (for example infrastructure).

PO4.2 Agencies will ensure that accurate and current information is relied upon when defining Supplies.

I. When defining Supplies, Agencies should:

a. Conduct Market Testing to determine private sector (particularly the local market) capacity and willingness to provide the Supplies, alternatives which may be available to address the Agency’s particular requirement and future developments which could impact on the Supplies over the term of the Contract or the useful life of the Supplies.

b. Determine the timeframe for delivery or completion and, after testing the market, determine whether the timeframe is realistic and what additional values or savings, if any, are likely to result by amending the timeframe.

II. The Industry Capability Network (NT) Office can advise on potential local Suppliers and/or local industry and business capability.

III. Other factors to consider when defining Supplies could include:

a. Standard or mandatory requirements such as International or Australian Standards or efficiency ratings quality assurance requirements to increase an Agency’s confidence that the Supplies will be satisfactory.

b. Where provision of the Supplies or the Supplies in its final form may have an impact on the environment, a requirement to avoid or minimise any environmental impact.

c. Requirements to comply with applicable Federal or Government Policy and Free Trade Agreements.

d. Any applicable Contractor Accreditation Limited category/group/sub-group.

e. Special or non-standard requirements relating to the procurement activity including delivery, packaging and finishing.

f. Analysis of the potential risks that the Government may be exposed to by procuring a particular Supply, and what additional risk protection or mitigation measures may need to be introduced.
IV. Agencies may wish to provide background history of the required Supplies to provide Respondents/Tenderers more information about how and why the requirement arose.

PO4.3 Where possible, Agencies will describe Supplies in terms of the outcome sought.

I. When defining Supplies, an Agency needs to consider the outcome it seeks to achieve and, where possible, articulate the Supplies in terms of the outcome (i.e. describe the functional or performance requirements of the Supplies).

II. This benefits the Agency as it draws on private sector innovation and expertise and results in the Best Value for Money approach to address the outcome sought by the Agency.

III. The description of Supplies needs to clearly set out the scope of the Supplies including quantity required, timeframe for delivery and completion of the contract term. In the case of Period Contracts, the description of Supplies should provide a Respondent/Tenderer with all information relevant to ensure that the Respondent/Tenderer clearly understands the Agency’s requirements.

IV. Particularly where Supplies cannot be defined in terms of outcomes, care needs to be taken not to over-specify requirements. Over-specification can limit the manner in which a Respondent/Tenderer provides the Supplies and can result in Quotation/Tender responses which are expensive.

V. Defining Supplies in terms of outcomes and not inputs will ensure the description of Supplies does not restrict competition, reflect bias to any brand, act as a barrier to the way in which a Respondent/Tenderer can respond or state requirements that do not affect the required outcome.

VI. Agencies will consider the capacity of local industry and businesses to meet their requirements, particularly in terms of the size and scope of Supplies.

PO4.4 Supplies are not to be defined in terms of a brand name unless there is clear and sufficient justification.

I. If reference is made to a brand name, this reference should only be to describe the standard or scope of Supplies to be procured (for example “Supplies to the standard of brand xyz or equivalent”).

II. Where an Agency determines that circumstances constitute sufficient justification for purchasing only a specific brand, the Agency’s determination must be capable of withstanding public scrutiny.

Defining Assessment Criteria and Percentage Weightings

PO4.5 Agencies will develop Assessment Criteria that are relevant to the Supplies being sought.

I. Quotation/Tender Assessment Criteria will be the basis for the assessment process and therefore must reflect the key aspects of the Supplies.

II. Quotation/Tender Assessment Criteria questions for the Local Content Assessment Criteria, in procurement activities that are Tier Three, Tier Four and Tier Five should be tailored to elicit sufficient information for the formation of Local Benefit Commitments.
III. Assessment Criteria have been established which are contained in the standard Conditions of Quoting/Tendering and Response Schedules (refer Procurement Direction PO1).

IV. To be relevant and directly linked to the Supplies being sought, the Assessment Criteria and Response Schedules should be tailored to suit each specific procurement activity. The Assessment Criteria will be applied in the assessment process.

V. In order to be in the best position to undertake the assessment process, all Assessment Criteria need to be logical, clearly articulated, comprehensive, measurable and relevant. The Assessment Criteria must enable a proper assessment of the values and benefits of all Quotations/Tenders on a fair and common basis.

PO4.6 Percentage Weightings are to be applied to the Assessment Criteria used in relation to the Supplies being sought. The total of the assessment weightings is to equal 100%.

I. The Percentage Weighting given to Assessment Criteria may differ depending on the Agency’s specific procurement requirement (for example importance, complexity or risk).

II. Agencies should ensure that when developing the Percentage Weightings for Assessment Criteria, a consistent application is achieved in applying Percentage Weightings for works, goods or services of a similar nature, value and risk.

III. Development of Percentage Weightings for each Assessment Criteria should be undertaken by Agency Officers who have a sound understanding of the procurement outcome and can justify the rationale for the applied weightings.

IV. Agency procedures detailing the methodology applied when determining Percentage Weightings and their incorporation into the Request for Quotation/Tender should be relevant and defensible and be included in the Project Specific Procurement Plan.

PO4.7 A minimum 30% weighting is to be allocated to the criterion “Local Content”.

PO4.8 The assessment criterion of “Price” will be weighted for all procurement activity at Tier Three, Tier Four and Tier Five (refer Procurement Direction PO1).

I. It is important to communicate to industry the relative importance of Price in each procurement activity to be undertaken.

II. In some instances it may be appropriate to weight Price at 0%.
PO4.9 Request for Quotation/Tender Response Schedules must be framed in a logical, clearly articulated, comprehensive manner so as to receive information that will allow assessment against those criteria that are considered appropriate for the particular procurement activity.

Value of Supplies

PO4.10 Agencies must estimate the value of the Supplies prior to commencing procurement activity.

I. Accurately estimating the value of Supplies will enable an Agency to make an informed decision as to the most appropriate procurement process to use.

II. When estimating the value of Supplies, all values related to the procurement of the Supplies (such as direct values, indirect values and fixed values) need to be considered. These values need to take into account the upfront and through-life values associated with the Supplies.

III. For the purpose of estimating the value of Supplies:
   a. Direct values are values arising as a direct result of the Supply (for example wages and inventories).
   b. Indirect values include overheads, training, administration expenses and the on-going value of maintaining plant and equipment.
   c. Fixed values include rent and interest.

IV. Some common methods of estimating the value of Supplies include:
   a. Market value – the current market value for the Supply.
   b. Historical value – the previous value of the same or equivalent Supply, taking into consideration external influences on values including inflation, increased wages, fuel, transport etc.
   c. Market Testing – what are other Agencies, local government, other jurisdictions and the private sector currently expending for the same or similar Supplies.

V. The estimated value of the Supplies is not published. However, as part of some procurement processes (particularly where the Supply is complex and/or difficult to define) it may be appropriate for the Request for Quotation/Tender to indicate an estimated value benchmark or comparator to assist Respondents/Tenderers to clarify the extent of the Agency’s requirement in terms of the scope of Supplies.

PO4.11 In the case of Period Contracts, the value of the Supplies is to be the total estimated value over the term of the arrangement exclusive of any optional extensions.

PO4.12 The estimated value of the Supplies is to be Goods and Services Tax (GST) inclusive.

I. All estimates of values will be GST inclusive unless the Supply is GST exempt or an input taxed supply.
PO4.13 Accountable Officers will ensure that a single requirement for Supplies will not be divided into a number of different Supplies to bring each procurement activity within a specific Procurement Tier.

PO4.14 Accountable Officers are to verify the availability of funds sufficient to procure the Supplies prior to commencing a procurement activity.

PO4.15 Agencies are not to use budget limitations to terminate a procurement process once the request has been put to market, unless there are exceptional circumstances.

I. As the preparation of quotations and tenders can be an expensive process for business in terms of time and resources, Agencies have a responsibility to ensure they have accurately scoped their requirements and identified sufficient funding before engaging with business.

II. Where an Agency finds they do not have sufficient funds to continue the procurement activity after Quotations/Tenders close, the Agency should consider all funding options before taking a decision to decline all Quotations/Tenders.

Value of Supplies under Lease, Hire or Financing Arrangements

PO4.16 Where Supplies are to be obtained under lease, hire or financing arrangements, the value of the Supplies is to be the total value over the term of the arrangement.

I. The value to an Agency of Supplies obtained under lease, hire or financing arrangement is not the periodic values associated with such an arrangement but the total value over the term of the arrangement. This is the estimated value of the Supplies.

II. It should be noted that where assets are acquired through a lease, financing or hire arrangement, the Accountable Officer must ensure that details of the arrangement are appropriately recorded and reported for financial management and external reporting purposes.

III. In addition, Supplies obtained through finance or leveraged lease arrangements are considered to be procured through a borrowing arrangement. As such, Accountable Officers need to ensure that appropriate accountabilities associated with Government borrowing, as required by the Financial Management Act, are discharged. Section 32 of the Financial Management Act requires the Treasurer’s prior approval for any borrowing, and this approval needs to be obtained prior to commencement of the procurement process.

Contractor Accreditation

PO4.17 Accreditation of Suppliers by Contractor Accreditation Limited is mandatory for Contracts where there is an applicable category/group/sub-group that has an estimated value from Tier Three and greater.

I. Contractor Accreditation Limited accredits Contractors engaged in the civil, construction and allied service industries to specific levels of technical and financial capability. Under the accreditation arrangement, Suppliers wishing
II. Accreditation includes the recognition of Contractors pre-qualified under national accreditation systems by Contractor Accreditation Limited.

PO4.18 Agencies will describe the applicable category/group/sub-group in their Request for Quotation/Tender.

PO4.19 The level of accreditation a Respondent/Tenderer is required to hold is to be of a value equal to or greater than the value of their Quotation/Tender at the time Quotations/Tenders close.

PO4.20 Accreditation levels in more than one category/group/sub-group cannot be aggregated to achieve a higher rating level.

PO4.21 Where the estimated value of Supplies is Tier Two or less, accreditation by Contractor Accreditation Limited is not required.

I. The Request for Quotation/Tender for Supplies sought with an estimated value of Tier Two or less is not to contain a requirement for Respondents/Tenderers to be accredited.

II. This position applies irrespective of what Respondents/Tenderers calculate to be the value of the Supplies (i.e. where an Agency has estimated the value of Supplies to be Tier Two or less, there is no requirement for accreditation of the Respondent/Tenderer even where the Quotation/Tender submitted is valued in excess of Tier Three).

PO4.22 Where a Respondent/Tenderer has accreditation by Contractor Accreditation Limited in an appropriate category/group/sub-group but does not have accreditation to an amount that is equal to or greater than the value of their Quotation/Tender, the Respondent/Tenderer may upgrade their accreditation to the appropriate value.

PO4.23 Accreditation must be upgraded within seven calendar days for Tier Three Supplies and 14 calendar days for Tier Four and Tier Five Supplies, from the date the Request for Quotation/Tender closes.

I. Respondents/Tenderers must be accredited in an appropriate category/group/sub-group at the time quotations/tenders close.

II. Respondents/Tenderers cannot apply for new or an additional category/group/sub-group or accreditation during the upgrade period to meet the accreditation requirements of the Request for Quotation/Tender.

III. Contract and Procurement Services will notify Respondents/Tenderers if the amount of their accreditation is required to be upgraded. Agencies will consider evidence provided by the Respondent/Tenderer that they have obtained an upgrade in their rating level, in their category/group/sub-group, equal to or greater than their offer.

IV. Failure to obtain the required rating level within the time period may result in the Quotation/Tender being inadmissible for assessment.

PO4.24 Where a Select Quotation/Tender Process is used and accreditation applies, the selected Suppliers will only be drawn from a list of
Suppliers that have accreditation in an appropriate category/group/sub-group at the appropriate rating level.

**PO4.25** Accreditation is not an alternative to appropriate assessment and Agencies will ensure that relevant assessment of a Respondent’s/Tenderer’s capacity and capability are carried out in the assessment phase.

I. The process of accreditation is only an indication that the Respondent/Tenderer had the necessary financial, technical and physical abilities, at the time of accreditation, to work at the nominated rating and category/group/sub-group. It is not a guarantee that the Respondent/Tenderer is able to undertake the specific project at the price submitted.

II. Agencies must ensure that, irrespective of any accreditation, financial, technical and physical checks appropriate to the assessment for the specific procurement activity are carried out.

**PO4.26** In certain circumstances Agencies may obtain an exemption from the requirement to apply accreditation from the Accountable Officer prior to the Request for Quotation/Tender being released.

I. Where the Agency believes there is justification for not applying accreditation to a specific procurement activity (where an accreditation category/group/sub-group exists), an exemption from the Accountable Officer is required prior to issuing the Request for Quotation/Tender. Details should cover why the most relevant accreditation category/group/sub-group should not be applied to the procurement activity.

**Accreditation of Sub-Contractors**

**PO4.27** Where a Supplier intends to use sub-contractors to provide Supplies within a category/group/sub-group accredited by Contractor Accreditation Limited and the value of the sub-contract is from Tier Three or greater, the sub-contractor will also have accreditation by Contractor Accreditation Limited in a relevant category/group/sub-group, and to a rating level equal to or greater than the value of the sub-contract.

**Panel Contracts**

**PO4.28** In the case of Period Contracts, the financial threshold for mandatory accreditation is based on the annual estimated value of the Supplies being Tier Three or greater.

**PO4.29** For a Period Contract, the level of accreditation a Respondent/Tenderer is required to hold is to be at a value equal to or greater than the six monthly value of their Quotation/Tender at the time the Request for Quotations/Tenders close.

I. Where a Period Contract is established for Supplies within a Contractor Accreditation Limited category/group/sub-group, the mandated accreditation requirement applies to the annual estimated value of the Period Contract. For example, a cleaning Period Contract over three years to a total value of $270,000 will not require the Respondent/Tenderer to be accredited because...
the annual value ($90 000) is below the $100 000 threshold, but a two year Period Contract to a total value of $206 000 and an annual value of $103 000 will require the Respondent/Tenderer to be accredited.

II. Where a Period Contract allows for the submission of part offers, care must be taken that the Request for Quotation/Tender is clear as to the requirement for accreditation in relation to the part offer structure proposed.

Panel Period Contracts

PO4.30 Where a Panel Period Contract is to be established for Supplies within a Contractor Accreditation Limited category/group/sub-group with an estimated annual value from Tier Three or greater, Respondents/Tenderers must be accredited in the specified and appropriate category/group/sub-group at the time the Request for Quotations/Tenders close.

PO4.31 For a Panel Period Contract, the level of accreditation a Respondent/Tenderer is required to hold is to be at a value equal to or greater than the six monthly value of their Quotation/Tender.

PO4.32 When Quoting/Tendering for work under the Panel Contract, Panel members must have a rating level equal to or greater than the value of their offer. The provision of Procurement Direction PO4.22 does not apply for specific work arranged under Panel Period Contracts.

I. The assessment of a Respondent’s/Tenderer’s accreditation value should be undertaken at the time the Respondent/Tenderer submits their Quotation/Tender. This may be during the first or second stage in a two stage process, particularly where the Panel Period Contract is a standing offer arrangement.

II. Where a Panel Period Contract is to be established for Supplies within a Contractor Accreditation Limited category/group/sub-group, the mandated accreditation requirement applies to the annual estimated value of the Period Contract.

III. Where a Panel Period Contract allows for the submission of part offers, care must be taken that the Request for Quotation/Tender is clear as to the requirement for accreditation in relation to the part offer structure proposed.

Supply and Install Contracts

PO4.33 For supply and install requirements, where the install component is within a Contractor Accreditation Limited category/group/sub-group and is valued from Tier Three or greater, the Agency will determine whether accreditation will be applied to the total project or to only the installation component of the project.

PO4.34 The Request for Quotation/Tender must stipulate that, at minimum, the installation work is subject to accreditation by Contractor Accreditation Limited.

I. There are no categories/groups/sub-groups for the supply of goods only, and therefore accreditation through Contractor Accreditation Limited is not applicable.
II. Where the installation component is within a Contractor Accreditation Limited category/group/sub-group and is valued from Tier Three or greater, the Request for Quotation/Tender is to stipulate that, at least, the installation work is subject to accreditation.

III. Factors which may be considered in determining the form of accreditation which should apply include:

   a. Value of the installation component in comparison to the supply component.
   b. Complexity of the equipment to be installed.
   c. Warranty provisions regarding installation of the Supply.
   d. Complexity of the installation in terms of materials to be used; location of the equipment; the level of technical expertise required; electrical, gas or other connections, etc.

IV. Only the subcontractor carrying out the installation work is required to have accreditation at least to the level of the value of the installation component (where the Respondent/Tenderer only Supplies goods and a subcontractor undertakes the installation work).

Pastoralists

PO4.35 Where the value of Supplies sought in a Contractor Accreditation Limited accredited sub-group from Tier Three or greater, and a specific Certificate of Exemption from Public Tendering has been obtained, it is not necessary for Pastoralists to have Contractor Accreditation Limited accreditation for work contracted to be done within or adjacent to their own property boundaries or adjacent road reserves.
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<td></td>
<td>Amended to differentiate CAL application in Tier Three, Tier Four and Tier Five Procurements</td>
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<td>PO4.24 – PO4.25</td>
<td>Removed provisions exempting Indigenous Community Organisations from CAL</td>
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<td>PO4.6 – PO4.9</td>
<td>Defining Assessment Criteria and associated Percentage Weightings transferred from PR9 which is only about publishing of weightings</td>
<td>1 July 2012</td>
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<td>• Disclosure of Assessment Criteria Percentage Weightings for all procurement activity from Tier Three and greater (i.e. $50 000+)</td>
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<td>PO4.11 and PO4.23</td>
<td>Added as Direction – formally stated as following explanations only (this and previous change has resulted in consequential adjustments to Direction numbering)</td>
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<tr>
<td>PO4.17 – PO4.31</td>
<td>Amended references to CAL classifications to match information on their website and provided further explanation in respect to Period and Panel Period Contracts and accreditation</td>
<td>1 July 2012</td>
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<tr>
<td>PO4.34</td>
<td>Clarified requirements for IPPs</td>
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<td>Page 1</td>
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<td>PO4.33 and PO4.33 I</td>
<td>Amended requirements for IPPs from Tier Six to contracts awarded greater than $5m to better align with the intent of the BNTIP policy</td>
<td>1 February 2013</td>
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<td>PO4.34</td>
<td>Deleted PO4.34 as it was repeated at PO4.35 with consequential renumbering</td>
<td>1 February 2013</td>
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<tr>
<td>PO4.33 II</td>
<td>Inserted to clarify that IPPs are not required for Panel Contracts where individual contracts are to be awarded with an estimate value greater than $5m</td>
<td>1 February 2013</td>
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<td>Formatted for web compatibility&lt;br&gt;Amended to reflect Buy Local plan - substituted “Local Development and Value Adding” with “Local Content” and increased minimum assessment weighting for Local Content to 25%.</td>
<td>15 February 2016</td>
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<td>PO4.36 and PO4.37&lt;br&gt;PO4.2Ia and PO4.5II</td>
<td>Industry Participation removed from PO4 and inserted into PO5 and PR6.&lt;br&gt;Amended to reflect the Buy Local Plan – consideration of local supply markets and Local Benefit Commitments</td>
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<td>General</td>
<td>Amended to reflect Buy Local plan - increased minimum assessment weighting for Local Content to 30%</td>
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PO5 - Request for Quotation/Tender Documentation

Statement of Intent

This Procurement Direction sets out the contents of Request for Quotation/Tender documentation. It also establishes the requirements in relation to the use of standard Conditions of Quoting/Tendering and Contract, forms and documents to be used for procurement of Supplies other than Tier One and Tier Two.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Request for Quotation/Tender

- A simplified Request for Quotation is to be prepared for all procurement activity for Tier One where a written quotation is requested.

- A simplified Request for Quotation is to be prepared for all procurement activity for Tier Two.

- A Request for Quotation is to be prepared for all procurement activity in Tier Three.

- A Request for Tender is to be prepared for all procurement activity in Tier Four and Tier Five.

Request for Quotation/Tender Invitation Period

- A request for a written quotation (Tier One and Tier Two procurement activity) will be open for a minimum of two complete business days.

- A Request for Quotation (Tier Three procurement activity) will be open for a minimum of four complete business days.

- A Request for Tender (Tier Four and Tier Five procurement activity) will be open for a minimum of four weeks. Where a Future Tender Opportunity has been published or prior approval from the Accountable Officer has been given, this period may be reduced to a minimum of two weeks.

Assessment Criteria and Percentage Weightings

- Assessment Criteria against which all Quotations/Tenders will be assessed will be included in the Request for Quotation/Tender.

- Percentage Weightings attributable to each Assessment Criteria will be determined prior to the release of the Request for Quotation/Tender. For Tier Three and greater procurement activity, the Percentage Weightings shall be published.

Conditions of Quoting/Tendering and Contract

- In procurement of Tier One Supplies, Agencies will use simplified Conditions of Quoting and Contract where a written quotation is requested.

- In procurement of Tier Two Supplies, Agencies will use simplified Conditions of Quoting and Contract in the Request for Quotation.
In procurement of Tier Three Supplies, Agencies will use the standard Conditions of Quoting and Contract in the Request for Quotation.

In procurement of Tier Four and Tier Five Supplies, Agencies will use the standard Conditions of Tendering and Contract in the Request for Tender.

Where an Agency determines that the standard Conditions of Quoting/Tendering or Contract are inappropriate or insufficient for a specific procurement activity, the Agency is to seek approval from the Agency responsible for Procurement Policy in relation to the use of alternative or additional clauses.

Agencies will use the standard Respondent Details or Tenderer Details Schedules in Requests for Quotation/Tender documentation for the procurement of Tier Three, Tier Four and Tier Five Supplies.

Value of Supplies to be in Australian Dollars and GST Inclusive

When inviting Quotations/Tenders, Agencies will specify that the cost of Supplies is to be provided in Australian dollars and be inclusive of GST (where applicable).

Industry Participation Plans

An Industry Participation Plan must be prepared by the successful Tenderer for all procurement activity with an estimated value from $5 million regardless of the procurement method utilised, unless an exemption has been given by the Accountable Officer.

Local Benefit Advisory Panel

Development of Local Content Assessment Criteria questions in procurement activities with an estimated value of $5 million and greater will include consideration of the requirement for a Local Benefit Advisory Panel review.

Contents

Request for Quotation/Tender
Request for Quotation/Tender Invitation Period
Assessment Criteria and Percentage Weightings
Conditions of Quoting/Tendering and Contract
Value of Supplies to be in Australian Dollars and GST Inclusive
Industry Participation Plans
Local Benefit Advisory Panel

Authorities

Procurement Act
Procurement Regulations
Procurement Direction PO5 (Request for Quotation/Tender Documentation)

Request for Quotation/Tender

PO5.1 Where written quotes are requested for Tier One procurement activity, Agencies will use simplified Request for Quotation documents.

I. For Tier One procurement activity where a written quotation is requested, the Agency will use simplified documentation appropriate to the complexity, value and risk of the Supplies required.

PO5.2 Simplified Request for Quotation documents will be used for all procurement activity in Tier Two.

I. Agencies will use simplified documentation appropriate to the complexity, value and risk of the Supplies for all Tier Two procurement activity.

PO5.3 A Request for Quotation is to be prepared for all procurement activity in Tier Three.

PO5.4 A Request for Tender is to be prepared for all procurement activity in Tier Four and Tier Five.

I. The Request for Quotation/Tender outlines the Government’s requirements in terms of a specific procurement activity and includes the scope of Supplies sought, the timeframes in which the Quotation/Tender is to be submitted, the Assessment Criteria and Percentage Weighting against which the Quotation/Tender will be assessed, and the Conditions of Quoting/Tendering and Conditions of Contract which are applicable to the specific procurement activity.

II. It is critical that the Request for Quotation/Tender clearly articulates the Government’s requirements and outlines the basis of assessment to enable Suppliers to respond in a manner that presents their best offer.

Request for Quotation/Tender Invitation Period

PO5.5 Tier One and Tier Two procurement activity will be open for a response for a minimum of two complete business days.

PO5.6 Tier Three procurement activity will be open for a minimum of four complete business days.

PO5.7 Tier Four and Tier Five procurement activity will be open for a minimum of four weeks. Where a Future Tender Opportunity has been published or, in its absence, prior approval from the Accountable Officer has been given, this period may be reduced to a minimum of two weeks.

I. Agencies need to allow sufficient time for Respondents/Tenderers to prepare appropriate responses to any request to submit Quotations/Tenders. Minimum timeframes have been given for each Tier. Longer response periods should be considered where the procurement activity is complex and/or of high value or risk. Agencies should be receptive to industry feedback if requests for extensions are requested.

II. Where a Future Tender Opportunity has not been advertised for the specific procurement activity, or the Future Tender Opportunity was not advertised for the required timeframe, Accountable Officer approval is required where less than the minimum tender period of four weeks is deemed necessary.
III. Where it can be clearly determined that there is a sole provider for those classes of “supplies exempted from public tender requirement” (refer Procurement Direction PR8 Attachment 1), there is no requirement for a Future Tender Opportunity to be published. As a consequence, there is no requirement for a mandatory four week tender period.

Assessment Criteria and Percentage Weightings

PO5.8 The Assessment Criteria against which Quotations/Tenders are to be assessed will be included in the Request for Quotation/Tender.

PO5.9 Percentage Weightings attributable to each Assessment Criteria will be disclosed for Tier Three, Tier Four and Tier Five procurement activities.

PO5.10 Assessment Criteria and Percentage Weightings for each specific procurement activity will be approved by the Accountable Officer.

PO5.11 Agencies will record in the Agency Purchase Requisitions Online system details of the Assessment Criteria and Percentage Weightings applicable to each specific procurement activity.

   I. Agencies must ensure that the Assessment Criteria are relevant for each specific procurement activity and will facilitate assessment of Quotations/Tenders.

   II. Quotation/Tender Assessment Criteria need to demonstrate consideration of the Procurement Principles outlined in Procurement Direction F1 ensuring adherence to the Government Procurement Framework.

   III. Requests for Project Plans, Project Plan Proposals and insurance schedules should only be included where they are needed to undertake the assessment of the Tenders received.

   IV. To ensure the integrity of the Quotation/Tender assessment process, the weightings attributable to each Assessment Criteria must be established prior to releasing the Request for Quotation/Tender to the market.

   V. Where the specific procurement activity is estimated at Tier Two and below, the Percentage Weightings are to remain confidential and shall not be published. Where the confidentiality of the weightings is not maintained, the procurement action could be compromised and may have to be abandoned.

Conditions of Quoting/Tendering and Contract

PO5.12 Where written requests are sought in relation to Tier One activity, Agencies may use the Territory’s standard simplified Conditions of Quoting and Contract or other simple documentation (where appropriate).

PO5.13 When inviting written requests for Tier Two Supplies, Agencies may use either the standard Conditions of Quoting and Contract or other simple documentation (where appropriate).

   I. Agencies are encouraged to use the Territory’s standard simplified Conditions of Quoting and Contract where possible.
PO5.14 For procurement of Tier Three Supplies, Agencies will use the standard Conditions of Quoting and Contract in the Request for Quotation.

PO5.15 For procurement of Tier Four and Tier Five Supplies, Agencies will use the standard Conditions of Tendering and Contract in the Request for Tender.

I. All Agencies will use the Territory’s standard tendering and contract documents to ensure uniformity and consistency across all Government procurement activity. This consistency provides certainty to Respondents/Tenderers that Government procurement activity is, unless advised otherwise, conducted on the same basis and therefore minimises the cost of quoting/tendering and compliance. These provisions apply to Public and Select Quotation/Tender Processes.

II. The standard Conditions of Quoting/Tendering:

a. Provide general information on Quoting/Tendering.

b. Establish the responsibilities of each party (including what a Respondent/Tenderer must do in order to submit a Quotation/Tender).

c. Establish mutual acknowledgements (particularly in relation to lodging Quotations/Tenders).

III. The standard Conditions of Contract on which the Supplies will be delivered/obtained form part of the Request for Quotation/Tender, and:

a. Cover general contractual terms.

b. Establish the responsibilities and undertakings by each party in performing the Contract.

IV. All Suppliers will comply with the Northern Territory Procurement Code. The Government may choose not to contract with a Supplier found to be in breach of the Northern Territory Procurement Code.

PO5.16 Where an Agency determines that the standard Conditions of Quoting/Tendering or Contract are inappropriate or insufficient for a specific procurement activity, the Agency is to seek approval from the Agency responsible for Procurement Policy in relation to the use of alternative or additional clauses.

I. The Agency responsible for Procurement Policy is responsible for all standard Conditions of Quoting/Tendering and Contract and will consult the Department of Justice, Contract and Procurement Services and Agencies in relation to amendments or changes to the standard Conditions of Quoting/Tendering and Contract, from time to time.

II. The Agency responsible for Procurement Policy may consult the Department of Justice in relation to the use of alternative or additional clauses.
III. When departing from the standard Conditions of Contract, consideration will be given to section 34 of the *Financial Management Act* which deals with indemnities and guarantees provided by the Government.

**PO5.17 Agencies will use the standard Respondent Details or Tenderer Details Schedules in Requests for Quotation/Tender documentation for the procurement of Tier Three, Tier Four and Tier Five Supplies.**

I. All Agencies will use the standard set of Respondent/Tenderer Details in Requests for Quotation/Tender to ensure uniformity and consistency and support the pre-filling of Response Schedules for registered users of the Quotations and Tenders Online system.

II. The standard Respondent/Tenderer Details is the only data to be sought in the Declaration by Respondents or Tenderers.

III. Other governance, financial, insurance or business information needed for assessment purposes is to be requested against the relative assessment criteria.

IV. Respondents/Tenderers may leave items, such as trading name or Contractor Accreditation Limited registration number, blank in their responses where they are not applicable.

**Value of Supplies to be in Australian dollars and GST Inclusive**

**PO5.18 When inviting Quotations/Tenders, Agencies will specify that the cost of Supplies is to be provided in Australian dollars unless there is demonstrable benefit in allowing foreign currencies.**

**PO5.19 When inviting Quotations/Tenders, Agencies will specify that the cost of Supplies is to be inclusive of GST.**

I. The Government is obliged to pay GST on Supplies it purchases unless the Supplies are GST exempt or are input taxed.

**Industry Participation Plans**

**PO5.20 An Industry Participation Plan is required from the successful Tenderers in all procurement activity where contracts are to be awarded with an estimated value in excess of $5 million.**

I. In the case of a Period Contract, the value is the estimated amount over the Contract term (without options) to be offered.

II. Industry Participation Plans are not required to establish Panel Contracts where the value of the individual contracts to be awarded from the Panel is less than $5m.

III. Appropriate information should be sought from Tenderers under the assessment criterion of “Local Content” to form the basis of the Industry Participation Plan.
PO5.21 Agencies may obtain an exemption from Industry Participation Plan requirements, depending upon the nature of the procurement. Such exemptions must be obtained from the Accountable Officer prior to the Request for Tender being released.

I. Such exemptions generally will only be approved where it can be reasonably demonstrated and justified that the procurement activity is of a nature where local industry participation opportunities are limited.

Local Benefit Advisory Panel

PO5.22 Development of questions under the Assessment Criteria of “Local Content” in procurement activities with an estimated value of $5 million and greater will include consideration of the requirement for a Local Benefit Advisory Panel review.

I. Agencies will ensure questions under the Assessment Criteria of “Local Content” are developed to elicit sufficient information for the Local Benefit Advisory Panel to review and provide relevant advice.

II. The Agency may consult with the Department of Business in developing their Local Content Assessment Criteria questions.
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<td>PO5.20 &amp; PO5.21</td>
<td>Amended to include the Industry Participation Plan Requirements and updated to reflect introduction of the Local Benefit Advisory Panel.</td>
<td>18 April 2016</td>
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Statement of Intent

This Procurement Direction outlines the rules regarding the lodgement and receipt of Quotations/Tenders, late Quotations/Tenders, and basic Respondent/Tenderer admissibility and appeals processes.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Receipt of Quotations/Tenders

- Quotations/Tenders will be lodged by the closing date and time stated in the Request for Quotation/Tender.

- Agencies are responsible for closing Tier One and Tier Two Quotations.

- Contract and Procurement Services is responsible for issuing and closing all Tier Three and greater Quotations/Tenders and will undertake an initial admissibility check of all Quotations/Tenders after they are opened.

- For each Quotation/Tender, Contract and Procurement Services publish a list of the names of Respondents/Tenderers in alphabetical order within 24 hours of the close of Quotations/Tenders.

- The list is to remain available until the specific procurement activity is cancelled or awarded, whichever is the longer, and prices will not be disclosed.

Confidentiality of Quotations/Tenders

- Details of Quotations/Tenders received are commercially confidential and, with the exception of the Respondents/Tenderers names, will remain confidential throughout the procurement process.

Admissibility for Assessment

- Quotations/Tenders may be deemed inadmissible due to being received late, incomplete or some other prerequisite or condition not being met.

- Agencies are responsible for determining the admissibility of all Quotations/Tenders.

- Quotations/Tenders determined to be inadmissible must not be assessed unless the Procurement Review Board approves their admissibility.

- Where Quotations/Tenders are deemed inadmissible, Contract and Procurement Services will advise the Respondent/Tenderer of the inadmissibility of the Quotation/Tender.
Appeals – Inadmissible Quotations/Tenders

- Respondents for all Tier Three Quotations and Tenderers for Tier Four and Tier Five Tenders who fail to meet a non-mandatory requirement of the Conditions of Quotation/Tender and are deemed to be inadmissible may appeal to the Procurement Review Board.

- Agencies will ensure that Quotations/Tenders determined by the Procurement Review Board to be admissible for assessment following an appeal are assessed on the same basis as all other Quotations/Tenders.

- Where appeals have been disallowed, the Quotations/Tenders will be retained by Contract and Procurement Services and archived in accordance with Records Management Retention Schedule procedures.

Ineligibility due to Bankruptcy, Insolvency/External Administrative Proceedings

- Respondents/Tenderers who are currently bankrupt or are in the process of being declared bankrupt, or subject to insolvency/appointment of external administrators, are ineligible to submit a Quotation/Tender or Contract with the Northern Territory Government.

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Receipt of Quotations/Tenders
Confidentiality of Quotations/Tenders
Admissibility for Assessment
Appeals – Inadmissible Quotations/Tenders
Ineligibility due to Bankruptcy, Insolvency/External Administrative Proceedings

Authorities

Procurement Act

Procurement Regulations
Receipt of Quotations/Tenders

PO6.1 Agencies are responsible for the management of the procurement process for Tier One and Tier Two Supplies, and have flexibility to determine the requirements in relation to receipt of Quotations.

PO6.2 Agencies are responsible for the management of procurement processes under standing offer and panel arrangements, and have flexibility to determine the requirements in relation to the receipt of Quotations/Tenders subject to any applicable Conditions of Quotation/Tender or Contract.

PO6.3 For Tier Three and greater procurement activity, Contract and Procurement Services undertakes an initial admissibility check of all Quotations/Tenders received.

I. Contract and Procurement Services manage the lodgement, receipt and initial admissibility checks of procurement processes involving Tier Three, Tier Four and Tier Five. Once these checks are completed, Contract and Procurement Services forwards complete Quotations/Tenders (excluding Quotations/Tenders received after the closing date and time stated in the Request for Quotation/Tender) to the Agency undertaking the procurement activity for determination of admissibility and assessment.

II. If a Quotation/Tender is received after the closing date and time stated in the Request for Quotation/Tender, Contract and Procurement Services have responsibility for notifying Respondents/Tenderers that their Quotation/Tender response may be inadmissible for assessment. Contract and Procurement Services will hold the Quotation/Tender response until the Agency responsible for the procurement activity makes a determination of admissibility.

PO6.4 Contract and Procurement Services will publish a list of the names of all Respondents/Tenderers in alphabetical order within twenty four hours of the close of each public Request for Quotation/Tender via the Quotations and Tenders Online system.

PO6.5 The list of names is to remain published until the procurement activity is either cancelled or awarded. Prices will not be disclosed.

Confidentiality of Quotations/Tenders

PO6.6 Details of Quotations/Tenders received are commercially confidential and, with the exception of the Respondents/Tenderers names, will remain confidential throughout the procurement process.

I. The commercial confidentiality of Quotations/Tenders is to be protected and all Quotations/Tenders need to be treated in the strictest confidence throughout the procurement process.

II. No information relating to any Quotation/Tender is to be disclosed with the exception of the name of the Respondent/Tenderer.

III. Confidentiality of Quotations/Tenders needs to be maintained, particularly during the debriefing process where the likelihood of questions being asked about a particular Quotation/Tender is higher.
Admissibility for Assessment

PO6.7 Quotations/Tenders that do not comply with the mandatory requirements of the Conditions of Quoting/Tendering will be deemed inadmissible and must not be assessed.

PO6.8 Quotations/Tenders that do not comply with a non-mandatory requirement of the Conditions of Quoting/Tendering may be deemed inadmissible.

PO6.9 Agencies are responsible for determining the admissibility of all Quotations/Tenders received.

PO6.10 All Quotations/Tenders received that are deemed inadmissible must not be assessed unless the Procurement Review Board approves their admissibility.

Appeals – Inadmissible Quotations/Tenders

PO6.11 All Respondents/Tenderers for Tier Three, Tier Four and Tier Five Supplies will be advised in writing by Contract and Procurement Services if their Quotation/Tender is found to be inadmissible for assessment and if there is a right of appeal to the Procurement Review Board.

I. Where a Quotation/Tender is inadmissible for assessment, Contract and Procurement Services will advise the Respondent/Tenderer and provide details outlining:
   a. The Quotation/Tender is inadmissible for assessment.
   b. The reason why the Quotation/Tender is inadmissible.
   c. Advice whether the Respondent/Tenderer may appeal the decision to the Procurement Review Board.
   d. The timeframes for appeal.

II. If the Respondent/Tenderer wishes to appeal, they must provide to the Procurement Review Board Secretariat documentation, which will enable the Procurement Review Board to consider the appeal, no later than two business days following notification of Quotation/Tender inadmissibility.

III. Once a Respondent/Tenderer has lodged an appeal, the Procurement Review Board Secretariat will advise Contract and Procurement Services and the relevant Agency and seek details in relation to the determination of inadmissibility of the Quotation/Tender.

PO6.12 The Procurement Review Board will consider and make a determination on all appeals.

I. Once a determination has been made by the Procurement Review Board, the Procurement Review Board Secretariat will ensure the Respondent/Tenderer, Contract and Procurement Services and the relevant Agency are informed, in writing, of the outcome of the determination.
Procurement Direction PO6 (Receipt and Admissibility of Quotations, Tenders and Appeals)

PO6.13 Agencies will ensure that Quotations/Tenders determined by the Procurement Review Board to be admissible for assessment following an appeal are assessed on the same basis as all other Quotations/Tenders received.

I. Where appeals have been disallowed, the Quotations/Tenders will be retained by Contract and Procurement Services and archived in accordance with Records Management Retention Schedule procedures.

Ineligibility due to Bankruptcy or Insolvency/External Administrative Proceedings

PO6.14 Respondents/Tenderers who are currently bankrupt or are in the process of being declared bankrupt, or subject to insolvency/appointment of external administrators, are ineligible to submit a Quotation/Tender or Contract with the Northern Territory Government.

PO6.15 Agencies are to immediately determine that the Quotation/Tender is ineligible and notify Contract and Procurement Services of the determination. Contract and Procurement Services are to immediately advise Respondents/Tenderers if they are ineligible to submit a Quotation/Tender due to bankruptcy or insolvency/external administrative proceedings, and that an appeal can be lodged with the Procurement Review Board.

PO6.16 The Procurement Review Board will consider and make a determination on all appeals.

PO6.17 Agencies will ensure that Quotations/Tenders determined by the Procurement Review Board to be eligible for assessment following an appeal are assessed on the same basis as all other Quotations/Tenders received.

I. Where appeals have been disallowed, the Quotations/Tenders will be retained by Contract and Procurement Services and archived in accordance with Records Management Retention Schedule procedures.
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<td>Amended to remove the use of acronyms in the Directions and apply consistency in use of defined terminology</td>
<td>1 July 2012</td>
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<td>Amended to more clearly reflect requirements of PO6.13</td>
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<td>Changes to implement 2014 Procurement Reforms</td>
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Statement of Intent

This Procurement Direction sets out the requirement for conflict of interest disclosure. It also details the process to be followed by Agencies when disclosing a conflict of interest.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Conflict of Interest Disclosure

- Agency officers engaged in procurement activity are not to use information obtained in the course of official duties to:
  
a. Gain a direct or indirect pecuniary advantage.
  
b. Gain improper advantage for self or others.
  
c. Act partially or inconsistently with their obligations.
  
d. Cause harm to other people, business or the Government.

- The following circumstances must be disclosed in writing to the Accountable Officer:
  
a. Delegated officers having any indirect or direct interest which conflicts or might reasonably be thought to conflict with their duties.
  
b. Delegated officers having any indirect or direct interest which influences or might reasonably be thought to influence improperly their conduct in the discharge of their responsibilities.
  
c. Changes in the above circumstances, whether they vary an initial disclosure or create a need for a new disclosure.

- Prior to conducting a Quotation/Tender assessment, all officers undertaking the assessment will complete a Declaration of Interests and Confidentiality which is to be retained by the Chairperson of the assessment panel.

Contents

Conflict of Interest Disclosure

Authorities

Procurement Act

Procurement Regulations

Public Sector Employment and Management Act – Employment Instruction Number 12 – Code of Conduct
PO7.1 Agency officers engaged in procurement activity are not to use information obtained in the course of official duties to:

- Gain a direct or indirect pecuniary advantage.
- Gain improper advantage for self or others.
- Act partially or inconsistently with their obligations.
- Cause harm to other people, business or the Government.

I. The *Public Sector Employment and Management Act* Employment Instruction Number 12 – Code of Conduct applies to all Government employees. The requirements contained in the Code of Conduct apply equally to Government employees involved with procurement activities.

II. Sanctions for breaches of legislative and procedural requirements will apply in accordance with penalties imposed by the legislation (which could include imprisonment under the *Criminal Code Act* and dismissal under the *Public Sector Employment and Management Act*).

III. All Government employees involved in procurement activities are required to perform their duties in a manner that is fair, transparent, free from bias and unaffected by self-interest or personal gain.

IV. Similarly, potential Suppliers should not approach Government employees in a way that is or could be perceived to be an attempt to inappropriately influence Agency procurement outcomes or processes.

V. Government aims to foster and maintain complete confidence in the integrity of its procurement process by ensuring:

a. Individuals involved in the assessment process conduct themselves in an ethical and appropriate manner.

b. Individuals do not hold financial interests that conflict with the conscientious performance of their duties.

c. Individuals do not accept from Respondents/Tenderers or associates any gifts, gratuities or favours including:

   i. Entertainment
   ii. Transportation
   iii. Lodging
   iv. Future employment
   v. Future business opportunity
   vi. Services
   vii. Any other pecuniary or non-pecuniary benefit.

d. Individuals involved in the assessment process do not engage in any practice that gives one party an advantage over another.

e. That it is apparent to all involved that the assessment process is objective, unbiased, and does not favour one Respondent/Tenderer over another.
f. That the assessment process ensures open and effective competition.

**PO7.2** The following circumstances must be disclosed in writing to the Accountable Officer:

- Delegated officers having any indirect or direct interest which conflicts or might reasonably be perceived to conflict with their duties.
- Delegated officers having any indirect or direct interest which influences or might reasonably be thought to improperly influence their conduct in the discharge of their responsibilities.
- Changes in the above circumstances, whether they vary an initial disclosure or create a need for a new disclosure.

**PO7.3** Prior to conducting an assessment, all individuals undertaking the assessment will complete a Declaration of Interests and Confidentiality which is to be retained by the chairperson of the assessment panel.

I. Clause 16.1 of the Code of Conduct requires Government employees to disclose any financial or other interests that may conflict with their official duties. This is particularly important if a Government employee is a member of an assessment panel.

II. An interest that may conflict, or may appear to conflict, with the duty of those on the assessment panel could include:

- Shareholdings in one or more of the Suppliers that have submitted a Quotation/Tender.
- Significant shareholdings in a subsidiary of one or more of the Suppliers that have submitted a Quotation/Tender.
- Close family members who work for, or possess significant shareholdings in, one or more of the Suppliers that have submitted a Quotation/Tender.
- Offers of employment by a Respondent/Tenderer made to the officer or a family member.
- Interests in property leased by any of the Suppliers that have submitted a Quotation/Tender.

III. The above list is not intended to be exhaustive and any interest that may call the integrity of the process and a panel member’s impartiality into question should be declared.

IV. Interests that arise during the course of the evaluation and appointment process should be declared as they arise.

V. The responsibility rests on each Government employee to identify possible conflicts of interest or pecuniary interest in the outcome of a procurement matter on which they are working, and to disclose these in writing to appropriate officers within the Agency or to the chairperson of the assessment panel. In most cases, the early and open disclosure of such an
Procurement Direction PO7 (Conflict of Interest Disclosure)

interest will allow an Agency to resolve any actual or perceived conflict before the integrity of the specific procurement process is compromised.

VI. In any circumstances where the chairperson of the assessment panel considers a conflict of interest does or might reasonably be thought to exist, the chairperson will make a decision on the individual’s continued role in the assessment process.

VII. Where the conflict is not of a serious nature, no action beyond the disclosure may be required. However, where the conflict could or could be perceived to lead to a compromise of the assessment process, arrangements must be made for the individual to be removed from the assessment panel.

VIII. An Agency Accountable Officer has the discretion to remove an individual from the assessment process at any time.
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PO8 - Quotation and Tender Assessment

Statement of Intent

This Procurement Direction sets out the appropriate process to be used by Agencies when assessing Quotations/Tenders.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Quotation/Tender Assessments

- Quotation/Tender assessments will be conducted taking into consideration the Assessment Criteria outlined in Procurement Direction PO1.
- Quotation/Tender assessments must not be based on Assessment Criteria that were not included in the Request for Quotation/Tender.
- Quotation/Tender assessments will be undertaken by individuals with relevant skills and knowledge appropriate to the value and importance of the procurement activity, and who are free of any conflict of interest that could undermine the objectivity of the assessment.
- Quotation/Tender assessments will include consideration of advice from the Local Benefit Advisory Panel where the procurement activity has an estimated value of $5 million and greater.

Conforming Quotations/Tenders

Only conforming Quotations/Tenders are to be assessed unless covered in Procurement Direction PO8.6, PO8.7 or PO8.8.

Conditional Quotations/Tenders

Conditional Quotations/Tenders may be assessed where the Request for Quotation/Tender allows for conditional Quotations/Tenders to be submitted.

Qualified Quotations/Tenders

Qualified Quotations/Tenders may be assessed in certain instances.

Alternative Quotations/Tenders

Alternative Quotations/Tenders may be assessed where the Request for Quotation/Tender has specified that alternative Quotations/Tenders will be allowed.

Clarification of Quotations/Tenders

- Where an Agency seeks clarification of any ambiguities contained within a Quotation/Tender, the clarification needs to be framed in a manner that does not result in the Respondent/Tenderer gaining an advantage over other Respondents/Tenderers.
• A request for clarification is not an opportunity for a Respondent/Tenderer to amend an existing Quotation/Tender or submit a replacement Quotation/Tender or adjust prices.

Errors in Quotations/Tenders

Where a Quotation/Tender contains an obvious typographical error, clarification of the error is to be sought from the Respondent/Tenderer prior to the completion of the Quotation/Tender assessment process.

Industry Participation Plans

Prior to awarding the Tender, the Agency and the successful Tenderer will agree to the terms of an Industry Participation Plan.

Negotiation

Agencies may only negotiate with Respondents/Tenderers following approval from the Accountable Officer.

Quotations/Tenders Validity Period

• Agencies should undertake assessment of Quotations/Tenders within the Quotation/Tender validity period set out in the Conditions of Quoting/Tendering.

• Where Quotation/Tender assessments are not completed within the validity period, Agencies will obtain written confirmation from Respondents/Tenderers that the Quotation/Tender remains open for acceptance for a further specified period of time.

Contents

Quotation/Tender Assessments
Conforming Quotations/Tenders
Industry Participation Plans
Conditional Quotations/Tenders
Qualified Quotations/Tenders
Alternative Quotations/Tenders
Clarification of Quotations/Tenders
Errors in Quotations/Tenders
Negotiation
Quotations/Tenders Validity Period

Authorities

Procurement Act
Procurement Regulations
Quotation/Tender Assessments

PO8.1 Quotation/Tender assessments will be conducted based on the predetermined and approved Assessment Criteria and Percentage Weightings.

PO8.2 Quotation/Tender assessments must be based on Assessment Criteria that were included in the Request for Quotation/Tender.

PO8.3 Tier Three, Tier Four and Tier Five Quotation/Tender assessments must be based on the Percentage Weightings that were published.

PO8.4 Quotation/Tender assessments will be undertaken by individuals with relevant skills and knowledge appropriate to the value and importance of the procurement activity and who are free of any conflict of interest that could undermine the objectivity of the assessment.

I. The Quotation/Tender assessment phase is a critical component of the procurement process as it is the final determinant of the successful Respondent/Tenderer. It is important that the assessment process is consistent with the Assessment Criteria outlined in the Request for Quotation/Tender.

II. Respondents/Tenderers prepare their responses based upon the Assessment Criteria stated in the Request for Quotation/Tender. Accordingly, it would be inequitable and improper for Agencies to introduce additional criteria that were not stated in the Request for Quotation/Tender.

III. The assessment process needs to be conducted by a panel of appropriately qualified individuals. This means, the Assessment Panel should comprise, at a minimum, technical officers with expertise in the field of the Supplies sought, and a representative of the service area making the procurement. The Assessment Panel could also be comprised of legal, financial or other experts, if warranted by the value or complexity of the Supplies required.

IV. Assessments need to be free from any bias or the perception of bias and be conducted objectively.

V. Individuals conducting assessments and Delegated Officers endorsing or approving the results of the assessment process will ensure processes are fair, transparent and unaffected by self-interest or personal gain. In situations of conflicts of interest, whether potential or perceived, the details of the conflict will be appropriately noted and disclosed in accordance with Procurement Direction PO7.

PO8.5 Tender assessments will include consideration of Local Benefit Advisory Panel advice where the procurement activity has an estimated value of $5 million and greater (refer Procurement Direction PR6).

Conforming Quotations/Tenders

PO8.6 Only conforming Quotations/Tenders are to be assessed unless covered in Procurement Direction PO8.6, PO8.7 or PO8.8.

I. The requirement for only conforming Quotations/Tenders to be assessed ensures a level playing field for all Respondents/Tenderers.
II. A Quotation/Tender is conforming if it adheres to the specified requirements of the Request for Quotation/Tender. Any deviation from the requirements specified in the Request for Quotation/Tender may cause the Quotation/Tender to be deemed non-conforming.

III. In certain circumstances non-conforming Quotations/Tenders may be assessed, and these are addressed in Procurement Direction PO8.6 to PO8.8 below.

Conditional Quotations/Tenders

PO8.7 Conditional Quotations/Tenders are where a Respondent/Tenderer proposes changes to the Conditions of Contract, if allowed for in the Request for Quotation/Tender.

I. The option to allow Respondents/Tenderers to propose changes to the Conditions of Contract is determined when developing the Project Specific Procurement Plan.

II. Where the Agency elects to allow Respondents/Tenderers to propose changes, this needs to be clearly reflected in the Request for Quotation/Tender.

III. Where Respondents/Tenderers request changes to the Conditions of Contract, they must clearly specify in the Quotation/Tender Response the changes to the conditions that are being requested.

IV. Where Respondents/Tenderers request changes to the Conditions of Contract, where allowed, they do so at their own risk, as the changes will be deemed to form part of their Quotation/Tender and will be assessed on that basis. If the requested changes included in a Quotation/Tender are not acceptable to the Principal, the Quotation/Tender may not be considered further. Where Agencies are unsure of the legal acceptability of proposed changes to Conditions, they should refer them to the Department of the Attorney-General and Justice for advice.

V. The changes to Conditions proposed by the Respondent/Tenderer become a matter for negotiation between the Agency and the Respondent/Tenderer, if the Respondent/Tenderer is a preferred Respondent/Tenderer.

VI. Agencies would carry out negotiations with preferred Respondents/Tenderers with the aim of achieving a satisfactory resolution to the changes proposed to the Conditions of Contract with no adjustment to the price(s). These negotiations must take place within the framework of the Request for Quotation/Tender.

VII. If the Request for Quotation/Tender states that changes to the Conditions of Contract are not allowed and the Respondents/Tenderers request changes to the Conditions of Contract, their Quotation/Tender may be deemed inadmissible for assessment.

VIII. Respondents/Tenderers are not allowed to request changes to the Conditions of Quoting/Tendering. If a Quotation/Tender contains changes to the Conditions of Quoting/Tendering, the Respondent/Tenderer may be requested to withdraw the changes. If the changes are not withdrawn the Quotation/Tender will be non-conforming and will be inadmissible for assessment.
Qualified Quotations/Tenders

PO8.8 A qualified Quotation/Tender is where modifications are made to the technical specifications due to a physical impossibility of the Respondent/Tenderer to meet the specifications, or an ambiguity in the technical specifications. A qualified Quotation/Tender may be assessed.

I. In certain situations, Respondents/Tenderers are unable to deliver the specified technical requirements due to a physical impossibility (for example certain parts no longer in production), or because there is ambiguity in the technical specifications. A qualified Quotation/Tender would contain modifications to only the technical specifications, and the Quotation/Tender otherwise meets the Supply requirements at the Quoted/Tendered price.

II. Qualified Quotations/Tenders may be admitted for assessment where the qualifications are based on legitimate issues and the Quotation/Tender meets the requirements of the Agency.

III. Where the Agency determines that there is no reasonable basis for a qualified Quotation/Tender, the Respondent/Tenderer will be required to withdraw the qualifications and conform to the specified requirements with no change to the Quoted/Tendered price. If the Respondent/Tenderer refuses to withdraw the qualifications with no adjustment of the Quoted/Tendered price, the Quotation/Tender is to be set aside.

Alternative Quotations/Tenders

PO8.9 An alternative Quotation/Tender is one that provides an alternative solution to the technical requirement stated in a Request for Quotation/Tender, where allowed. The alternative solution may not be necessitated by the unavailability of specified materials or equipment and is not due to clarification of any ambiguity within the documents.

I. An Agency needs to make a determination at the commencement of a procurement planning process whether alternative Quotations/Tenders will be allowed and, if so, whether a Quotation/Tender which conforms to the requirements of the Request for Quotation/Tender is also required. The Request for Quotation/Tender is to indicate whether alternative Quotations/Tenders are permitted and any conditions imposed.

Clarification of Quotations/Tenders

PO8.10 Where there is ambiguity in a Quotation/Tender which is being assessed, an Agency is to seek clarification of that ambiguity.

I. In circumstances where a statement or information provided in a Quotation/Tender is open to interpretation or is not readily understood, clarification of the statement or information may be obtained from the Respondent/Tenderer.

II. In seeking clarification, an Agency cannot reveal information about the evaluation process, information about another Respondent/Tenderer or their Quotation/Tender, or intentions as to Contract award. Communications with a Respondent/Tenderer must only be in regard to the clarification of the ambiguity which is preventing a proper assessment of the Quotation/Tender.
PO8.11 A request for clarification is to be framed in a manner that does not result in the Respondent/Tenderer gaining an advantage over other Respondents/Tenderers, or result in a counter-offer.

I. Any discussion or contact with Respondents/Tenderers during the assessment process must be done with due regard to probity, particularly:

   a. No information on the assessment process is to be divulged to any Respondent/Tenderer.

   b. The status (that is whether preferred, under consideration or rejected) of any other Quotation/Tender must not be advised or implied to any Respondent/Tenderer.

   c. All communication with Respondents/Tenderers should be in writing and specify a timeframe for responding. In circumstances where an issue is discussed verbally with the Respondent/Tenderer, the discussion must be documented and retained with the Quotation/Tender documentation. The Respondent/Tenderer must confirm their verbal advice in writing prior to the completion of the Quotation/Tender assessment process for the information to be used in the assessment.

   d. Notations should not appear on the original Quotation/Tender Response Schedules or any papers submitted as part of the Quotation/Tender.

   e. Discussions with Respondents/Tenderers are to occur in the presence of a minimum of two officers of the Assessment Panel.

IV. It may be appropriate to engage an independent observer (for example probity advisor or specialist consultant) to oversee the clarification process, particularly where the Quotation/Tender is complex or of significant risk and value.

PO8.12 A request for clarification is not an opportunity for a Respondent/Tenderer to amend an existing Quotation/Tender, submit a replacement Quotation/Tender or adjust Quoted/Tendered prices.

Errors in Quotations/Tenders

PO8.13 Where a Quotation/Tender contains an obvious error, clarification of the error is to be sought from the Respondent/Tenderer prior to the completion of the assessment process.

I. Where Quotations/Tenders are submitted with an obvious error, clarification should be sought from the Respondents/Tenderer in writing and, where appropriate, such error may be corrected.

II. In the case of the Quoted/Tendered rate or price, an obvious error due only to omission or incorrect insertion of a decimal point may be corrected. Respondents/Tenderers are not permitted to introduce or remove any other rate or price.

III. Where a Quoted/Tendered price is incorrect due to other than an obvious error, the Respondent/Tenderer should be given the opportunity to absorb the error/omission in the Quotation/Tender. If the Respondent/Tenderer is unable or unwilling to do so, the Quotation/Tender is to be set aside.
Negotiation

PO8.14 The Accountable Officer may approve negotiations with Respondents/Tenderers.

I. As part of assessment there may be occasions where it is appropriate to negotiate with a Respondent/Tenderer.

II. Negotiations may only occur:
   a. During a Prequalification Process (refer Procurement Direction PO2).
   b. To amend the scope of the Quotation/Tender (with a consequential change in price).
   c. In relation to innovative methods proposed by a Respondent/Tenderer.
   d. In order to finalise a plan or proposal required under the Request for Quotation/Tender.
   e. In relation to proposed changes to the Conditions of Contract or specified technical requirements with any resultant variations allowing Best Value for Money to then be assessed.

III. Where an Agency is considering negotiations with one or more Respondents/Tenderers, consideration will be given to the potential to place Respondents/Tenderers excluded from negotiations at a disadvantage. Where it is considered that one or more Respondents/Tenderers will be disadvantaged, then negotiations should involve all Respondents/Tenderers.

IV. All requests to the Accountable Officer to enter into negotiations with a Respondent/Tenderer will clearly outline the reasons to engage in negotiations so that the Accountable Officer may be fully informed.

V. Any negotiation with Respondents/Tenderers during the Quotation/Tender assessment process must be done with due regard to probity, particularly:
   a. No information on the assessment process is to be divulged to any Respondent/Tenderer.
   b. The status (i.e. whether preferred, under consideration or rejected) of any other Quotation/Tender must not be advised or implied to any Respondent/Tenderer.
   c. All communication with Respondents/Tenderers should be in writing and specify a timeframe for responding. In circumstances where an issue is discussed verbally with the Respondent/Tenderer, the discussion must be documented and retained with the Quotation/Tender documentation. The Respondent/Tenderer must confirm their verbal advice in writing prior to the completion of the Quotation/Tender assessment process for the information to be used in the assessment.
   d. Notations should not appear on the original Quotation/Tender Response Schedules or any papers submitted as part of the Quotation/Tender.
   e. Discussions with Respondents/Tenderers are to occur in the presence of a minimum of two officers of the Assessment Panel.
VI. It may be appropriate to engage an independent observer (for example probity advisor or specialist consultant) to oversee the negotiation, particularly where the Quotation/Tender is complex or of significant risk or value.

VII. Extreme care should be taken in any negotiations that a counter-offer is not made by a Respondent/Tenderer nor accepted by an Agency.

Industry Participation Plans

PO8.15 The Industry Participation Plans will be entered into with the successful Tenderer for procurement activity with an estimated value of $5 million or greater.

I. Proposed industry participation will be assessed based on the Tenderer’s response to the Local Content Assessment Criterion.

II. Prior to awarding the Tender, the Agency and the preferred Tenderer will agree to the terms of an Industry Participation Plan based on the Tenderer’s response to the Local Content questions. The Department of Business may provide assistance in finalising the Industry Participation Plan.

Quotations/Tenders Validity Period

PO8.16 Assessment of Quotations/Tenders should be completed within the Quotation/Tender validity period as set out in the Request for Quotation/Tender.

I. Where possible, assessment and award of Quotations/Tenders should be completed within the timeframe of the Quotation/Tender validity period. This is because Quotations/Tenders are submitted based on conditions existing at a point in time, particularly in relation to availability and cost of resources.

PO8.17 Where it becomes obvious that the assessment will not be completed within the Quotation/Tender validity period, then Agencies will obtain written confirmation from Respondents/Tenderers that Quotations/Tenders remain open for acceptance for a further specified period of time.

I. To enable continued assessment of the Quotations/Tenders, all eligible Respondents/Tenderers will need to confirm the continuing validity of their Quotation/Tender in writing. The written confirmation will specify that the Quotation/Tender, as submitted, remains open for a specified extended period.

II. The period of time for which the Quotation/Tender continues to be valid is nominated by the Agency, and a Respondent/Tenderer is entitled to withdraw or amend their offer (for example a price adjustment to take account of price increases that may have occurred) at the time confirmation of the validity of the Quotation/Tender is requested. Where this occurs, the Quotation/Tender will be re-assessed on the revised prices.

PO8.18 Quotations/Tenders will lapse where the validity period has not been extended prior to the validity expiry date.

I. Where the Quotation/Tender has lapsed, all Respondents/Tenderers will be notified that the procurement process has ceased.
II. Agencies should put in place processes to avoid such actions occurring. This is because Respondents/Tenderers have, in good faith, expended resources in developing Quotation/Tender responses and should not be disadvantaged purely because of the Agency’s failure to properly plan or prioritise their procurement activity.
## Table of Amendments

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>General</strong></td>
<td>Amended to reflect new Tier levels and Quotation requirements</td>
<td>30 March 2009</td>
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<tr>
<td></td>
<td>Amended to clarify differences between Conditional, Qualified and Alternative Quotation/Tenders</td>
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<tr>
<td><strong>General</strong></td>
<td>Amended to remove the use of acronyms in the Directions and apply consistency in use of defined terminology</td>
<td>1 July 2012</td>
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<tr>
<td></td>
<td>Introduced a sixth procurement Tier</td>
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<td><strong>PO8.3, PO8.11 and PO8.17</strong></td>
<td>Added as a Direction formally stated as following explanation only</td>
<td>1 July 2012</td>
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<td><strong>PO8.6</strong></td>
<td>Industry Participation Plans added omitted Direction numbering (this previous change has resulted in consequential adjustments to Direction numbering)</td>
<td>1 July 2012</td>
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<td><strong>PO8.10</strong></td>
<td>Amended to include non-conforming offers received</td>
<td>1 July 2012</td>
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<td><strong>PO8.16 (II)</strong></td>
<td>Amended to clarify (b) and include (d) (allowed under conditional/qualified offers)</td>
<td>1 July 2012</td>
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<td><strong>PO8.19</strong></td>
<td>Added to clarify where validity is not extended prior to expire date the Quotation/Tender lapses</td>
<td>1 July 2012</td>
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<td>Formatted for WCAG2.0 accessibility – changes to formatting, spelling, grammar and punctuation</td>
<td>1 January 2013</td>
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<td><strong>PO8 p1</strong></td>
<td>Change in formatting</td>
<td>20 March 2013</td>
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<td>Formatted for web compatibility</td>
<td>15 February 2016</td>
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<tr>
<td><strong>PO 8.15</strong></td>
<td>Amended to reflect Buy Local plan – substitute ‘Local Development and Value Adding’ with ‘Local Content” and relocated PO 8.6.</td>
<td>15 February 2016</td>
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<tr>
<td><strong>PO 8.5</strong></td>
<td>Amended to reflect introduction of the Local Benefit Advisory Panel and subsequent numbering changes. Minor wording changes to Industry Participation Plan requirements.</td>
<td>18 April 2016</td>
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Procurement Direction PO9
Policy Series

PO9 - Contract Award and Transparency

Statement of Intent

This Procurement Direction sets out the required process for awarding a Contract and notifying the award of a Contract.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Approval to Accept Quotations/Tenders

- Accountable Officers may accept a Quotation/Tender for Supplies at any value.

Approval to Decline all Quotations/Tenders

- Accountable Officer approval is required prior to declining all Quotations/Tenders.

Notification of Procurement Outcomes

- All Respondents/Tenderers will be notified of the outcome of the procurement process when the process is complete.
- Where Quotations/Tenders are received in writing, the notification will be provided in writing.

Advice to Tenderers in a Pre-qualified Tender Process

- All Tenderers for a multi stage Tender will be notified in writing of the outcome of each stage of the Tender, prior to an Agency proceeding to the next stage of the Tender.

Transparent Procurement

- Contracts awarded in relation to Tier Two, Tier Three, Tier Four and Tier Five Supplies will be published on the Northern Territory Government website unless approved otherwise by the Minister responsible for Procurement.
- Contracts awarded are not to be published where:
  a. Supplies are provided by the Government, the Commonwealth or a State or another Territory of the Commonwealth.
  b. Supplies are obtained under an existing Period Contract.
  c. Publication of the details is, in the opinion of the Minister responsible for Procurement, contrary to the public interest.

Disclosure of Additional Information

- Additional information to that published on the Northern Territory Government website may be provided to Respondents/Tenderers provided the confidentiality of a Quotation/Tender is not compromised.
• Where information relating to a specific Quotation/Tender is sought, the written consent of the relevant Respondent/Tenderer and the approval of the Accountable Officer are required prior to the release of such information.

Contents

Approval to Accept Quotations/Tenders
Approval to Decline all Quotations/Tenders
Notification of Procurement Outcomes
Advice to Tenderers in a Pre-qualified Tender Process
Transparent Procurement
Disclosure of Additional Information

Authorities

Procurement Act
Procurement Regulations
Approval to Accept Quotations/Tenders

PO9.1 At the conclusion of an assessment process for Supplies, the Accountable Officer may accept a Quotation/Tender and enter into a Contract.

I. Acceptance of a Tender with an estimated value of $5 million and greater will take into consideration advice provided by the Local Benefit Advisory Panel.

II. Contracts entered into as the result of a Tier 3, Tier 4 and Tier 5 procurement activity will include Local Benefit Commitments. Approval to Decline all Quotations/Tenders

PO9.2 At the conclusion of an assessment process for Supplies, if the recommendation is that all Quotations/Tenders be declined, Accountable Officer approval is required prior to declining all Quotations/Tenders.

I. A decision to decline all Quotations/Tenders is not to be taken lightly and the Agency has to be able to demonstrate sufficient justification for declining all Quotations/Tenders.

II. A lack of budget capacity to pay for the Supplies is insufficient reason to decline all Quotations/Tenders. Notwithstanding, where it can be demonstrated that the lack of budget capacity could not have reasonably been known at the commencement of the procurement process, the lack of funds may be a sufficient consideration.

Notification of Procurement Outcomes

PO9.3 For Tier One procurement, Respondents shall be notified verbally of the outcome of the procurement process upon application.

PO9.4 For Tier Two, Tier Three, Tier Four and Tier Five procurement, all Respondents/Tenderers will be notified in writing of the outcome of the procurement process.

I. The Procurement Act and the Procurement Regulations require the disclosure and publication of information relating to the award of certain Contracts.

II. To maintain fairness and transparency, all Respondents/Tenderers will be notified of the outcome of the procurement process at its completion.

III. All Respondents/Tenderers must be advised in writing of the outcome of the procurement process where the value of the Contract will be at the Tier Two level or above. Below this amount verbal notification of the outcome is sufficient.

IV. Advice to unsuccessful Respondents/Tenderers will be provided as soon as practicable after the Contract has been awarded. Such advice will be in line with information published on the Northern Territory Government website.

PO9.5 For Tier Three, Tier Four and Tier Five procurement, contracts formed will include Local Benefit Commitments.

I. The Local Benefit Commitments should be based on the information contained within the Local Content Assessment Criterion of the Quote/Tender response.
PO9.6 The Accountable Officer will, if requested by the Agency responsible for Procurement Policy, provide full details of any Contracts arranged as a result of the Quotation/Tender.

I. The Agency responsible for Procurement Policy may seek details of any procurement activity and the relevant Accountable Officer will provide that information.

II. Where the Agency responsible for Procurement Policy has been provided with details of an Agency procurement activity, the Agency responsible for Procurement Policy may provide advice about the procurement activity to the Procurement Review Board, Minister responsible for Procurement or the Accountable Officer.

PO9.7 Agencies will notify Respondents of the outcome of Tier One and Tier Two procurement activity.

PO9.8 Contract and Procurement Services will notify Tenderers of the outcome of Tier Three, Tier Four and Tier Five procurement activity.

I. At the completion of the assessment process and after approval the successful Respondent/Tenderer will be provided with written notification of the outcome of the Quotation/Tender.

II. This confirmation will comprise the Quotation/Tender reference number and title and should be in the form of one or a combination of the following:

   a. Purchase order.
   b. Letter.
   c. Formal agreement.

Advice to Tenderers in a Pre-qualified Tender Process

PO9.9 In a Prequalified Tender Process all Tenderers will be notified in writing of the outcome of each stage of the Tender Process, prior to an Agency proceeding to the next stage of the Tender Process.

I. Following Accountable Officer approval of the process following each stage (refer Procurement Direction PO2). All Tenderers, whether successful or unsuccessful, will be advised of the outcome by letter. The letter will also advise the unsuccessful Tenderers the Tenderers who have been successful.

II. Advice of the outcome of each stage of the Tender ensures that businesses are aware of whether or not there is a prospect that they will be successful in the Tender. This provides some certainty to businesses in terms of planning their workflow and staffing requirements.
Transparent Procurement

PO9.10 Details of Contracts awarded in relation to Tier Two, Tier Three, Tier Four and Tier Five Supplies will be published unless approved otherwise by the Minister responsible for Procurement.

I. Publishing details of Contracts awarded is consistent with the Procurement Principles of “Open and Effective Competition and Ethical Behaviour and Fair Dealing”.

PO9.11 Contract and Procurement Services will publish details of all Contracts awarded for Tier Two, Tier Three, Tier Four and Tier Five Supplies on the Northern Territory Government website.

PO9.12 Details of Contracts awarded are not to be published where:

• Supplies are provided by the Government, the Commonwealth or a State or another Territory of the Commonwealth;

• Supplies are obtained under an existing Period Contract; or

• Publication of the details is, in the opinion of the Minister responsible for Procurement, contrary to the public interest.

I. Details of Across Government Contracts, Period Contracts and Panel Contracts are published when established. Individual procurement activity under existing Across Government Contracts, Period or Panel Contracts therefore does not require publication.

II. Applications for dispensation from the requirement to publish details of Contracts awarded may be submitted to the Agency responsible for Procurement Policy, which will assess and forward the request to the Minister responsible for Procurement for determination.

PO9.13 Published details of Contracts awarded will include, at minimum, the following information:

• Name and address of the Agency undertaking the procurement activity;

• Reference number as shown on the Quotation/Tender document;

• Brief description of the Supplies, including the place where the works, goods or services are to be supplied or performed;

• Total value or total estimated value of the Contract;

• Successful Respondent's/Tenderer's name (in full) and location (trading address); and

• The method used to procure the Supplies.

I. In detailing the value of the Contract:

a. For a fixed quantity Contract, the total value of the Contract will be published.

b. For a Period Contract or Panel Period Contract, the estimated value of the Contract for the contracted period will be published (for example where a Contract is for a fixed hourly rate, the estimated
value of the Contract based on the hourly rate and the total estimated required hours will be published).

II. All monetary amounts need to be expressed in Australian dollars inclusive of Goods and Services Tax (if any) with estimates indicated by the abbreviation “(est.)”.

III. Use descriptions below to report the method used to procure the Supplies:

<table>
<thead>
<tr>
<th>Descriptions used to report the method used to procure the Supplies</th>
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<tbody>
<tr>
<td><strong>Procurement Method</strong></td>
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<tr>
<td>A</td>
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<td>B</td>
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<td>D</td>
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</table>

- Quote is used where a Quotation Process has been used to obtain the Supplies.
- Public Quote is used where a Public Quotation Process has been followed.
- Public is used in all cases where a Public Tender Process has been followed, except where the Public Tender involved a Prequalified Tender Process (refer Procurement Direction PO2). For the purpose of notification of Contracts awarded from a Prequalified Tender Process, these are to be noted as “Select” (see below).
- Sole is used for Quotations/Tenders where an Approval to Invite Select Quotation or a Certificate of Exemption has been issued.
- Exempt is used where action is taken under a category of Supplies subject to a standing exemption from the requirement to call Public Quotations/Tenders (refer Procurement Direction PO2).
- Select is used for Quotations/Tenders where an Approval to Invite Select Quotation or a Certificate of Exemption has been issued. Where a Prequalified Tender Process is used, this will also be denoted by the term “Select”.

**Disclosure of Additional Information**

**PO9.14** Additional information to that published on the Northern Territory Government website may be provided to Respondents/Tenderers provided the confidentiality of a Quotation/Tender is not compromised.

**PO9.15** Where information relating to a specific Quotation/Tender is sought, the written consent of the relevant Respondent/Tenderer and the approval of the Accountable Officer are required prior to the release of such information.

I. Additional information to that published on the Northern Territory Government website may be given provided this information does not compromise the confidentiality of a Quotation/Tender.
II. Where additional information to that published on the Northern Territory Government website is sought, a written request for that information is to be provided and addressed to the Accountable Officer of the relevant Agency.

III. Prior to a decision being made to release the additional information, the advantages and disadvantages of releasing this information will be considered.

IV. Where it is proposed to release information relating to a specific Quotation/Tender, the written consent of the respective Respondent/Tenderer will be obtained prior to the release of such information.

V. The Accountable Officer may approve the disclosure of information relating to a Quotation/Tender additional to that published on the Northern Territory Government website. Unless consent is given, such additional information shall not be released.
## Table of Amendments

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<tr>
<td>General</td>
<td>Amended to reflect new Quotation requirements for Tier 3 procurement activity</td>
<td>30 March 2009</td>
</tr>
<tr>
<td></td>
<td>Amended reporting of all procurement activity to PRB to now commence from Tier 2 and be done monthly</td>
<td></td>
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<td></td>
<td>Amended requirement to Gazette all procurement activity from Tier 2 and above</td>
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<tr>
<td>General</td>
<td>Introduced a sixth procurement Tier</td>
<td>1 July 2012</td>
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<tr>
<td>PO9.14</td>
<td>Moved process requirements for Ministerial determination to PR9.2</td>
<td>1 September 2012</td>
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<td>1 January 2013</td>
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<td>Headings, PO9.6 IV PO9.10 – PO9.15</td>
<td>Removed requirement for Gazette publication in line with changes to Procurement Regulations</td>
<td>20 March 2013</td>
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<td>15 February 2016</td>
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<tr>
<td>PO 9.2, 9.10 and 9.12</td>
<td>Amended to simplify and remove repetition.</td>
<td>15 February 2016</td>
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<tr>
<td>PO 9.1 and 9.5</td>
<td>Amended to reflect introduction of the Local Benefit Advisory Panel and Local Benefit Commitments</td>
<td>18 April 2016</td>
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PO1- Debriefing Respondents/Tenderers

Statement of Intent

This Procurement Direction outlines the requirements for debriefing a Respondent/Tenderer. It clarifies what must be covered in a debriefing and when a debriefing is appropriate.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Debriefing Respondents/Tenderers

- Respondents/Tenderers may seek a debriefing from the procuring Agency.
- Agencies must provide a debriefing to a Respondent/Tenderer upon request at a mutually convenient time.
- Agencies are to ensure that the debriefing is conducted by at least two Agency officers who have an appropriate level of understanding of the assessment process that has taken place in relation to the specific Quotation/Tender.
- At least one of the Agency officers conducting the debriefing will have been a member of the assessment panel.
- The debriefing will be based on the assessment panel’s assessment of the Quotation/Tender and not refer to any other Respondent/Tenderer.
- The debriefing must NOT disclose information that could compromise the commercial confidentiality of other Quotations/Tenders.
- The debriefing will provide the Respondents/Tenderers, in a straightforward manner, with details relating to the assessment of their offer.
- Where Agencies are unsure about a response to a matter raised by a Respondent/Tenderer in a debriefing, they must advise the Respondent/Tenderer that they accept the query on notice and will provide a written response to the query within seven days.
- Agencies will prepare a written record of each debriefing.
- A copy of this written record will be provided to the relevant Respondent/Tenderer.

Contents

Debriefing Respondents/Tenderers

Authorities

Procurement Act

Procurement Regulations
PO10.1 For Tier Two Supplies, Agencies will advise all Respondents that they can seek a debriefing from the procuring Agency.

PO10.2 For Tier Three, Tier Four and Tier Five Supplies, Contract and Procurement Services will advise all Respondents/Tenderers that they can seek a debriefing from the procuring Agency.

I. A debriefing is a critical part of Procurement as it provides an opportunity for Respondents/Tenderers to receive feedback on their Quotation/Tender. The debriefing will need to be sufficiently comprehensive to provide a Respondent/Tenderer with a clear understanding of the strengths and weaknesses of their Quotation/Tender so that the Respondent/Tenderer can improve future Quotations/Tenders.

II. A debriefing is conducted once the Contract has been awarded and notification is sent to the Respondents/Tenderers. Procurement Direction PO9 provides additional instructions and guidance in relation to notifying Respondents/Tenderers of procurement outcomes.

III. In relation to Tier One Supplies, the Agency will determine whether debriefing is appropriate, but is required to provide a debriefing when one is requested by a Respondent.

IV. Debriefing should occur at the earliest possible convenience and at a mutually convenient time. Respondents/Tenderers should be advised that the debriefing is an opportunity to go through their Quotation/Tender and to receive feedback.

V. Where an Agency receives a request from a Respondent/Tenderer to hold a debriefing, the Agency must respond, in writing, confirming the time and place that the debriefing will occur. Debriefings should occur without undue delay.

PO10.3 Agencies are to ensure that the debriefing is conducted by at least two Agency officers who have an appropriate level of understanding of the assessment process that has taken place in relation to the specific Quotation/Tender.

PO10.4 At least one of the Agency officers conducting the debriefing will have been a member of the Tender assessment panel.

I. The debriefing panel should be fully conversant with the specific assessment process and have sufficient skills and experience to undertake the responsibilities of the role.

PO10.5 The debriefing will be based on the panel’s assessment of the Quotation/Tender and not refer to any other Quotations/Tenders.
PO10.6 The debriefing must not disclose information that could compromise the commercial confidentiality of other Quotations/Tenders.

I. A Respondent/Tenderer must be advised that under no circumstances will information relating to another Quotation/Tender (whether directly or indirectly) be disclosed.

II. A Respondent/Tenderer is required to limit any questions asked prior to, or during, the debriefing solely to their response and the debriefing panel need to restrict their feedback to the panel’s assessment of the Quotation/Tender.

III. Advice provided to Respondents/Tenderers needs to reflect the panel’s assessment of the Quotation/Tender based on the Assessment Criteria as stated in the Request for Quotation/Tender, and subsequently used by the Agency to assess.

IV. The panel must not indicate where the Respondent’s/Tenderer’s Quotation/Tender was ranked in the assessment or provide comparative information of any kind.

PO10.7 The debriefing will provide the Respondents/Tenderers, in a straightforward manner, with details relating to the assessment of their offer.

I. The debriefing panel should prepare information in relation to the Quotation/Tender prior to the scheduled meeting time.

II. In preparing for a debriefing, the Agency may ask the Respondent/Tenderer to detail any aspects of their Quotation/Tender to be clarified. Regardless of whether an Agency seeks such information, a Respondent/Tenderer can nominate any aspect of their Quotation/Tender to be clarified (both at the time of requesting a debriefing or at a time prior to the debriefing), provided the Respondent/Tenderer allows sufficient time for the Agency to prepare a response. This request is to be in writing.

III. The debriefing should detail the strengths and weaknesses of the Respondent’s/Tenderer’s response in relation to each Assessment Criteria.

IV. The debriefing should be both informative and accurate. For example, where a Respondent’s/Tenderer’s Past Performance has been found to be unsatisfactory by the assessment panel, the debriefing panel may need to familiarise themselves with Agency records detailing previous advice, interviews or instances of unsatisfactory Past Performance.

V. Where a Respondent/Tenderer seeks specific clarification on the Request for Quotation/Tender documentation or an aspect of the procurement process, the debriefing panel should respond accordingly. The panel must ensure the feedback provided does not divulge information regarding other Respondents/Tenders or commercial in confidence information.

VI. Where the debriefing indicates the Agency’s procurement processes could be improved and/or there is a possibility that a complaint may be lodged as a result of information provided during the debriefing, the debriefing panel should attempt to address the complaint in the debriefing.

This may be through, for example, advising the Respondent/Tenderer that it is acknowledged that there appears to be scope for improvement and the
Agency will seek to rectify future Quotation/Tender processes and subsequently provide additional information advising of the changes, once implemented.

VII. The Agency should ensure that the panel addresses any issues raised in the debriefing, regardless of whether the issue is likely to result in a complaint, and may, where it is deemed necessary, seek the assistance of the Agency responsible for Procurement Policy in addressing the issues.

VIII. A debriefing should be conducted formally. Face-to-face meetings for a debriefing are highly desirable, and debriefings over the telephone are discouraged. There may be circumstances where a telephone debriefing is unavoidable, such as for an interstate or overseas company.

PO10.8 Agencies will not answer questions that are irrelevant to the Respondent’s/Tenderer’s Quotation/Tender.

PO10.9 Where Agencies are unsure about the response to a matter raised by a Respondent/Tenderer in a debriefing, they must advise the Respondent/Tenderer, accept the query on notice, and provide a written response to the query within seven days.

PO10.10 The debriefing panel must ensure that the information provided during a debriefing relates solely to that Respondent/Tender. At no time is the debriefing panel to provide any details relating to another Respondent’s/Tenderer’s submission (subject to Procurement Direction PO9).

PO10.11 Agencies will prepare a written record of each debriefing.

PO10.12 A copy of this written record will be provided to the Respondent/Tenderer.
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PO11 - Complaints Management

Statement of Intent

This Procurement Direction outlines the complaints handling process to be followed by Agencies, and the way complaints must be addressed.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Complaint Principles

- Government will only investigate procurement related complaints that are lodged in writing.
- Unless a complaint relates to a matter of Procurement Policy or Procurement Review Board processes, it will be handled by the procuring Agency.
- All Agencies will adhere to specific principles when managing complaints.

Agency Complaints

- Agencies will ensure that the receipt or investigation of a complaint does not prejudice a Supplier’s or a future Supplier’s participation in other procurement processes.
- Agencies will handle all initial complaints in relation to the Agency’s procurement activities.
- Agencies are, in the first instance, to deal with complaints from a Contractor by using the dispute resolution process set out in the Contract.

Procurement Policy Complaints

- Complaints regarding Procurement Policy will be referred to, and handled by, the Agency responsible for Procurement Policy.

Procurement Review Board Process Complaints

- Complaints regarding Procurement Review Board processes will be referred to, and handled by, the Procurement Review Board secretariat.

Role of the Procurement Liaison Officer

- Agencies may escalate complaints to the Procurement Liaison Officer, Department of Business.
- The Procurement Liaison Officer will register, track and report on procurement complaints.
Independent Facilitator

- For more difficult complaints, a third party independent facilitator may be used provided the applicable Agency agrees with any costs that may be associated in using a third party facilitator.

- The entity investigating the complaint has responsibility for ensuring the appropriate use of services of an independent facilitator.

- A proposed independent facilitator will be asked to declare any actual or potential conflicts of interest, and the investigating entity will consider whether the actual or potential conflict is such that the proposed independent facilitator cannot be considered truly independent.

Contents

Complaint Principles
Agency Complaints
Procurement Policy Complaints
Procurement Review Board Process Complaints
Role of the Procurement Liaison Officer
Independent Facilitator

Authorities

*Procurement Act*

Procurement Regulations
Complaint Principles

PO11.1 Government will investigate all procurement-related complaints that are lodged in writing.

PO11.2 Unless a complaint relates to a matter of Procurement Policy or Procurement Review Board processes, it will be managed by the procuring Agency in the first instance.

PO11.3 All Agencies will adhere to specific principles when managing complaints.

I. The receipt of a complaint regarding procurement activities and Procurement Policy is an opportunity to confirm and, as appropriate, improve the integrity of Government Procurement Policy and processes.

II. Complaints may be received by the procuring Agency, the Agency responsible for Procurement Policy, the Procurement Review Board or the Procurement Liaison Officer. The process for complaints management is the same regardless of which entity receives the complaint.

III. The Procurement Principle of “Ethical Behaviour and Fair Dealing” is paramount in the treatment of complaints. In responding to complaints, the focus should be on open and effective communication to enable the complaint to be responded to in a timely and efficient manner.

IV. To enable comprehensive investigation by Government, complaints will be submitted in writing. Where a complaint is received verbally, the complaint may, at the discretion of Government, be further investigated or may be discounted.

V. A complaint regarding a procurement activity or Contract is initially to be investigated by an Agency officer who has not been directly involved with the related procurement activity or Contract.

VI. While the process for addressing complaints will vary depending on the nature of the complaint, the principles for addressing complaints are standard. Attachment 1 sets out the Principles of Complaint Management.

VII. A request for information or further information is not of itself a complaint.

Agency Complaints

PO11.4 Agencies will ensure that the receipt or investigation of a complaint does not prejudice a Complainant’s participation in future procurement activity.

PO11.5 Agencies will handle all initial complaints in relation to the Agency’s procurement activities.

I. Complaints regarding the process of a specific procurement activity will be referred to the Agency undertaking the procurement in the first instance. The Agency undertaking the procurement activity has initial responsibility for investigating the complaints and responding to the Complainants.

II. Upon receipt, the Agency will advise the Procurement Liaison Office and provide details of the procurement complaint. Alternatively, the Procurement
Liaison Office may receive a procurement complaint, which will be directed to the relevant Agency.

III. As an alternative to investigation by one officer, the Agency may appoint a team to investigate the process. Those appointed to the investigation team should not have been involved in the specific procurement process in question so as to ensure impartiality and alleviate any possible conflicts of interest. The team should have experience in Government procurement activities and/or have suitable technical, investigatory, mediation or resolution skills so as to be able to appropriately deal with the issues raised.

IV. The Agency that is the subject of the complaint may:
   a. Provide a response to the Complainant specifically addressing all aspects of the Complainant’s concerns.
   b. Request an independent party to act as an independent facilitator.

V. The Procurement Liaison Officer will advise the Procurement Review Board of the nature and status of each complaint (refer Procurement Direction PO11.10 (ii)).

VI. At the completion of the investigation, the Agency will advise the Procurement Liaison Office with details of the response to the Complainant.

**PO11.6** Agencies, in the first instance, will deal with complaints from a Contractor by using the dispute resolution process set out in the Contract.

I. Where a dispute arises between the Government and a Contractor, the parties should use the dispute resolution clauses in the Contract between them before considering any other processes.

**Procurement Policy Complaints**

**PO11.7** Complaints regarding Procurement Policy will be referred to, and handled by, the Agency responsible for Procurement Policy.

I. A complaint regarding Procurement Policy may arise from a specific procurement activity.

II. As a result of investigating the complaint, the Agency responsible for Procurement Policy may determine that the policy:
   a. Has been misunderstood by the complainant and seeks to explain the policy to the complainant either in writing or through a briefing (with recorded minutes).
   b. Has been misunderstood by an Agency and has resulted in an Agency conducting a procurement activity which is not fully consistent with Procurement Policy or processes. In these circumstances, the Agency responsible for Procurement Policy may subsequently direct that the Agency modify their procurement practices to address the issues raised as appropriate. The Complainant should be advised in writing of any action taken.
   c. Requires clarification or amendment and seeks to develop an amended policy as appropriate.
d. May notify the Minister responsible for Procurement of changes that they consider should be made to Procurement Policy or processes.

Procurement Review Board Process Complaints

PO11.8 Complaints regarding Procurement Review Board processes will be referred to, and handled by, the Procurement Review Board secretariat.

I. A Procurement Review Board process complaint relates to the processes and procedures adopted by the Procurement Review Board. Procurement Review Board process complaints may arise from a specific procurement activity.

II. As a result of investigating the complaint, the Procurement Review Board may determine that the process or procedure:

   a. Has been misunderstood by the complainant and seeks to explain the process or procedure to the complainant either in writing or through a briefing (with recorded minutes).

   b. Requires clarification or amendment and seeks to develop an appropriate amended process or procedure.

   c. May notify the Minister responsible for Procurement via the Agency responsible for Procurement Policy of changes that the Procurement Review Board recommends be made to process or procedure.

Role of the Procurement Liaison Officer

PO11.9 The role of the Procurement Liaison Officer, Department of Business, is to independently assess, investigate and provide advice on procurement related complaints.

PO11.10 The Procurement Liaison Officer will track and report on procurement complaints.

I. The Procurement Liaison Officer will maintain a register, track and report on all procurement complaints under Procurement Direction PO11.5 to resolution. All Agencies will utilise the register to manage complaints.

II. Recognising that one of the principles of complaint management is confidentiality, the Procurement Liaison Officer will regularly provide various decision-making and advisory boards and bodies with complaint reports containing sufficient detail to allow them to be fully informed while fulfilling their various functions. In particular, the Procurement Review Board will be fully informed on all procurement complaints under investigation during the tender process prior to Contract award.

III. If a Complainant has addressed concerns directly with the Agency undertaking the procurement activity and still feels that the matter has not been resolved, the Complainant may escalate the matter to the Procurement Liaison Officer.

IV. Where the matter is referred to the Procurement Liaison Officer, they may:

   a. Provide advice to the Complainant, developed in consultation with the Agency responsible for Procurement Policy, clarifying the policy and processes.
b. Provide advice to an Agency, developed in consultation with the Agency responsible for Procurement Policy, regarding Procurement Policy or processes.

c. Request an independent facilitator for more difficult complaints.

d. Request an audit investigation by an independent party or direct the matter to the Ombudsman.

Independent Facilitator

PO11.11 For more difficult complaints, a third party independent facilitator may be used.

PO11.12 The entity investigating the complaint has responsibility for ensuring the appropriate use of services of an independent facilitator.

PO11.13 A proposed independent facilitator will be asked to declare any actual or potential conflicts of interest, and the investigating entity will consider whether the actual or potential conflict is such that the proposed independent facilitator cannot be considered truly independent.

I. For more complex complaints, the entity investigating and advising of the outcome of the investigations (the Agency, the Agency responsible for Procurement Policy, the Procurement Liaison Officer, or the Procurement Review Board) may determine that it would be appropriate for discussions involving the Complainant to be conducted in the presence of an independent third party facilitator.

II. An independent facilitator is not a mandatory requirement. The decision whether to use one is made on a case-by-case basis taking account of the complexity of the complaint, the positions adopted by the Agency and the Complainant, and the costs or benefits of using an independent facilitator.

III. An independent facilitator may be from within Government or from the private sector.

   a. Where appropriate, an independent facilitator may have specific expertise or experience relating to an industry sector or professionals area.

   b. Independent facilitators must, at all times, be independent, and where independence is or has the potential to be compromised, the facilitator is not to be used.
Attachment 1

Principles of Complaint Management

I. Complaints will be made in writing.

II. The specifics of the complaint need to be ascertained and addressed.

III. It may be necessary to discuss the complaint with the Complainant to ensure that the nature of the complaint is understood.

IV. Any discussions or briefings with the Complainant, whether by phone or in person, will be documented.

V. Complaints will be treated as confidential.

VI. All complaints should be handled with the utmost respect and treated in the strictest confidence. Where it is necessary to disclose information to a person or in a manner that could not have reasonably been anticipated by the Complainant, it may be necessary to obtain prior permission from person(s) affected by the disclosure.

VII. Complaints should be responded to expediently, recognising that time is of the essence.

VIII. The investigation and response to complaints should not be unduly delayed and, if there are any delays in the process, Complainants should be informed of the reasons for the delay.

IX. Agencies should not take into account previous complaints by the Complainant when responding to a complaint.

X. If a complaint is withdrawn, there is no need to continue the investigation. However, if the complaint relates to a Procurement Policy issue, that issue may be further considered by the Agency responsible for Procurement Policy.

XI. Complainants continue to have the right to raise the matter for consideration of the Ombudsman independently, or seek legal advice.

Where any of the above issues are irrelevant, it is likely that the matter is not a complaint. Furthermore, queries regarding how or why an event or course of action has been chosen would not necessarily represent a complaint. A request for information or further information is not of itself a complaint.
## Table of Amendments

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PO12 - Contract Management

Statement of Intent

This Procurement Direction outlines the requirements for effective and appropriate Contract management by Agencies.

Main Features

Section 11 of the *Procurement Act* requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Contract Management

- Agencies are responsible for Contract management.
- Agencies will manage Contracts by ensuring Supplies are:
  - a. delivered or completed in a timely fashion
  - b. to a satisfactory standard
  - c. to an agreed cost.
- Agencies will ensure they have systems and processes in place to adequately manage Contracts after they have been awarded.

Contract Variations

- Variations can only be made where the variations do not change the scope intent of the original Contract.
- Cumulative Contract variations, which result in variations to price exceeding fifteen percent in total, will be approved by the Accountable Officer.
- Where cumulative Contract variations result in total Contract price variations exceeding fifteen percent or $50,000, whichever is the greater, the variations will be reported in accordance with the requirements of Procurement Direction PO14 within two weeks of the Accountable Officer’s approval.
- Where Contract variations significantly impact the Local Benefit Commitments of Contracts that were subject to Local Benefit Advisory Panel requirements in the tendering stage, Agencies will seek advice from the Local Benefit Advisory Panel.
- Accountable Officers will consider Local Benefit Advisory Panel advice when making decisions regarding variations that significantly impact the Local Benefit Commitments in Contracts that were subject to Local Benefit Advisory Panel requirements.

Contract Expiry

- Prior to a Contract expiring, Agencies will ensure sufficient time for reassessment of the need for Supplies beyond the life of the existing Contract and allow for a properly planned procurement.
Performance Reports

- Agencies will prepare Performance Reports in relation to all Contracts.
- Agencies will retain Performance Reports for three years and will provide a copy of the Performance Reports to another Agency in circumstances where the information contained in the reports can be used to assist in assessments.
- Agencies will provide Performance Reports on applicable works and services Contracts to Contractor Accreditation Limited.

Contents

Contract Management
Contract Variations
Contract Expiry
Performance Reports

Authorities

Procurement Act
Procurement Regulations
Contract Management

**PO12.1** Agencies are responsible for Contract management.

**PO12.2** Agencies will manage Contracts by ensuring Supplies are:

- delivered or completed in a timely fashion;
- to a satisfactory standard; and
- to an agreed cost.

I. Subsequent to Contract award, Contract management is a critical aspect of the procurement process.

II. Agencies are responsible for managing Contracts.

III. Contract management includes, but is not limited to, ensuring that the Supplies are completed or delivered consistent with the performance indicators and benchmarks that the Supplier is contracted to achieve.

IV. Effective Contract management is important as it ensures that both the Agency and the Contractor(s) both fulfil their contractual obligations.

**PO12.3** Agencies will ensure they have systems and processes in place to adequately manage Contracts after they have been awarded.

I. Agencies will ensure that a Contract management framework is in place to deal with any Contract management issues that may arise.

II. Agencies will ensure that Contract managers have sufficient skills and training commensurate with the nature and value of the Contracts that they administer.

III. Key steps to be undertaken when managing Contracts include:

a. Development of performance indicators, benchmarks, targets or milestones relevant to contractual commitments.

b. Periodic documenting and reporting against these performance indicators, benchmarks, targets or milestones.

c. Preparing Performance Reports as required.

d. Maintaining regular and effective informal and formal communication between the Agency and the Contractor to enable speedy resolution of any issues which may arise.

e. Documenting decisions regarding Contract variations (see Contract Variation section below), and ensuring necessary approvals have been obtained to vary the Contract.

f. Timely and appropriate payment for works, goods or services rendered, or Contract milestones achieved.

g. Ensuring that both the Agency and the Contractor(s) undertake and fulfil all contractual obligations.

h. Monitoring of rise and fall provisions.
i. Monitoring the Contractor’s compliance with legislative and other obligations.

j. Completing a final Performance Report at the expiry of the Contract and providing feedback to appropriate bodies, such as CAL.

IV. Where poor performance is identified during the term of a Contract, the Agency needs to ensure that the Contractor is immediately alerted to the issues. The Agency and the Contractor then need to attempt to negotiate resolution of the issues.

Contract Variations

PO12.4 Variations to Contracts can only be made where the variations do not change the scope of the original Contract.

PO12.5 Cumulative Contract variations, which result in variations to the original Contract price exceeding fifteen percent in total, will be approved by the Accountable Officer.

PO12.6 Where cumulative Contract variations result in total Contract price variations exceeding fifteen percent or $50,000, whichever is the greater, the variations will be reported in accordance with the requirements of Procurement Direction PO14 within two weeks of the Accountable Officer’s approval.

I. Agencies may need, from time to time, to vary Contracts for Supplies. Such variations can only be made where the variations do not change the scope of the original Contract.

II. Where a variation is not considered to substantially alter the Contract, and cumulative variations to the original value of the Contract in total exceed fifteen percent, such a variation will be approved by the Accountable Officer.

III. Agencies will ensure that advice of Contract variations which result in cumulative price variations exceeding fifteen percent of the original contract price or $50,000, whichever is the greater, are reported within two weeks of the Accountable Officer approving the variation.

PO12.7 Where Contract variations significantly impact the Local Benefit Commitments of Contracts that were subject to Local Benefit Advisory Panel review in the tendering stage, Agencies will seek advice from the Local Benefit Advisory Panel.

I. The Local Benefit Advisory Panel will provide advice to Agencies on variations that significantly impact the Local Benefit Commitments.

II. Agencies have a responsibility to ensure that all information provided to the Local Benefit Advisory Panel is comprehensive and in sufficient detail so that relevant advice can be provided.
PO12.8 Accountable Officers will consider Local Benefit Advisory Panel advice when making decisions regarding variations that significantly impact the Local Benefit Commitments in Contracts that were subject to Local Benefit Advisory Panel requirements.

Contract Expiry

PO12.9 Prior to a Contract expiring, Agencies will ensure sufficient time for reassessment of the need for Supplies beyond the life of the existing Contract and allow for a properly planned procurement.

I. Agencies should commence the assessment into any procurement requirements beyond the life of the existing Contract in sufficient time before Contract expiration to allow for proper reassessment of the Agency’s needs and to allow a properly planned procurement (refer Procurement Direction PO3).

II. Where the Contract is large and/or complex, Agencies may need to commence assessing Agency requirements and the procurement planning process at least 12 months prior to the expiry of the existing Contract.

Performance Reports

PO12.10 Agencies will prepare Performance Reports in relation to all Tier Three, Tier Four and Tier Five Contracts.

PO12.11 Agencies will retain Performance Reports for three years and will provide a copy of the Performance Reports to another Agency in circumstances where the information contained in the reports can be used to assist in assessment.

PO12.12 Where a Performance Report details concerns with a Contractor’s performance, the Contractor will be provided with performance feedback and will be given the opportunity to respond.

I. Performance Reports provide an indication of performance against contractual requirements and should cover:

   a. The performance (Contract administration and/or relationship management).

   b. Quality of service (cost control, time performance, etc.).

   c. Compliance with the provisions as stated in the Contract (for example where subcontractors are used, were they in accordance with the Contract and, if applicable, were they CAL accredited).

II. Performance Reports need to be prepared for all Tier Three, Tier Four and Tier Five Contracts. However, Agencies are encouraged to also prepare reports for all procurement activities where such reports are able to assist in achieving better future procurement outcomes for Government.

III. Performance Reports may assist Agencies in respect of past performance for other Quotation/Tender assessments.

IV. Performance Reports enable the provision of feedback to Contractors, which can lead to improved performance.
V. Where unsatisfactory performance is noted in a Performance Report, the Accountable Officer should ensure the Contractor is debriefed in the first instance and provided the opportunity to respond and correct the unsatisfactory performance.

PO12.13 Where applicable, Agencies will provide Contractor Accreditation Limited with Performance Reports in relation to Contractors at the completion of each Contract or every 12 months, whichever occurs sooner.

I. To ensure that the CAL database is up-to-date and accurately reflects the experiences of Agencies using specific accredited Contractors, Agencies need to provide Performance Reports to CAL at the completion of each contract or every 12 months, whichever occurs sooner.

II. CAL takes Performance Reports into consideration when assessing renewal applications from Contractors.

PO12.14 Where an unfavourable report is made of an accredited Contractor, the Agency will debrief the accredited Contractor prior to submitting the report and the Contractor’s response to CAL.

PO12.15 The Performance Report provided to CAL will include any response made by the Contractor in relation to the Performance Report.

I. Where unsatisfactory performance is noted in a Performance Report, the Accountable Officer should ensure the Contractor is debriefed in the first instance and provided the opportunity to respond and correct the unsatisfactory performance prior to submitting the report to CAL.

II. The Performance Report provided to CAL will include any response made by the Contractor in relation to the Performance Report.
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PO13 - Tendering by Government Agencies

Statement of Intent

This Procurement Direction outlines the Government’s position in relation to Government Agencies and instrumentalities tendering in competition with the private sector for Government business.

Main Features

Section 11 of the *Procurement Act* requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Tendering by Government Agencies

- Government owned businesses; Local, Territory, State and Federal Government Agencies and Authorities are not to operate in competition with the private sector on Government funded projects without the prior approval of the Accountable Officer.

- The exceptions to this are Northern Territory Government Business Divisions (GBDs) and Regional Councils that Supply some Government requirements.

- Offers received from Government owned businesses; Local, Territory, State and Federal Government Agencies and Authorities must incorporate price adjustments prepared in accordance with the "Northern Territory Government Competitive Tendering Guidelines".

- The competitively neutral pricing is the price on which the Tender assessment is to be based.

Contents

Tendering by Government Agencies

Authorities

*Procurement Act*

Procurement Regulations
PO13.1 Government owned businesses; Local, Territory, State and Federal Government Agencies and Authorities are not to operate in competition with the private sector on Government funded projects without the prior approval of the Accountable Officer.

I. Government policy is that Government owned businesses and Local, Territory, State and Federal Government Agencies and Authorities should not be permitted to compete with the private sector for Government funded projects.

II. Agencies should only accept Tenders from government instrumentalities or semi-government organisations where the Supplies are not reasonably available from the private sector, and then only with the approval of the Agency Accountable Officer.

PO13.2 The exceptions to this are Northern Territory Government Business Divisions (GBDs) and Regional Councils that Supply some Government requirements.

I. Unless prior approval has been obtained from the Agency Accountable Officer Agencies must procure Supplies from the following GBDs:
   a. NT Fleet (excluding Northern Territory Police Fire and Emergency Services);
   b. Data Centre Services – for mainframe services and identity management; and
   c. Northern Territory Treasury Corporation.

II. Agencies may procure Supplies from the following:
   a. Data Centre Services (for server hosting, application hosting, and business application server management);
   b. Darwin Port Corporation;
   c. Territory Wildlife Park; and
   d. Regional Councils (for works and services delivered within their council area).

PO13.3 Offers received from Government owned businesses; Local, Territory, State and Federal Government Agencies and Authorities must incorporate price adjustments prepared in accordance with the “Northern Territory Government Competitive Tendering Guidelines”.

PO13.4 The competitively neutral pricing is the price on which the Tender assessment is to be based.

I. Competitively neutral pricing is not required from Government owned businesses; Local, Territory, State and Federal Government Agencies and Authorities when responding to select invitations to tender in non-competitive processes, or only competing against other publicly-owned entities.
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PO14 - Procurement Reporting and Key Performance Indicators

Statement of Intent

This Procurement Direction outlines the requirements for reporting against procurement activities and Key Performance Indicators (KPI’s).

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Reporting Responsibilities

- Agencies are responsible for:
  a. Maintaining accurate procurement records.
  b. Timely input and updating of data into APRO.
  c. Providing approved Annual Procurement Management Plans (APMP’s) to the Procurement Review Board.
  d. Providing other information as required.
- The Procurement Review Board are responsible for:
  a. Receiving APMP’s from Agencies.
  b. Reporting on APMP’s received.
- Contract and Procurement Services are responsible for:
  a. Maintaining the APRO system and data.
  b. Generating KPI reporting data from APRO.
- The Agency responsible for Procurement Policy are responsible for:
  a. Collecting and validating qualitative data from Agencies, the Procurement Review Board and Contract and Procurement Services.
  b. Undertaking data analysis.
  c. Generating KPI reports.
  d. Distributing KPI reports.

Key Performance Indicators

- KPI’s measured and targets reported against are detailed in the “Best Practice Guidelines”.

DEPARTMENT OF BUSINESS
1 September 2016, Version 1.2
Reporting Timeframes

- KPI reports will be generated by the Agency responsible for Procurement Policy based on quarterly procurement data.
- Agencies will update APRO records in a timely fashion to allow accurate quarterly data to be compiled.

Contents

Reporting Responsibilities
Key Performance Indicators
Reporting Timeframes

Authorities

Procurement Act
Procurement Regulations
Procurement Direction PO14 (Procurement Reporting and Key Performance Indicators)

Reporting Responsibilities

PO14.1 Agencies are responsible for:

a. Maintaining accurate procurement records;
b. Timely input and updating of data into APRO;
c. Providing approved Annual Procurement Management Plans (APMP’s) to the Procurement Review Board; and
d. Providing other information as required.

I. As a minimum, records that cover for the following for each procurement activity are to be retained where required:

a. The approved Project Specific Procurement Plan.
b. The approved Requisition.
c. Where a Select Process approval is used.
d. Request for Quotation/Tender including Assessment Criteria and Percentage Weightings applied.
e. Quotation/Tender Responses.
f. Approved recommendation to accept/decline Quotations/Tenders.
g. Copy of the Notice of Acceptance.
h. Approved copy of any variations granted.
i. Documentation covering the receipt of the Supplies and payment made.
j. Documentation covering the recording and reporting of performance including Local Benefit Commitments.

II. Agencies will provide the Agency responsible for Procurement Policy information and records upon request for the purposes of KPI reporting.

PO14.2 The Procurement Review Board are responsible for:

a. Receiving APMP’s from Agencies; and
b. Reporting on APMP’s received.

I. The Procurement Review Board will provide information to the Agency responsible for Procurement Policy with information regarding the receipt of APMP’s from Agencies for the purpose of KPI reporting.

PO14.3 Contract and Procurement Services are responsible for:

a. Maintaining the APRO system and data; and
b. Generating KPI reporting data from APRO.

I. Contract and Procurement Services will provide KPI reporting data to the Agency responsible for Procurement Policy as requested for the purposes of KPI reporting.
PO14.4 The Agency responsible for Procurement Policy is responsible for:

a. Collecting and validating qualitative data from Agencies, the Procurement Review Board and Contract and Procurement Services;

b. Undertaking data analysis;

c. Generating KPI reports; and

d. Distributing KPI reports.

I. Agency specific KPI reports are to be distributed to the Accountable Officer of the Agency concerned.

II. Whole of government and Agency specific KPI reports are to be distributed to the Minister responsible for Procurement, the Coordination Committee, and the Procurement Review Board.

Key Performance Indicators

PO14.5 Key Performance Indicators measured and targets reported against are detailed in the “Best Practice Guidelines”.

I. KPI measures are to include:

   a. Completion and lodgement of APMPs.

   b. Tender assessment and award processes that exceed benchmark timeframes.

   c. Results of audits undertaken.

   d. Number of Addenda issued.

   e. Quotations/Tenders declined.

   f. Contract variations.

   g. Issue of Select Quotations and Certificate of Exemptions from Public Tender.

   h. Awarding of Contracts to Northern Territory and interstate based businesses.

   i. Compliance with Future Tender Opportunity requirements.

Reporting Timeframes

PO14.6 KPI reports will be generated by the Agency responsible for Procurement Policy based on quarterly procurement data.
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PR1 - Procurement Process for Tier One Activity

Statement of Intent

This Procurement Direction details the procurement process to be used for Tier One procurement activity (estimated total value of less than $15 000).

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Tier One Procurement Activity

- This Direction identifies the steps to be followed for Tier One procurement activity. The steps are not intended to be an exhaustive list of all procurement processes.

- Agency procurement procedures are to ensure that at least the elements summarised in this Direction are covered and put into practice when procuring Tier One Supplies.

- Irrespective of the simplified format for Tier One procurement activity, the focus for each procurement activity still needs to be on achieving Best Value for Money, recognition of local capability to deliver the Supplies, and equitable treatment of Respondents submitting competitive Quotations.

Key Elements of the Procurement Process

- No procurement action shall commence prior to obtaining an approved Requisition in accordance with Procurement Regulation 3.

- Agency procurement planning will be undertaken as part of the procurement process.

- The Industry Capability Network (NT) Office will be consulted prior to sourcing Quotations for Tier One Supplies from outside the Northern Territory. The Industry Capability Network (NT) Office will provide quarterly reports to the Procurement Review Board based on their consultation with Agencies.

- A Territory Enterprise will be invited to submit a quote for all Tier One procurement activities.

- All Respondents must be advised of the outcome of a Tier One procurement activity where competitive Quotations have been sought.

- The Agency will ensure adequate procedures and processes are in place to meet audit requirements.

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Tier One Procurement Activity

PR1.1 Agencies will ensure that all relevant procurement processes as outlined in the Procurement Act, Procurement Regulations, Procurement Directions and the Northern Territory Procurement Code are met in undertaking Tier One procurement activity.

Summary of Procurement Processes

PR1.2 Tier One procurement activity may be undertaken through a Tier One Select Quotation Process where it can be demonstrated that this is appropriate to the risk and complexity involved in the procurement activity.

I. The aim is to assist Government and Suppliers to reduce the time and costs generally associated with the Public Quotation/Tender Process for low risk, less complex and lower value Supplies by a direct approach to known Supplier(s) utilising simplified Request for Quotation documentation, Response Schedules and Conditions of Quoting and Contract where a written Quotation is required.

II. Using simplified documentation may not be appropriate for procuring Supplies where the risks to Government are considered significant. In such instances the Agency, in order to use more robust documentation and processes, may choose to adopt the Select Quotation Process as used under Tier Two, as appropriate and justified.

PR1.3 Agency specific procurement activity planning will be undertaken before commencing the Tier One Select Quotation Process (refer Procurement Direction PO3).

I. Splitting of Supplies to bring it within any specific procurement Tier level is not permitted.

II. Agency specific procurement activity planning involves identification of Supplies in sufficient time to develop the appropriate procurement strategy.

III. Agency specific procurement activity planning will be approved in accordance with the Agency Procurement Delegations.

PR1.4 The Industry Capability Network (NT) Office may be consulted where Agencies need to identify potential Supplies and/or Suppliers (refer Procurement Direction PO2).

I. As part of the planning process, investigations into market capability, capacity and willingness of local industry and business to meet requirements for Supplies may be conducted.

II. Agencies may reference the Internet, trade publications, industry associations and the like to establish potential Suppliers for all Tier One procurement activity.

III. Where Suppliers are approached as part of market investigations, it needs to be made clear that this does not in any way evidence Government’s commitment to particular procurement activity.
PR1.5 Agencies will adequately describe the Supplies (refer Procurement Direction PO4).

I. Agencies should:
   a. Describe the scope of Supplies in clear unambiguous terms to reflect the total requirement to achieve the outcomes sought; and
   b. Include all relevant details to allow Suppliers to gain a full understanding of what is required and submit quality Quotations.

PR1.6 Agencies will develop Assessment Criteria and assign Percentage Weightings for each Assessment Criterion applicable to the specific procurement activity (refer Procurement Direction PO5).

PR1.7 A minimum thirty percent weighting must be allocated to the Assessment Criterion of Local Content (refer Procurement Direction PO1).

PR1.8 Percentage Weightings applied to Assessment Criteria for Tier One procurement activity will not be published (refer Procurement Direction PO5).

I. The Assessment Criteria for each specific Tier One procurement activity will depend on the Supplies, their complexity, availability, support required if any, and any other issues required to be addressed.

II. It would be expected that the Assessment Criterion of Price would be a significant consideration for Tier One procurement activity, and that Assessment Criteria such as Timeliness, Capacity, Local Content and, to some extent, Scope Specific would be applied in determining the Supplier(s) to be invited to submit a Quotation.

PR1.9 An estimate of the value of Supplies as described will be prepared (refer Procurement Direction PO4).

I. An essential element of defining the Supplies is to establish a sound estimate that reflects an accurate cost of Supplies.

II. The estimate is required in the assessment process for comparison against the prices submitted in the Quotations.

PR1.10 Agencies may use standard Conditions of Quoting and Contract where a written Quotation is requested (refer Procurement Direction PO5).

PR1.11 The Industry Capability Network (NT) Office will be consulted prior to sourcing Quotations from Suppliers outside the Northern Territory for Tier One procurement activity (refer Procurement Direction PO2).

PR1.12 A Requisition must be completed and approved prior to the commencement of any procurement activity including endorsement as to the availability of sufficient funds to procure the Supplies specified (refer Procurement Regulation 3).

I. A Requisition shall detail as a minimum:
   a. the description and quantity or estimated quantity of Supplies required and potential Supplier(s)
Procurement Direction PR1 (Procurement Process or Tier 1 Activity)

b. the Territory Enterprise status of potential Supplier(s)

c. the estimated value of the Supplies

d. assessment criteria and weightings to be applied (where competitive quotations are to be sought)

e. where there is an appropriate existing Contract under which the Supplies may be obtained:

   i. the Contract price or rate and Supplier(s)

   ii. any relevant terms and conditions (for example discount, delivery variable).

PR1.13 One written Quotation may be obtained for Tier One procurement activity (refer Procurement Direction PO2). This must include an invitation to a Territory Enterprise to provide a Quotation.

I. Where an Agency determines that there are no Territory Enterprises capable of providing the Supply, the Agency may procure the Supply without a quote from a Territory Enterprise:

   a. with the approval of the Accountable Officer prior to procurement action commencing; or

   b. where the class of supply is included in the standing exemption from the requirement to invite at least one Territory Enterprise to quote for Tier One or Tier Two supplies (refer Procurement Direction PR8 Attachment 2).

PR1.14 An Agency may purchase Tier One Supplies locally without obtaining a Quotation where the Supplies are freely available.

I. Supplies that are freely available; that is “off the shelf” and low risk/complexity items.

II. The selection of Suppliers needs to be defensible.

PR1.15 If a Quotation has been requested, Suppliers must be allowed a minimum of two complete business days to respond.

I. The time that the Quotation should remain open will depend on the complexity of the Supplies and the Quotation response requirements or schedules.

II. As the complexity of the Supplies and response details being requested increases, so too should the response period.

III. The duration of the response time stated in the Request for Quotation must be defendable. The Agency must be confident in justifying the duration of response time as stated in the Request for Quotation document.

PR1.16 The Agency will issue and close Tier One procurement activity where a written Quotation has been requested (refer Procurement Direction PO2).

I. The submission of Quotations, and the closing and recording process should be undertaken by employees that have appropriate training and knowledge of the procurement function.
Procurement Direction PR1 (Procurement Process or Tier 1 Activity)

PR1.17 Agencies are responsible for conducting the assessment process for Tier One procurement activity (refer Procurement Direction PO9).

I. The assessment is to be based solely on the predetermined Assessment Criteria.

II. The assessment process is to be undertaken by a minimum of one person that has adequate knowledge of the Supplies to allow an informed decision to be made.

III. The recommendation to either accept or decline Quotations should include reasons:
   a. a preferred Quotation is recommended over any others (where relevant)
   b. a recommendation to decline Quotations has been taken.

PR1.18 The Accountable Officer may accept or decline Quotations (refer Procurement Direction PO9).

I. The acceptance or decline of Quotations will be undertaken in accordance with the Agency Procurement Delegations, approved by the Accountable Officer.

PR1.19 The Agency will notify all Respondents of the outcome of Tier One procurement activity and debrief unsuccessful Respondents upon request (refer Procurement Directions PO9 and PO10).

I. Notification of procurement outcomes will not be done until all relevant approvals have been obtained.

II. The successful Respondent(s) will be advised of the procurement outcome (Contract) either by payment, the issue of a Purchase Order, Service Order or similar.

III. Unsuccessful Respondents will be advised by the Agency that they may ask for a debriefing.

IV. Where an unsuccessful Respondent seeks a debriefing, the Agency will provide the debriefing as soon as possible.

PR1.20 Agencies will ensure appropriate Contract management is undertaken (refer Procurement Direction PO12).

I. The Agency will ensure appropriate Contract management processes and procedures relevant to the specific procurement activity are in place once the Contract is awarded.

II. Agencies are responsible to ensure that the Contract outcomes are achieved.

III. Adequate division of duties between the person approving the Contract, supervision of the Contract and authorising the payment shall be arranged through the Agency Procurement Delegations.

IV. Contract variations can only be made with relevant approvals.
Record Keeping

PR1.21 Agencies will ensure records of Tier One procurement activity are retained for audit purposes (refer Procurement Direction F1).

I. As a minimum, records that cover the following for each Tier One procurement activity are to be retained:

a. The approved Requisition including:
   i. The basis for selecting the Supplier(s) to be invited to quote.
   ii. The assessment criteria and weightings to be applied (where competitive Quotations are to be invited).

b. If a Quotation has been requested:
   i. The Request for Quotation.
   ii. Quotation Responses.
   iii. The approved recommendation to accept a Quotation.
   iv. Copy of the Purchase Order or similar.

c. If a Quotation has not been requested, sales dockets, receipts, invoices or similar.

d. The approved copy of any variations granted.

e. Documentation covering the receipt of the Supplies and payment made.

f. Documentation covering the recording and reporting of performance.

Alternative Procurement Process

PR1.22 Where the Public Quotation Process is to be utilised, it will be conducted as outlined in Procurement Direction PR3 (refer Procurement Direction PO5).

I. The Tier One Select Quotation Process may not be appropriate for procuring Supplies where the risks to the Government are such that simplified conditions may not adequately protect the Government’s interests.

II. As this process has been established to reduce the direct costs to Suppliers associated with a Select Quotation Process for low value transactions, Agencies need to justify departures from the use of the Tier One Select Quotation Process for Tier One Supplies.

III. Agencies may only use a method of procurement other than the Tier One Select Quotation Process when demonstrable risks associated with use of this process can be identified and an alternative process can be justified.
### Table of Amendments

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<td>PR1.4</td>
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<td>PR1.5, PR1.11, PR1.12, PR1.16, PR1.18, PR1.23 and PR1.24</td>
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<td>PR1.23</td>
<td>Changed reference from PR2 to PR3 to correct error</td>
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<td>PR1.7 and 1.8</td>
<td>Amended to reflect Buy Local plan – substitute 'Local Development and Value Adding’ with ‘Local Content’ and increase mandatory minimum weighting of Local Content to 25%.</td>
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<td>PR1.13 and 1.14</td>
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<td>PR1.7</td>
<td>Amended to reflect Buy Local plan - increased minimum assessment weighting for Local Content to 30%.</td>
<td>1 September 2016</td>
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Procurement Direction PR2
Process Series

PR2 - Procurement Process for Tier Two Activity

Statement of Intent

This Procurement Direction details the procurement process to be used for Tier Two procurement activity (estimated value of $15 000 but less than $100 000).

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Tier Two Procurement Activity

- This Direction identifies the steps to be followed for Tier Two procurement activity. The steps are not intended to be an exhaustive list of all procurement requirements.

- Agency procurement procedures are to ensure that at least the elements summarised in this Direction are covered and put into practice when procuring Tier Two Supplies.

- Irrespective of the simplified format for Tier Two procurement activity, the focus for each procurement activity still needs to be on achieving Best Value for Money, recognition of local capability to deliver the Supplies, and equitable treatment of Respondents submitting competitive Quotations.

Key Elements of the Procurement Process

- No procurement action shall commence prior to obtaining an approved Requisition in accordance with Procurement Regulation 3.

- Agency procurement planning will be undertaken as part of the procurement process.

- Agencies are mandated to use the Agency Purchase Requisitions Online system for recording Tier Two procurement activity.

- A minimum of three written Quotations, including at least one Territory Enterprise, will be invited unless the Accountable Officer approves otherwise.

- The Industry Capability Network (NT) Office will be consulted prior to sourcing Quotations for Tier Two Supplies from outside the Northern Territory. The Industry Capability Network (NT) Office will provide quarterly reports to the Procurement Review Board based on their consultation with Agencies.

- All Respondents must be advised in writing of the outcome of a Tier Two procurement activity.

- Contract and Procurement Services will arrange for publication of all Contracts awarded.

- The Agency will ensure adequate procedures and processes are in place to meet audit requirements.

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PR2.1 Agencies will ensure that all relevant procurement processes as outlined in the Procurement Act, Procurement Regulations, Procurement Directions and the Northern Territory Procurement Code are met in undertaking Tier Two procurement activity.

Summary of Procurement Processes

PR2.2 Tier Two procurement activity will be undertaken through a Tier Two Select Quotation Process, unless there is a significant demonstrable benefit in obtaining a lesser number (refer Procurement Direction PO2).

I. The aim is to assist Government and Suppliers to reduce the time and costs generally associated with the Public Quotation/Tender Process for low risk, less complex and lower value Supplies by a direct approach to known Supplier(s) utilising simplified Request for Quotation documentation, Response Schedules and Conditions of Quoting and Contract.

II. Using simplified documentation may not be appropriate for procuring Supplies where the risks to Government are considered significant. In such instances the Agency, in order to use more robust documentation and processes, may choose to adopt either the Public Quotation Process or Select Quotation Process as used under Tier Three, as appropriate and justified.

PR2.3 Agencies must use the Agency Purchase Requisitions Online system to record Tier Two procurement activity (refer Procurement Direction F4).

PR2.4 Agencies must update the Agency Purchase Requisitions Online system in a timely manner so that it contains current and accurate information (refer Procurement Direction F4).

I. The Agency shall record in the Agency Purchase Requisitions Online system all Tier Two procurement activity in order to achieve Government recording and reporting obligations.

PR2.5 Agency specific procurement activity planning will be undertaken before commencing the Tier Two Select Quotation Process (refer Procurement Direction PO3).

I. Splitting of Supplies to bring it within any specific procurement Tier level is not permitted.

II. Agency specific procurement activity planning involves identification of Supplies in sufficient time to develop the appropriate procurement strategy.

III. Agency specific procurement activity planning will be approved in accordance with the Agency Procurement Delegations.

IV. For more complex Supplies, the planning process may also include a subject matter expert for technical advice, which may be required over the procurement process.
PR2.6 The Industry Capability Network (NT) Office may be consulted where Agencies need to identify potential Supplies and/or Suppliers (refer Procurement Direction PO2).

I. As part of the planning process, investigations into market capability, capacity and willingness of local industry and business to meet requirements for Supplies may be conducted.

II. Agencies may reference the Internet, trade publications, industry associations and the like to establish potential Suppliers for all Tier Two procurement activity.

III. Where Suppliers are approached as part of market investigations, it needs to be made clear that this does not in any way evidence Government’s commitment to particular procurement activity.

PR2.7 Agencies will adequately define the Supplies (refer Procurement Direction PO4).

I. Agencies should:
   a. define the scope of Supplies in clear unambiguous terms to reflect the total requirement to achieve the outcomes sought
   b. include all relevant details to allow Suppliers to gain a full understanding of what is required and submit quality Quotations.

PR2.8 Agencies will develop Assessment Criteria and assign Percentage Weightings for each Assessment Criterion applicable to the specific procurement activity (refer Procurement Direction PO5).

PR2.9 A minimum of thirty percent weighting must be allocated to the Assessment Criterion of Local Content (refer Procurement Direction PO1).

PR2.10 Percentage Weightings applied to Assessment Criteria for Tier Two procurement activity will not be published (refer Procurement Direction PO5).

I. The Assessment Criteria for each specific Tier Two procurement activity will depend on the Supplies, their complexity, availability, support required if any, and any other issues required to be addressed.

II. Assessment Criteria of Timeliness, Capacity, Innovation and Price are to be applied as appropriate. It would be expected that the Assessment Criterion of Price would be a significant consideration for Tier Two procurement activity, and that Assessment Criteria such as Past Performance, Capacity and Scope Specific would be applied in determining the Supplier(s) to be invited to submit a Quotation. In support of local business, every opportunity will be offered to local Suppliers.

PR2.11 An estimate of the value of Supplies as described will be prepared (refer Procurement Direction PO4).

I. An essential element of defining the Supplies is to establish a sound estimate that reflects an accurate cost of Supplies.
II. The estimate is required in the assessment process for comparison against the prices submitted in the Quotations.

PR2.12 Agencies must use the standard Conditions of Quoting and Contract most relevant to the specific procurement activity, unless approval to do otherwise has been given (refer Procurement Direction PO5).

PR2.13 The Industry Capability Network (NT) Office will be consulted prior to sourcing Quotations from Suppliers outside the Northern Territory for Tier Two procurement activity (refer Procurement Direction PO2).

PR2.14 A Requisition must be completed and approved prior to the commencement of any procurement activity including endorsement as to the availability of sufficient funds to procure the Supplies specified (refer Procurement Regulation 3).

I. A Requisition shall detail as a minimum:

a. the description and quantity or estimated quantity of Supplies required and potential Supplier(s)

b. the Territory Enterprise status of potential Supplier(s)

c. the estimated value of the Supplies

d. assessment criteria and weightings to be applied

e. where there is an appropriate existing Contract under which the Supplies may be obtained:

i. the Contract price or rate and Supplier(s)

ii. any relevant terms and conditions (for example discount, delivery variable).

PR2.15 A minimum of three written Quotations, including at least one from a Territory Enterprise, will be invited unless the Accountable Officer approves otherwise (refer Procurement Regulation 4(2) and Procurement Direction PO2).

I. Where an Agency determines that there are no Territory Enterprises capable of providing the Supply, the Agency may procure the Supply without a quote from a Territory Enterprise:

a. with the approval of the Accountable Officer prior to procurement action commencing; or

b. where the class of supply is included in the standing exemption from the requirement to invite at least one Territory Enterprise to quote for Tier One or Tier Two supplies (refer Procurement Direction PR8 Attachment 2).
PR2.16 The Accountable Officer issues an Approval to Obtain Less than Three Quotes where it is considered to be impracticable to invite the minimum number (refer Procurement Regulation 4(2) and Procurement Direction PO2).

I. While a minimum of three written Quotations is stipulated, Agencies shall give consideration to all Suppliers who wish to participate in NT Government business and provide opportunity to do so, particularly if there is minimal administrative cost or inconvenience associated with obtaining Quotations from more Suppliers than the minimum requirement.

II. The selection of Suppliers needs to be defendable.

PR2.17 Each Tier Two procurement activity must remain open for Suppliers to respond for a minimum of two complete business days.

I. The time that the Request for Quotation should remain open will depend on the complexity of the Supplies and the response requirements or schedules.

a. Supplies that are freely available; that is “off the shelf”, low risk/complexity items, the minimum response time shall be two complete business days.

b. As the complexity of the Supplies and response details being requested increases, so too should the response period.

c. The duration of the response time stated in the Request for Quotation must be defendable. The Agency must be confident in justifying the duration of response time as stated in the Request for Quotation document.

PR2.18 The Agency will issue and close Tier Two procurement activity (refer Procurement Direction PO2).

I. The submission of Quotations, and the closing and recording process should be undertaken by employees that have appropriate training and knowledge of the procurement function.

PR2.19 Agencies are responsible for conducting the assessment process for Tier Two procurement activity (refer Procurement Direction PO9).

PR2.20 The assessment process must be undertaken by a minimum of two persons that have adequate knowledge of the Supplies to allow an informed decision to be made.

I. Assessment of eligible Quotations by the Assessment Panel is based on the Assessment Criteria specified in the Request for Quotation.

II. The Assessment Panel is to prepare a recommendation to either accept or decline Quotations. The recommendation should include reasons:

a. a preferred Quotation is recommended over any others (where relevant)

b. a recommendation to decline Quotations has been taken.
PR2.21 The Accountable Officer may accept or decline Quotations (refer Procurement Direction PO9).

I. The acceptance or decline of Quotations will be undertaken in accordance with the Agency Procurement Delegations, approved by the Accountable Officer.

PR2.22 The Agency will notify all Respondents in writing of the outcome of the Tier Two Select Quotation Process and debrief unsuccessful Respondents upon request (refer Procurement Directions PO9 and PO10).

I. Notification of procurement outcomes will not be done until all relevant approvals have been obtained.

II. The successful Respondent(s) shall be advised of the procurement outcome (Contract) through the issue of a Notice of Acceptance, Purchase Order or similar.

III. Unsuccessful Respondents will be advised by the Agency that they may ask for a debriefing.

IV. Where an unsuccessful Respondent seeks a debriefing, the Agency will provide the debriefing as soon as possible.

PR2.23 Contract and Procurement Services will arrange publication of all Contracts awarded on the Northern Territory Government website (refer Procurement Direction PO9).

PR2.24 Contract and Procurement Services will provide the Procurement Review Board with monthly reports on Tier Two procurement activity (refer Procurement Direction PO9).

PR2.25 Agencies will ensure appropriate Contract management is undertaken (refer Procurement Direction PO12).

I. The Agency will ensure appropriate Contract management processes and procedures relevant to the specific procurement activity are in place once the Contract is awarded.

II. Agencies are responsible to ensure that the Contract outcomes are achieved.

III. Adequate division of duties between the person approving the Contract, supervision of the Contract and authorising the payment shall be arranged through the Agency Procurement Delegations.

IV. Contract variations can only be made with relevant approvals.

Record Keeping

PR2.26 Agencies will ensure records of Tier Two procurement activity are retained for audit purposes (refer Procurement Direction F1).

I. As a minimum, records that cover the following for each Tier Two procurement activity are to be retained:

a. The approved Requisition including:
Procurement Direction PR2 (Procurement Process for Tier Two Activity)

i. The basis for selecting the Supplier(s) to be invited to quote.
ii. The assessment criteria and weightings to be applied.

b. The Request for Quotation.
c. Quotation Responses.
d. The approved recommendation to accept a Quotation.
e. Copy of the Notice of Acceptance/Purchase Order or similar.
f. The approved copy of any variations granted.
g. Documentation covering the receipt of the Supplies and payment made.
h. Documentation covering the recording and reporting of performance.

PR2.27 Agencies will promptly provide the Agency responsible for Procurement Policy and the Procurement Review Board with copies of all procurement records, upon request, for auditing and reporting purposes (refer Procurement Direction F1).

Alternative Procurement Process

PR2.28 Where the Public Quotation Process is to be utilised, it will be conducted as outlined in Procurement Direction PR3 (refer Procurement Direction PO5).

I. The Tier Two Select Quotation Process may not be appropriate for procuring Supplies where the risks to the Government are such that simplified conditions may not adequately protect the Government's interests.

II. As this process has been established to reduce the direct costs to Suppliers associated with a Public Quotation/Tender Process for low value transactions, Agencies need to justify departures from the use of the Tier Two Select Quotation Process for Tier Two Supplies.

III. Agencies may only use a method of procurement other than the Tier Two Select Quotation Process when demonstrable risks associated with use of this process can be identified and an alternative process can be justified.
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<td>Amendment to increase Procurement Thresholds and the Quotation process</td>
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<td><strong>PR2.9</strong></td>
<td>Amended to reflect Buy Local plan - increased minimum assessment weighting for Local Content to 30%</td>
<td>1 September 2016</td>
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Procurement Direction PR3  
Process Series

PR3 - Procurement Process for Tier Three Activity

Statement of Intent

This Procurement Direction details the procurement process to be used for Tier Three procurement activity (estimated value of $100 000 but less than $500 000).

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Tier Three Procurement Activity

- This Direction identifies the steps to be followed for Tier Three procurement activity. The steps are not intended to be an exhaustive list of all procurement requirements.

- Agency procurement procedures are to ensure that at least the elements summarised in this Direction are covered and put into practice when procuring Tier Three Supplies.

- Irrespective of the simplified format for Tier Three procurement activity, the focus for each procurement activity still needs to be on achieving Best Value for Money, recognition of local capability to deliver the Supplies, and equitable treatment of Respondents submitting competitive Quotations.

- The steps outlined under the heading “Summary of Procurement Processes” are not intended to be an exhaustive list of all issues to be considered or addressed in the Tier Three procurement activity.

Key Elements of the Procurement Process

- No procurement action shall commence prior to obtaining an approved Requisition in accordance with Procurement Regulation 3.

- Agency procurement planning will be undertaken as part of the procurement process.

- Agencies are mandated to use the Agency Purchase Requisitions Online system for recording Tier Three procurement activity.

- Public Quotations are the preferred method of procurement for Tier Three Supplies.

- Select Quotations may be sought following approval by the Accountable Officer to seek Select Quotations.

- Contract and Procurement Services will advertise and issue all Tier Three procurement activity via the Government’s Quotations and Tenders Online system.

- Contract and Procurement Services will close all Tier Three procurement activity.

- All Respondents must be advised in writing of the outcome of a Tier Three procurement activity.

- Contract and Procurement Services will arrange for publication of all Contracts awarded.
The Agency will ensure adequate procedures and processes are in place to meet audit requirements.

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PR3.1 Agencies will ensure that all relevant procurement processes as outlined in the Procurement Act, Procurement Regulations, Procurement Directions and the Northern Territory Procurement Code are met in undertaking Tier Three procurement activity.

Summary of Procurement Processes

PR3.2 Tier Three procurement activity will be undertaken through the Public Quotation Process unless there is a significant demonstrable benefit in the use of a Select Quotation Process (refer Procurement Direction PO2).

I. The Public Quotation Process allows all Suppliers who wish to do business with Government to be given fair and reasonable opportunity to do so.

II. The Public Quotation Process assists Agencies and Suppliers to reduce the time and costs associated with the Public Tender Process for lower value Supplies by utilising less onerous Request for Quotation documentation, Response Schedules and Conditions of Quoting and Contract.

III. The Public Quotation Process may not be appropriate for procuring Supplies where the risks to the Government are such that the process will inadequately protect the Government's interests. In such instances the Agency may undertake the procurement utilising either the Select Quotation/Tender Process or Public Tender Process, as appropriate and justified.

PR3.3 The Agency will determine the method of procurement to be used to obtain the Supplies (refer Procurement Direction PO2).

I. The Agency will decide on the most appropriate method of procurement taking in the context of the scope of the Supplies and the market capacity to deliver the Supplies.

II. Where the Agency considers a Select Quotation Process to be the most appropriate method of procurement, the Agency shall seek an Approval to Invite Select Quotations from the Agency Accountable Officer.

PR3.4 Agencies must use the Agency Purchase Requisitions Online system for processing Tier Three procurement activity (refer Procurement Direction F4).

PR3.5 Agencies must update the Agency Purchase Requisitions Online system in a timely manner so that it contains current and accurate information (refer Procurement Direction F4).

I. The Agency shall use the Agency Purchase Requisitions Online system for all Tier Three procurement activity in order to achieve Government recording and reporting obligations.
PR3.6 A Project Specific Procurement Plan will be developed and approved before commencing the Public/Select Quotation Process (refer Procurement Direction PO3).

I. Splitting of Supplies to bring it within any specific procurement Tier level is not permitted.

II. Agency specific procurement planning involves identification of Supplies in sufficient time to develop the appropriate procurement strategy.

III. The Project Specific Procurement Plan will be approved in accordance with the Agency Procurement Delegations.

IV. For more complex Supplies, the planning process may also include a subject matter expert for technical advice, which may be required over the procurement process.

PR3.7 The Industry Capability Network (NT) Office may be consulted where Agencies need to identify potential Supplies and/or Suppliers (refer Procurement Direction PO2).

I. As part of the planning process, investigations into market capability and capacity of local industry and business to meet requirements for Supplies may be conducted.

II. The Industry Capability Network (NT) Office can advise on potential local Suppliers and local industry and business capability.

III. Agencies may reference the Internet, trade publications, industry associations and the like to establish potential Suppliers for all Tier Three procurement activity. Local Suppliers are to be given every opportunity to submit Quotations.

IV. Where Suppliers are approached as part of market investigations, it needs to be made clear that this does not in any way evidence Government’s commitment to particular procurement activity.

PR3.8 An accurate and comprehensive description of the scope of Supplies will be prepared (refer Procurement Direction PO4).

I. Agencies shall define the scope of Supplies, including:
   a. consideration of long term Agency requirements (for example Supplies which are not consumables and which are expected to be used over an extended period of time) where a Contract may be established for this ongoing requirement
   b. timeframes for delivery/completion (including length or vulnerability to completion timeframe).

PR3.9 Agencies must determine other specific issues that need to be addressed in the Request for Quotation (refer Procurement Direction PO4).

I. Agencies will consider specific issues such as the requirement for accreditation by Contractor Accreditation Limited, compliance with National or International standards/licensing, the Agency’s position in respect of Alternative Quotations, ways to maximise local benefits for the Northern
Procurement Direction PR3 (Procurement Process for Tier Three Activity)

Territory and whether special expertise or non-standard requirements relating to the procurement activity are necessary.

PR3.10 Agencies will develop Assessment Criteria and assign Percentage Weightings for each Assessment Criterion applicable to the specific procurement activity (refer Procurement Direction PO5).

PR3.11 Questions under the Local Content Assessment Criteria for all Tier Three procurement activities should be tailored to elicit sufficient information for the formation of Local Benefit Commitments (refer Procurement Direction PO4).

PR3.12 A minimum of thirty percent weighting must be allocated to the Assessment Criterion of Local Content (refer Procurement Direction PO1).

PR3.13 The Assessment Criterion of Price must be weighted for all Tier Three procurement activity (refer Procurement Direction PO1).

PR3.14 Percentage Weightings applied to Assessment Criteria for Tier Three procurement activity will be published (refer Procurement Direction PO5).

PR3.15 Assessment Criteria and Percentage Weightings for specific procurement activity must be approved by the Accountable Officer.

I. The Assessment Criteria for each specific Tier Three procurement activity will depend on the Supplies, their complexity, availability, support required if any, and any other issues required to be addressed. The Scope Specific Assessment Criterion must be directly linked to the specific nature of the Supplies.

PR3.16 An estimate of the value of Supplies as described will be prepared (refer Procurement Direction PO4).

I. When estimating the value of Supplies, all costs related to the procurement of the Supplies (such as direct costs, indirect costs, fixed costs and ongoing costs) are to be considered. Costs may take into account the through-life costs associated with the Supplies and not just up-front costs.

II. The estimate is required in the assessment process for comparison against the prices submitted in the Quotations.

PR3.17 Agencies must use the standard Conditions of Quoting and Contract most relevant to the specific procurement activity, unless approval to do otherwise has been given (refer Procurement Direction PO5).

PR3.18 A Requisition must be completed and approved prior to the commencement of any procurement activity including endorsement as to the availability of sufficient funds to procure the Supplies specified (refer Procurement Regulation 3).

I. A Requisition shall detail as a minimum:

a. the description and quantity or estimated quantity of Supplies required
Procurement Direction PR3 (Procurement Process for Tier Three Activity)

b. the estimated value of the Supplies

c. assessment criteria and weightings to be applied

d. where there is an appropriate existing Contract under which the Supplies may be obtained:

   i. the Contract price or rate and Supplier(s)

   ii. any relevant terms and conditions (for example discount, delivery variable or firm price).

PR3.19 Public Quotation or Select Quotation will be undertaken through use of the Government’s Quotations and Tenders Online system (refer Procurement Direction F4).

PR3.20 Each Tier Three Request for Quotation must remain open for Suppliers to respond for a minimum of four complete business days.

I. The time that the Request for Quotation should remain open will depend on the complexity of the Supplies and the response requirements or schedules.

   a. Supplies that are freely available; that is “off the shelf”, low risk/complexity items, the minimum response time shall be four complete business days.

   b. As the complexity of the Supplies and response details being requested increases, so too should the response period.

   c. The duration of the response time stated in the Request for Quotation must be defensible.

Public and Select Quotation Processes

PR3.21 Invite Public/Select Quotations (refer Procurement Directions PO2 to PO8).

PR3.22 Where a Select Quotation Process is used, the Accountable Officer issues an Approval to Invite Select Quotation (refer Procurement Direction PO2).

PR3.23 A Select Quotation Process is not to proceed until a fully signed Approval to Invite Select Quotation has been obtained.

PR3.24 Contract and Procurement Services will issue all Tier Three procurement activity via the Government’s Quotations and Tenders Online system.

I. The Public/Select Quotation Process involves:

   a. public advertising of the Request for Quotation by Contract and Procurement Services (where applicable)

   b. Contract and Procurement Services issuing the Request for Quotation, which includes Conditions of Quoting and Contract and Percentage Weightings to Suppliers
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c. the officer nominated in the Request for Quotation responding to any queries from Respondents whilst ensuring probity of the process is maintained
d. where an error or omission in the Request for Quotation requiring clarification is identified, an Addendum shall be issued to all Suppliers who have obtained the Request for Quotation
e. Contract and Procurement Services is responsible for issuing Addendum notices.

PR3.25 Contract and Procurement Services will close all Tier Three procurement activity.

PR3.26 Agencies are responsible for conducting the assessment process for Tier Three procurement activity (refer Procurement Direction PO9).

PR3.27 The assessment process must be undertaken by a minimum of three persons that have adequate knowledge of the Supplies to allow an informed decision to be made.

I. Assessment of eligible Quotations by the Assessment Panel is based on the Assessment Criteria and related Percentage Weightings specified in the Request for Quotation.

II. The recommendation should include reasons why:

a. it is necessary to negotiate with a preferred Respondent
b. a preferred Quotation is recommended over any others
c. a recommendation to decline Quotations has been taken.

PR3.28 Recommendation to negotiate, accept or decline Quotations requires the approval of the Accountable Officer (refer Procurement Direction PO9). The approval of the Accountable Officer must be obtained prior to commencing negotiations or the acceptance or decline of Quotations.

PR3.29 Contract and Procurement Services will notify all Respondents of the outcome of the Public/Select Quotation Process (refer Procurement Direction PO9).

I. The successful Respondent(s) shall be advised of the procurement outcome (Contract) through the issue of a Notice of Acceptance, Purchase Order or similar.

II. Unsuccessful Respondents will be advised by the Agency that they may seek a debriefing.

PR3.30 The Agency will conduct debriefings of unsuccessful Respondents (refer Procurement Direction PO10).

I. Where an unsuccessful Respondent seeks a debriefing, the Agency will provide the debriefing as soon as possible.
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PR3.31 Contract and Procurement Services will arrange publication of all Contracts awarded on the Northern Territory Government website (refer Procurement Direction PO9).

PR3.32 Contract and Procurement Services will provide the Procurement Review Board with monthly reports on Tier Three Public/Select Quotation procurement activity (refer Procurement Direction PO9).

PR3.33 Agencies will ensure appropriate Contract management is undertaken (refer Procurement Direction PO12).

I. The Agency will ensure appropriate Contract management processes and procedures relevant to the specific procurement activity are in place once the Contract is awarded.

II. Agencies are responsible to ensure that the Contract outcomes are achieved.

III. Adequate division of duties between the person approving the award of the Contract receiving the Supplies and the person authorising the payment shall be arranged through the Agency Procurement Delegations.

IV. Contract variations can only be made with relevant approvals.

V. Performance Reports are to be completed and feedback provided to appropriate bodies.

Record Keeping

PR3.34 Records of Tier Three procurement activity are to be retained for audit purposes (refer Procurement Direction F1).

I. As a minimum, records that cover the following for each Tier Three procurement activity are to be retained:

a. The approved Project Specific Procurement Plan.

b. The approved Requisition.

c. Where a Select Quotation Process is used, the approved Approval to Invite a Select Quotation.

d. Request for Quotation including Assessment Criteria and Percentage Weightings applied.

e. Quotation Responses.

f. The approved recommendation to accept a Quotation.

g. Copy of the Notice of Acceptance/Purchase Order or similar.

h. The approved copy of any variations granted.

i. Documentation covering the receipt of the Supplies and payment made.

j. Documentation covering the recording and reporting of performance.

PR3.35 Agencies will promptly provide the Agency responsible for Procurement Policy and the Procurement Review Board with copies of all
procurement records, upon request, for auditing and reporting purposes (refer Procurement Direction F1).

Alternative Procurement Process

PR3.36 Where the Public/Select Quotation Process is to be utilised, it will be conducted as outlined in Procurement Direction PR4 (refer Procurement Direction PO5).

I. The Public/Select Quotation Process may not be appropriate for procuring Supplies where the risks to the Government are such that simplified conditions may not adequately protect the Government’s interests.

II. As the Quotation Process has been established to reduce the direct costs to business associated with Public Tenders for low value transactions, Agencies need to justify departures from the use of the Public/Select Quotation Process for Tier Three Supplies.

III. Agencies may only use a method of procurement other than the Public/Select Quotation Process when demonstrable risks associated with use of the Public/Select Quotation Process can be identified and an alternative Tender process can be justified.
### Table of Amendments

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<tr>
<td>General</td>
<td>Amended to reflect increase Tier Three Threshold and the Public Quotation process</td>
<td>30 March 2009</td>
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<tr>
<td>General</td>
<td>Corrected references to Industry Capability Network (NT) Office to reflect name change</td>
<td>1 July 2012</td>
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<tr>
<td>General</td>
<td>Amended to remove the use of acronyms in the Directions and maintain consistency in the use of defined terminology</td>
<td>1 July 2012</td>
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<tr>
<td>General</td>
<td>Amended to remove duplication of the Directions in the following explanations</td>
<td>1 July 2012</td>
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<tr>
<td>General</td>
<td>Amended to reflect Procurement Reforms change: Applying explicit weighting on price and mandatory minimum 20% weighting for Local Development and Value Adding Assessment Criterion</td>
<td>1 July 2012</td>
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<tr>
<td>General</td>
<td>Disclosure of Assessment Criteria Percentage Weightings for all procurement activity from Tier Three and greater (i.e. $50 000+)</td>
<td>1 July 2012</td>
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<td>PR3.5, PR3.9, PR3.11, PR3.16, PR3.20, PR3.27, PR3.29, PR3.31 and PR3.35</td>
<td>Added new Directions – formally stated as following explanations only (this and previous items have resulted in re-ordering of Directions and consequential adjustments to Direction numbering)</td>
<td>1 July 2012</td>
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<tr>
<td>Selection Quotation Process</td>
<td>Combined with Public Process to reduce duplication (as PR3.21 to PR3.34)</td>
<td>1 July 2012</td>
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<tr>
<td>General</td>
<td>Formatted for WCAG2.0 accessibility – changes to formatting, spelling, grammar and punctuation</td>
<td>1 January 2013</td>
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<tr>
<td>PR3.32</td>
<td>Removed requirement for Gazette publication in line with changes to Procurement Regulations</td>
<td>20 March 2013</td>
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<tr>
<td>General</td>
<td>Amended to reflect Procurement Reforms changes</td>
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<td>General</td>
<td>Formatted for web compatibility</td>
<td>15 February 2016</td>
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<tr>
<td>PR3.11</td>
<td>Amended to reflect Buy Local plan – substitute 'Local Development and Value Adding’ with ‘Local Content’ and increase mandatory minimum weighting of Local Content to 25%.</td>
<td>15 February 2016</td>
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<tr>
<td>PR3.9 and PR3.11</td>
<td>Amended to reflect Buy Local Plan including introduction of Local Benefit Commitments</td>
<td>18 April 2016</td>
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<tr>
<td>PR3.11</td>
<td>Amended to reflect Buy Local plan - increased minimum assessment weighting for Local Content to 30%.</td>
<td>1 September 2016</td>
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Procurement Direction PR4
Process Series

PR4 - Procurement Process for Tier Four Activity

Statement of Intent

This Procurement Direction details the procurement process to be used for Tier Four procurement activity (estimated value of $500 000 but less than $2 million).

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Tier Four Procurement Activity

- This Direction identifies the steps to be followed for Tier Four procurement activity. The steps are not intended to be an exhaustive list of all procurement requirements.

- Agency procurement procedures are to ensure that at least the elements summarised in this Direction are covered and put into practice when procuring Tier Four Supplies.

- The focus for each procurement activity needs to be on achieving Best Value for Money, recognition of local capability to deliver the Supplies, and equitable treatment of Tenderers submitting competitive Tenders.

- The steps outlined under the heading “Summary of Procurement Processes” are not intended to be an exhaustive list of all issues to be considered or addressed in the Tier Four procurement activity.

Key Elements of the Procurement Process

- No procurement action shall commence prior to obtaining an approved Requisition in accordance with Procurement Regulation 3.

- Agency procurement planning will be undertaken as part of the procurement process.

- Agencies are mandated to use the Agency Purchase Requisitions Online system for recording Tier Four procurement activity.

- Public Tendering is the preferred method of procurement for Tier Four Supplies.

- Select Tenders may be sought following the issue of a Certificate of Exemption by the Accountable Officer.

- Contract and Procurement Services will advertise and issue all Tier Four procurement activity via the Government’s Quotations and Tenders Online system.

- Contract and Procurement Services will close all Tier Four procurement activity.

- All Tenderers must be advised in writing of the outcome of a Tier Four procurement activity.

- Contract and Procurement Services will arrange for publication of all Contracts awarded.

- The Agency will ensure adequate procedures and processes are in place to meet audit requirements.
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PR4.1 Agencies will ensure that all relevant procurement processes as outlined in the Procurement Act, Procurement Regulations, Procurement Directions and the Northern Territory Procurement Code are met in undertaking Tier Four procurement activity.

Summary of Procurement Processes

PR4.2 Tier Four procurement activity will be undertaken through the Public Tender Process unless there is a significant demonstrable benefit in the use of a Select Tender Process or Prequalification Process (refer Procurement Direction PO2).

I. The Public Tender Process allows all Suppliers who wish to do business with Government to be given fair and reasonable opportunity to do so.

II. The Public Tender Process may not be appropriate for procuring certain Supplies where the risks to the Government are such that the process will inadequately protect the Government’s interests. In such instances the Agency may undertake procurement utilising either the Select Tender Process or Prequalification Process, as appropriate and justified.

PR4.3 The Agency will determine the method of procurement to be used to obtain the Supplies (refer Procurement Direction PO2).

I. The Agency will decide on the most appropriate method of procurement taking in the context of the scope of the Supplies and the market capacity to deliver the Supplies.

II. In certain situations, a Public Tender could involve a two-stage process, commonly referred to as a Prequalification Process. A Prequalification Process is appropriate where Government requirements are complex, and responding to detailed scope requirements and Assessment Criteria may be costly and resource intensive for Tenderers.

PR4.4 Agencies must use the Agency Purchase Requisitions Online system for processing Tier Four procurement activity (refer Procurement Direction F4).

PR4.5 Agencies must update the Agency Purchase Requisitions Online system in a timely manner so that it contains current and accurate information (refer Procurement Direction F4).

I. The Agency shall use the Agency Purchase Requisitions Online system for all Tier Four procurement activity in order to achieve Government recording and reporting obligations.

PR4.6 A Project Specific Procurement Plan will be developed and approved before commencing the Public/Select Tender Process (refer Procurement Direction PO3).

I. Splitting of Supplies to bring it within any specific procurement Tier level is not permitted.

II. Agency specific procurement planning involves identification of Supplies in sufficient time to develop the appropriate procurement strategy.
Procurement Direction PR4 (Procurement Process for Tier Four Activity)

III. The Project Specific Procurement Plan will be approved in accordance with the Agency Procurement Delegations.

IV. For more complex Supplies, the planning process may also include a subject matter expert for technical advice, which may be required over the procurement process.

PR4.7 The Industry Capability Network (NT) Office may be consulted where Agencies need to identify potential Supplies and/or Suppliers (refer Procurement Direction PO2).

I. As part of the planning process, investigations into market capability and capacity of local industry and business to meet requirements for Supplies may be conducted.

II. The Industry Capability Network (NT) Office can advise on potential local Suppliers and local industry and business capability.

III. Agencies may reference the Internet, trade publications, industry associations and the like to establish potential Suppliers for all Tier Four procurement activity. Local Suppliers are to be given every opportunity to submit Tenders.

IV. Where Suppliers are approached as part of market investigations, it needs to be made clear that this does not in any way evidence Government’s commitment to particular procurement activity.

PR4.8 Agencies are to provide details of all proposed Tier Four procurement activity in sufficient time so as to allow Contract and Procurement Services to publish the Future Tender Opportunity advice for a minimum of two months prior to the Request for Tender being issued (refer Procurement Direction PO3).

I. Publication of the Future Tender Opportunity advice provides advance notice to industry and business of Government’s upcoming requirements for Supplies to allow Suppliers time to plan resources, capacity, specific accreditation/licensing, etc.

PR4.9 An accurate and comprehensive description of the scope of Supplies will be prepared (refer Procurement Direction PO4).

I. Agencies shall define the scope of Supplies, including:

   a. consideration of long term Agency requirements (for example Supplies which are not consumables and which are expected to be used over an extended period of time) where a Contract may be established for this ongoing requirement

   b. timeframes for delivery/completion (including length or vulnerability to completion timeframe).

II. To assist in defining the scope of Supplies, an Agency may conduct market testing. Where this occurs, it needs to be made clear that this does not in any way evidence Government’s commitment to particular procurement activity.
PR4.10 Agencies must determine other specific issues that need to be addressed in the Request for Tender (refer Procurement Direction PO4).

I. Agencies will consider specific issues such as the requirement for accreditation by Contractor Accreditation Limited, compliance with National or International standards/licensing, the Agency’s position in respect of Alternative Tenders, ways to maximise local benefits for the Northern Territory and whether special expertise or non-standard requirements relating to the procurement activity are necessary.

PR4.11 Agencies will develop Assessment Criteria and assign Percentage Weightings for each Assessment Criterion applicable to the specific procurement activity (refer Procurement Direction PO5).

PR4.12 Questions under the Local Content Assessment Criteria for all Tier Four procurement activities should be tailored to elicit sufficient information for the formation of Local Benefit Commitments (refer Procurement Direction PO4).

PR4.13 A minimum of thirty percent weighting must be allocated to the Assessment Criterion of Local Content (refer Procurement Direction PO1).

PR4.14 The Assessment Criterion of Price must be weighted for all Tier Four procurement activity (refer Procurement Direction PO1).

PR4.15 Percentage Weightings applied to Assessment Criteria for Tier Four procurement activity will be published (refer Procurement Direction PO5).

PR4.16 Assessment Criteria and Percentage Weightings for specific procurement activity must be approved by the Accountable Officer.

I. The Assessment Criteria for each specific Tier Four procurement activity will depend on the Supplies, their complexity, availability, support required if any, and any other issues required to be addressed. The Scope Specific Assessment Criterion must be directly linked to the specific nature of the Supplies.

PR4.17 An estimate of the value of Supplies as described will be prepared (refer Procurement Direction PO4).

I. When estimating the value of Supplies, all costs related to the procurement of the Supplies (such as direct costs, indirect costs, fixed costs and ongoing costs) are to be considered. Costs may take into account the through-life costs associated with the Supplies and not just up-front costs.

II. The estimate is required in the assessment process for comparison against the prices submitted in the Tenders.

PR4.18 Agencies must use the standard Conditions of Tendering and Contract most relevant to the specific procurement activity, unless approval to do otherwise has been given (refer Procurement Direction PO5).

PR4.19 A Requisition must be completed and approved prior to the commencement of any procurement activity including endorsement as
to the availability of sufficient funds to procure the Supplies specified (refer Procurement Regulation 3).

I. A Requisition shall detail as a minimum:
   a. the description and quantity or estimated quantity of Supplies required
   b. the estimated value of the Supplies
   c. assessment criteria and weightings to be applied
   d. where there is an appropriate existing Contract under which the Supplies may be obtained:
      i. the Contract price or rate and Supplier(s)
      ii. any relevant terms and conditions (for example discount, delivery variable or firm price).

PR4.20 Public Tenders or Select Tenders will be undertaken through use of the Government's Quotations and Tenders Online system (refer Procurement Direction F4).

PR4.21 Each Tier Four Request for Tender must remain open for Suppliers to respond for a minimum of two weeks where Future Tender Opportunity advice has been published.

I. The time that the Request for Tender should remain open will depend on the complexity of the Supplies and the response requirements or schedules.
   a. Where a Future Tender Opportunity has not been advertised, the Request for Tender will be open for a minimum of four weeks unless approval to do otherwise has been given by the Accountable Officer.
   b. Where a Future Tender Opportunity has been advertised, the Request for Tender will be open for a minimum of two weeks unless approval to do otherwise has been given by the Accountable Officer.
   c. As the complexity of the Supplies and response details being requested increases, so too should the response period.
   d. The duration of the response time as stated in the Request for Tender must be defensible.
Public and Select Tender Processes

PR4.22 Invite Public/Select Tenders (refer Procurement Directions PO2 to PO8).

PR4.23 Where a Select Tender Process is used, the Accountable Officer must issue a Certificate of Exemption before any action commences (refer Procurement Direction PO2).

PR4.24 A Select Tender Process is not to proceed until a fully signed Certificate of Exemption has been obtained.

PR4.25 Contract and Procurement Services will issue all Tier Four procurement activity via the Government's Quotations and Tenders Online system.

I. The Public/Select Tender Process involves:
   a. public advertising of the Request for Tender by Contract and Procurement Services (where applicable)
   b. Contract and Procurement Services issuing the Request for Tender, which includes Conditions of Tendering and Contract and Percentage Weightings to Suppliers
   c. the officer nominated in the Request for Tender responding to any queries from Tenderers whilst ensuring probity of the process is maintained
   d. where an error or omission in the Request for Tender requiring clarification is identified, an Addendum shall be issued to all Suppliers who have obtained the Request for Tender
   e. Contract and Procurement Services is responsible for issuing Addendum notices.

PR4.26 Contract and Procurement Services will close all Tier Four procurement activity.

I. Contract and Procurement Services is responsible for opening and closing Tenders received.

II. Contract and Procurement Services provides all Tenders to the Agency for determination of admissibility and assessment.

III. Contract and Procurement Services notifies Agencies of any issues of admissibility of Tenders.

IV. Agencies determine any issues of admissibility and Contract and Procurement Services issues advice to the Tenderer.

V. The Procurement Review Board determines admissibility for consideration of Tenders where appeals have been lodged.

VI. Contract and Procurement Services publishes the list of Tenderers received.

VII. All Tier Four procurement shall close at Contract and Procurement Services at 2pm Australian Central Standard Time on a business day specified in the Request for Tender.
PR4.27 Agencies are responsible for conducting the assessment process for Tier Four procurement activity (refer Procurement Direction PO9).

PR4.28 The assessment process must be undertaken by a minimum of three persons that have adequate knowledge of the Supplies to allow an informed decision to be made.

   I. Assessment of eligible Tenders by the Assessment Panel is based on the Assessment Criteria and related Percentage Weightings specified in the Request for Tender.

   II. The recommendation should include reasons why:

      a. it is necessary to negotiate with a preferred Tenderer
      b. a preferred Tenderer is recommended over any others
      c. a recommendation to decline Tenders has been taken.

PR4.29 Recommendation to negotiate, accept or decline Tenders requires the approval of the Accountable Officer (refer Procurement Direction PO9).

PR4.30 The approval of the Accountable Officer must be obtained prior to commencing negotiations or the acceptance or decline of Tenders.

PR4.31 Contract and Procurement Services will notify all Tenderers of the outcome of the Public/Select Tender Process (refer Procurement Direction PO9).

   I. The successful Tenderer(s) shall be advised of the procurement outcome (Contract) through the issue of a Notice of Acceptance or similar.

   II. Unsuccessful Tenderers will be advised by the Agency that they may seek a debriefing.

PR4.32 The Agency will conduct debriefings of unsuccessful Tenderers (refer Procurement Direction PO10).

   I. Where an unsuccessful Tenderer seeks a debriefing, the Agency will provide the debriefing as soon as possible.

PR4.33 Contract and Procurement Services will arrange publication of all Contracts awarded on the Northern Territory Government website (refer Procurement Direction PO9).

PR4.34 Contract and Procurement Services will provide the Procurement Review Board with monthly reports on Tier Four Public/Select Tender procurement activity (refer Procurement Direction PO9).

PR4.35 Agencies will ensure appropriate Contract management is undertaken (refer Procurement Direction PO12).

   I. The Agency will ensure appropriate Contract management processes and procedures relevant to the specific procurement activity are in place once the Contract is awarded.

   II. Agencies are responsible to ensure that the Contract outcomes are achieved.
Procurement Direction PR4 (Procurement Process for Tier Four Activity)

III. Adequate division of duties between the person approving the award of the Contract receiving the Supplies and the person authorising the payment shall be arranged through the Agency Procurement Delegations.

IV. Contract variations can only be made with relevant approvals.

V. Performance Reports are to be completed and feedback provided to appropriate bodies.

Record Keeping

PR4.36 Records of Tier Four procurement activity are to be retained for audit purposes (refer Procurement Direction F1).

I. As a minimum, records that cover the following for each Tier Four procurement activity are to be retained:

   a. The approved Project Specific Procurement Plan.
   b. The approved Requisition.
   c. Where a Select Tender Process is used, the Certificate of Exemption approval.
   d. Request for Tender including Assessment Criteria and Percentage Weightings applied.
   e. Tender Responses.
   f. The approved recommendation to accept a Tender.
   g. Copy of the Notice of Acceptance.
   h. The approved copy of any variations granted.
   i. Documentation covering the receipt of the Supplies and payment made.
   j. Documentation covering the recording and reporting of performance.

PR4.37 Agencies will promptly provide the Agency responsible for Procurement Policy and the Procurement Review Board with copies of all procurement records, upon request, for auditing and reporting purposes (refer Procurement Direction F1).
## Table of Amendments

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<td>New Direction introduced for a six tier procurement system</td>
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Procurement Direction PR5
Process Series

PR5 - Procurement Process for Tier Five Activity

Statement of Intent

This Procurement Direction details the procurement process to be used for Tier Five procurement activity (estimated value of $2 million and greater).

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Tier Five Procurement Activity

- This Direction identifies the steps to be followed for Tier Five procurement activity. The steps are not intended to be an exhaustive list of all procurement requirements.

- The procedural rules supporting Tier Five procurement activity cover the same principles that are required in other tiers of procurement, but to a more rigorous degree.

- Agency procurement procedures are to ensure that at least the elements summarised in this Direction are covered and put into practice when procuring Tier Five Supplies.

- The focus for each procurement activity needs to be on achieving Best Value for Money, recognition of local capability to deliver the Supplies, and equitable treatment of Tenderers submitting competitive Tenders.

- The steps outlined under the heading “Summary of Procurement Processes” are not intended to be an exhaustive list of all issues to be considered or addressed in the Tier Five procurement activity.

Key Elements of the Procurement Process

- No procurement action shall commence prior to obtaining an approved Requisition in accordance with Procurement Regulation 3.

- Agency procurement planning will be undertaken as part of the procurement process.

- Agencies are mandated to use the Agency Purchase Requisitions Online system for recording Tier Five procurement activity.

- Public Tendering is the preferred method of procurement for Tier Five Supplies.

- Select Tenders may be sought following the issue of a Certificate of Exemption by the Accountable Officer with approval from the Agency Minister.

- Contract and Procurement Services will advertise and issue all Tier Five procurement activity via the Government’s Quotations and Tenders Online system.

- Contract and Procurement Services will close all Tier Five procurement activity.

- Tenders with an estimated value of $5 million and greater will receive advice from the Local Benefit Advisory Panel.

- All Tenderers must be advised in writing of the outcome of a Tier Five procurement activity.
Procurement Direction PR5 (Procurement Process for Tier Five Activity)

- Contract and Procurement Services will arrange for publication of all Contracts awarded.
- The Agency will ensure adequate procedures and processes are in place to meet audit requirements.

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Tier Five Procurement Activity

Summary of Procurement Processes

Public and Select Tender Processes

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*Procurement Act*

Procurement Regulations
Tier Five Procurement Activity

PR5.1 Agencies will ensure that all relevant procurement processes as outlined in the Procurement Act, Procurement Regulations, Procurement Directions and the Northern Territory Procurement Code are met in undertaking Tier Five procurement activity.

Summary of Procurement Processes

PR5.2 Tier Five procurement activity will be undertaken through the Public Tender Process unless there is a significant demonstrable benefit in the use of a Select Tender Process or Prequalification Process (refer Procurement Direction PO2).

I. The Public Tender Process allows all Suppliers who wish to do business with Government to be given fair and reasonable opportunity to do so.

II. The Public Tender Process may not be appropriate for procuring certain Supplies where the risks to the Government are such that the process will inadequately protect the Government’s interests. In such instances the Agency may undertake procurement utilising either the Select Tender Process or Prequalification Process, as appropriate and justified.

PR5.3 The Agency will determine the method of procurement to be used to obtain the Supplies (refer Procurement Direction PO2).

I. The Agency will decide on the most appropriate method of procurement taking in the context of the scope of the Supplies and the market capacity to deliver the Supplies.

II. In certain situations, a Public Tender could involve a two-stage process, commonly referred to as a Prequalification Process. A Prequalification Process is appropriate where Government requirements are complex, and responding to detailed scope requirements and Assessment Criteria may be costly and resource intensive for Tenderers.

PR5.4 Agencies must use the Agency Purchase Requisitions Online system for processing Tier Five procurement activity (refer Procurement Direction F4).

PR5.5 Agencies must update the Agency Purchase Requisitions Online system in a timely manner so that it contains current and accurate information (refer Procurement Direction F4).

I. The Agency shall use the Agency Purchase Requisitions Online system for all Tier Five procurement activity in order to achieve Government recording and reporting obligations.

PR5.6 A Project Specific Procurement Plan will be developed and approved before commencing the Public/Select Tender Process (refer Procurement Direction PO3).

I. Splitting of Supplies to bring it within any specific procurement Tier level is not permitted.

II. Agency specific procurement planning involves identification of Supplies in sufficient time to develop the appropriate procurement strategy.
Procurement Direction PR5 (Procurement Process for Tier Five Activity)

III. The Project Specific Procurement Plan will be approved in accordance with the Agency Procurement Delegations.

IV. For more complex Supplies, the planning process may also include a subject matter expert for technical advice, which may be required over the procurement process.

PR5.7 The Industry Capability Network (NT) Office may be consulted where Agencies need to identify potential Supplies and/or Suppliers (refer Procurement Direction PO2).

I. As part of the planning process, investigations into market capability and capacity of local industry and business to meet requirements for Supplies may be conducted.

II. The Industry Capability Network (NT) Office can advise on potential local Suppliers and local industry and business capability.

III. Agencies may reference the Internet, trade publications, industry associations and the like to establish potential Suppliers for all Tier Five procurement activity. Local Suppliers are to be given every opportunity to submit Tenders.

IV. Where Suppliers are approached as part of market investigations, it needs to be made clear that this does not in any way evidence Government’s commitment to particular procurement activity.

PR5.8 Agencies are to provide details of all proposed Tier Five procurement activity in sufficient time so as to allow Contract and Procurement Services to publish the Future Tender Opportunity advice for a minimum of two months prior to the Request for Tender being issued (refer Procurement Direction PO3).

I. Publication of the Future Tender Opportunity advice provides advance notice to industry and business of Government’s upcoming requirements for Supplies to allow Suppliers time to plan resources, capacity, specific accreditation/licencing, etc.

PR5.9 An accurate and comprehensive description of the scope of Supplies will be prepared (refer Procurement Direction PO4).

I. Agencies shall define the scope of Supplies, including:

   a. consideration of long term Agency requirements (for example Supplies which are not consumables and which are expected to be used over an extended period of time) where a Contract may be established for this ongoing requirement

   b. timeframes for delivery/completion (including length or vulnerability to completion timeframe).

II. To assist in defining the scope of Supplies, an Agency may conduct market testing. Where this occurs, it needs to be made clear that this does not in any way evidence Government’s commitment to particular procurement activity.
PR5.10 Agencies must determine other specific issues that need to be addressed in the Request for Tender (refer Procurement Direction PO4).

I. Agencies will consider specific issues such as the requirement for accreditation by Contractor Accreditation Limited, compliance with National or International standards/licensing, the requirements for an Industry Participation Plan with the successful Tenderer, the Agency’s position in respect of Alternative Tenders, ways to maximise local benefits for the Northern Territory and whether special expertise or non-standard requirements relating to the procurement activity are necessary.

PR5.11 Agencies will develop Assessment Criteria and assign Percentage Weightings for each Assessment Criterion applicable to the specific procurement activity (refer Procurement Direction PO5).

PR5.12 Questions under the Local Content Assessment Criteria for all Tier Five procurement activities should be tailored to elicit sufficient information for the formation of Local Benefit Commitments (refer Procurement Direction PO4).

PR5.12 A minimum of thirty percent weighting must be allocated to the Assessment Criterion of Local Content (refer Procurement Direction PO1).

PR5.13 The Assessment Criterion of Price must be weighted for all Tier Five procurement activity (refer Procurement Direction PO1).

PR5.14 Percentage Weightings applied to Assessment Criteria for Tier Five procurement activity will be published (refer Procurement Direction PO5).

PR5.15 Assessment Criteria and Percentage Weightings for specific procurement activity must be approved by the Accountable Officer.

I. The Assessment Criteria for each specific Tier Five procurement activity will depend on the Supplies, their complexity, availability, support required if any, and any other issues required to be addressed. The Scope Specific Assessment Criterion must be directly linked to the specific nature of the Supplies.

II. The Assessment Criterion of Local Benefit is to include allowance for an Industry Participation Plan to be developed with the successful Tenderer (where required).

III. As the weighting on the Assessment Criterion of Price increases, the available weighting on the non-price criteria decreases, so care must be taken to ensure adequate allowance is made for important non-price criteria when allocating a weighting on Price.

PR5.16 An estimate of the value of Supplies as described will be prepared (refer Procurement Direction PO4).

I. When estimating the value of Supplies, all costs related to the procurement of the Supplies (such as direct costs, indirect costs, fixed costs and ongoing costs) are to be considered. Costs may take into account the through-life costs associated with the Supplies and not just up-front costs.
II. The estimate is required in the assessment process for comparison against the prices submitted in the Tenders.

PR5.17 Agencies must use the standard Conditions of Tendering and Contract most relevant to the specific procurement activity, unless approval to do otherwise has been given (refer Procurement Direction PO5).

PR5.18 A Requisition must be completed and approved prior to the commencement of any procurement activity including endorsement as to the availability of sufficient funds to procure the Supplies specified (refer Procurement Regulation 3).

I. A Requisition shall detail as a minimum:
   a. the description and quantity or estimated quantity of Supplies required
   b. the estimated value of the Supplies
   c. assessment criteria and weightings to be applied
   d. where there is an appropriate existing Contract under which the Supplies may be obtained:
      i. the Contract price or rate and Supplier(s)
      ii. any relevant terms and conditions (for example discount, delivery variable or firm price).

PR5.19 Public Tenders or Select Tenders will be undertaken through use of the Government’s Quotations and Tenders Online system (refer Procurement Direction F4).

PR5.20 Each Tier Five Request for Tender must remain open for Suppliers to respond for a minimum of two weeks where Future Tender Opportunity advice has been published.

I. The time that the Request for Tender should remain open will depend on the complexity of the Supplies and the response requirements or schedules.
   a. Where a Future Tender Opportunity has not been advertised, the Request for Tender will be open for a minimum of four weeks unless approval to do otherwise has been given by the Accountable Officer.
   b. Where a Future Tender Opportunity has been advertised, the Request for Tender will be open for a minimum of two weeks unless approval to do otherwise has been given by the Accountable Officer.
   c. As the complexity of the Supplies and response details being requested increases, so too should the response period.
   d. The duration of the response time as stated in the Request for Tender must be defensible.
Public and Select Tender Processes

PR5.21 Invite Public/Select Tenders (refer Procurement Directions PO2 to PO8).

PR5.22 Where a Select Tender Process is used, the Accountable Officer must issue a Certificate of Exemption, subject to Agency Minister approval, before any action commences (refer Procurement Direction PO2).

PR5.23 A Select Tender Process is not to proceed until a fully signed Certificate of Exemption has been obtained.

PR5.24 Contract and Procurement Services will issue all Tier Five procurement activity via the Government's Quotations and Tenders Online system.

I. The Public/Select Tender Process involves:

a. public advertising of the Request for Tender by Contract and Procurement Services (where applicable)

b. a Select Tender Process is not to proceed until a fully signed Certificate of Exemption has been obtained

c. Contract and Procurement Services issuing the Request for Tender, which includes Conditions of Tendering and Contract and Percentage Weightings to Suppliers

d. the officer nominated in the Request for Tender responding to any queries from Tenderers whilst ensuring probity of the process is maintained

e. where an error or omission in the Request for Tender requiring clarification is identified, an Addendum shall be issued to all Suppliers who have obtained the Request for Tender

f. Contract and Procurement Services is responsible for issuing Addendum notices.

PR5.25 Contract and Procurement Services will close all Tier Five procurement activity.

I. Contract and Procurement Services is responsible for opening and closing Tenders received.

II. Contract and Procurement Services provides all Tenders to the Agency for determination of admissibility and assessment.

III. Contract and Procurement Services provides all information required for the Local Benefit Advisory Panel to provide advice on Local Content where the procurement activity has an estimated value of $5 million and greater.

IV. Contract and Procurement Services notifies Agencies of any issues of admissibility of Tenders.

V. Agencies determine any issues of admissibility and Contract and Procurement Services issues advice to the Tenderer.

VI. The Procurement Review Board determines admissibility for consideration of Tenders where appeals have been lodged.
VII. Contract and Procurement Services publishes the list of Tenderers received.

VIII. All Tier Five procurement shall close at Contract and Procurement Services at 2pm Australian Central Standard Time on a business day specified in the Request for Tender.

PR5.26 Tenders with an estimated value of $5 million and greater will be subject to Local Benefit Advisory Panel requirements.

PR5.27 Agencies are responsible for conducting the assessment process for Tier Five procurement activity (refer Procurement Direction PO9).

PR5.28 Assessment Panels must take into consideration any Local Benefit Advisory Panel advice when undertaking assessment of Respondents/Tenderers Local Content Assessment Criteria.

PR5.29 The assessment process must be undertaken by a minimum of three persons that have adequate knowledge of the Supplies to allow an informed decision to be made.

I. Assessment of eligible Tenders by the Assessment Panel is based on the Assessment Criteria and related Percentage Weightings specified in the Request for Tender.

II. The recommendation should include reasons why:
   a. it is necessary to negotiate with a preferred Tenderer
   b. a preferred Tenderer is recommended over any others
   c. a recommendation to decline Tenders has been taken.

III. The recommendation will include a copy of any advice provided by the Local Benefit Advisory Panel.

PR5.30 Recommendation to negotiate, accept or decline Tenders requires the approval of the Accountable Officer (refer Procurement Direction PO9).

PR5.31 The Accountable Officer will take into consideration any Local Benefit Advisory Panel advice when approving a recommendation.

PR5.32 The approval of the Accountable Officer must be obtained prior to commencing negotiations or the acceptance or decline of Tenders.

PR5.33 Contract and Procurement Services will notify all Tenderers of the outcome of the Public/Select Tender Process (refer Procurement Direction PO9).

I. The successful Tenderer(s) shall be advised of the procurement outcome (Contract) through the issue of a Notice of Acceptance or similar.

II. Unsuccessful Tenderers will be advised by the Agency that they may seek a debriefing.
PR5.34 The Agency will conduct debriefings of unsuccessful Tenderers (refer Procurement Direction PO10).

I. Where an unsuccessful Tenderer seeks a debriefing, the Agency will provide the debriefing as soon as possible.

PR5.35 Contract and Procurement Services will arrange publication of all Contracts awarded on the Northern Territory Government website (refer Procurement Direction PO9).

PR5.36 Contract and Procurement Services will provide the Procurement Review Board with monthly reports on Tier Five Public/Select Tender procurement activity (refer Procurement Direction PO9).

PR5.37 Agencies will ensure appropriate Contract management is undertaken (refer Procurement Direction PO12).

I. The Agency will ensure appropriate Contract management processes and procedures relevant to the specific procurement activity are in place once the Contract is awarded.

II. Agencies are responsible to ensure that the Contract outcomes are achieved.

III. Adequate division of duties between the person approving the award of the Contract receiving the Supplies and the person authorising the payment shall be arranged through the Agency Procurement Delegations.

IV. Contract variations can only be made with relevant approvals.

V. Performance Reports are to be completed and feedback provided to appropriate bodies.

Record Keeping

PR5.38 Records of Tier Five procurement activity are to be retained for audit purposes (refer Procurement Direction F1).

I. As a minimum, records that cover the following for each Tier Five procurement activity are to be retained:

   a. The approved Project Specific Procurement Plan.
   b. The approved Requisition.
   c. Where a Select Tender Process is used, the Certificate of Exemption approval.
   d. Request for Tender including Assessment Criteria and Percentage Weightings applied.
   e. Tender Responses.
   f. The approved recommendation to accept a Tender.
   g. Copy of the Notice of Acceptance.
   h. The approved copy of any variations granted.
i. Documentation covering the receipt of the Supplies and payment made.

j. Documentation covering the recording and reporting of performance.

PR5.39 Agencies will promptly provide the Agency responsible for Procurement Policy and the Procurement Review Board with copies of all procurement records, upon request, for auditing and reporting purposes (refer Procurement Direction F1).
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<td>General</td>
<td>Amendment to reflect increased Procurement Tiers</td>
<td>30 March 2009</td>
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<tr>
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<td>Corrected references to Industry Capability Network (NT) Office to reflect name change</td>
<td>1 July 2012</td>
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<tr>
<td></td>
<td>Amended to remove the use of acronyms in the Directions and maintain consistency in the use of defined terminology</td>
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<td>Amended to remove duplication of the Direction in the following explanations</td>
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<td>Amended to reflect Procurement Reforms changes: Applying explicit weighting on price and mandatory minimum 20% weighting for Local Development and Value Adding Assessment Criterion</td>
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<td>Disclosure of Assessment Criteria Percentage Weightings for all procurement activity from Tier Three and greater (i.e. $50 000+)</td>
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<td>Introduced a sixth procurement Tier with consequential renumbering</td>
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<td>Added new Directions formally stated as following explanations only (this and previous items have resulted in re-ordering of Directions and consequential adjustments to Direction numbering)</td>
<td>1 July 2012</td>
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<tr>
<td>Select Tender Process</td>
<td>Combined with Public Tender Process to reduce duplication (as PR5.24 and PR5.25)</td>
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<tr>
<td>PR5.10, PR5.15 and PR5.27</td>
<td>Remove requirements for Industry Participation Plans included in error, and made consequential adjustments to Direction numbering</td>
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PROCUREMENT DIRECTION PR6
Process Series

PR6 - Additional Process for Procurement Activities ≥$5 million

Statement of Intent
This Procurement Direction details the additional procurement process to be followed for Tenders with an estimated value of $5 million and greater.

Main Features
Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Local Benefit Advisory Panel

- This Direction identifies the steps to be followed for procurement activities subject to Local Benefit Advisory Panel advice and Industry Participation Plan requirements.

- Agencies will ensure that all relevant procurement processes as outlined in the Procurement Act, Procurement Regulations, Procurement Directions and the Northern Territory Procurement Code are met.

Local Benefit Advisory Panel Role and Processes

- The Local Benefit Advisory Panel will review and provide advice on the Local Content component of Tender responses where the procurement activity has an estimated value of $5 million and greater.

- The Local Benefit Advisory Panel will provide advice on significant variations to Local Benefit Commitments where the Contract was subject to Local Benefit Advisory Panel advice in the Tendering stage.

- Contract and Procurement Services will provide notification and copies of all procurement activities with a value of $5 million and greater to the Local Benefit Advisory Panel.

- Agency Assessment Panels will take Local Benefit Advisory Panel advice into consideration when conducting their assessment.

- Agency Accountable Officers will receive a copy of advice provided by the Local Benefit Advisory Panel at the conclusion of assessment.

- Accountable Officers will take Local Benefit Advisory Panel advice into consideration when making decisions regarding variations that significantly impact the Local Benefit Commitments of Contracts that were subject to Local Benefit Advisory Panel requirements.

Industry Participation Plans

- An Industry Participation Plan must be prepared by the successful Tenderer for all procurement activity with an estimated value from $5m regardless of the procurement method utilised, unless an exemption has been given by the Accountable Officer.

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Local Benefit Advisory Panel (LBAP) Role
Procurement Direction PR6 (Additional Process for Procurement Activities ≥$5 million)

LBAP Tender Assessment Process

LBAP Contract Variation Process

Industry Participation Plans

Authorities

*Procurement Act*

Procurement Regulations
Local Benefit Advisory Panel (LBAP) Role

PR6.1 The Local Benefit Advisory Panel will provide advice on the Local Content component of Tender responses where the procurement activity has an estimated value of $5 million and greater.

I. Local Benefit Advisory Panel advice will be required regardless of the procurement method used.

II. In the case of a Period Contract, the value is the estimated amount over the Contract term (without options) to be offered.

III. Local Benefit Advisory Panel advice is not required for Panel Contracts where the value of the individual contracts to be awarded from the Panel is less than $5 million.

PR6.2 The Local Benefit Advisory Panel will provide advice on significant Contract variations that impact Local Benefit Commitments where the Contract was subject to Local Benefit Advisory Panel advice in the Tendering stage.

PR6.3 The Agency responsible for Procurement Policy will perform the Secretariat role for the Local Benefit Advisory Panel.

I. The Agency responsible for Procurement Policy will receive all Tender and Contract information from Agencies and Contract and Procurement Services on behalf of the Local Benefit Advisory Panel.

II. All notifications and requests from the Agency and Contract and Procurement Services to the Local Benefit Advisory Panel will be directed to the secretariat.

III. Agencies will not liaise directly with the Local Benefit Advisory Panel.

LBAP Tender Assessment Process

PR6.4 Contract and Procurement Services will provide notification and copies of all procurement activities with an estimated value of $5 million and greater.

I. Contract and Procurement Services will provide details of these Request for Tenders on the day of issue to the Local Benefit Advisory Panel.

PR6.5 Contract and Procurement Services will provide the Local Content component of Response Schedules to the Local Benefit Advisory Panel after Tender close, where the Tender had an estimated value of $5 million and greater.

PR6.6 Agencies are responsible for the assessment of all procurement activities (refer Procurement Direction PO8).

PR6.7 Agency Assessment Panels will consider Local Benefit Advisory Panel advice in conducting their assessment of the Local Content Assessment Criteria.

I. Agency Assessment Panels may seek clarification to advice from the Local Benefit Advisory Panel.
Procurement Direction PR6 (Additional Process for Procurement Activities ≥$5 million)

PR6.8 Agency Accountable Officers will receive a copy of the Local Benefit Advisory Panel advice within the recommendation to negotiate/accept/decline Tenders at the conclusion of assessment for Tenders with an estimated value of $5 million and greater.

LBAP Contract Variation Process

PR6.9 Agencies will seek advice from the Local Benefit Advisory Panel for all Contract variations that significantly impact the Local Benefit Commitments where the Contract was subject to Local Benefit Advisory Panel requirements.

I. Agencies have a responsibility to ensure that all information provided to the Local Benefit Advisory Panel is comprehensive and in sufficient detail so that the relevant advice on the variation/s can be provided.

PR6.10 Accountable Officers will take Local Benefit Advisory Panel advice into consideration when making decisions regarding variations that significantly impact the Local Benefit Commitments of Contracts that were subject to Local Benefit Advisory Panel requirements.

I. Agency Contract Managers will ensure a copy of this advice is provided with any recommendation to accept/negotiation/decline variations.

Industry Participation Plans

PR6.11 An Industry Participation Plan is required from the successful Tenderers in all procurement activity where contracts are to be awarded with an estimated value in excess of $5m.

I. In the case of a Period Contract, the value is the estimated amount over the Contract term (without options) to be offered.

II. Industry Participation Plans are not required to establish Panel Contracts where the value of the individual contracts to be awarded from the Panel is less than $5m.

III. Industry Participation Plans are required from the successful Tenderer only and are to be agreed between the Agency and the successful Tenderer prior to contract award.

IV. Appropriate information should be sought from Tenderers under the assessment criterion of “Local Content”.

V. Information on the content of an Industry Participation Plan is outlined in the Building Northern Territory Industry Participation Policy documents. Further information can be found on the Department of Business website.

VI. Key elements of an Industry Participation Plan are:

a. An outline of the project, its estimated value and an outline of the Northern Territory industry and business component.

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Procurement Direction PR6 (Additional Process for Procurement Activities ≥$5 million)

b. What goods and services will be required, what Northern Territory industry and business can tender, opportunities for local participation through all tiers of the supply chain and estimated local employment.

c. Outline of proposed local skills development, research and development.

d. Regional and economic development benefits.

e. Proposals for local Indigenous participation.

f. How the Tenderer will inform local industry and business about particular opportunities.

g. An overview of reporting commitment and mechanisms including the proposed framework for reporting against key elements of the Industry Participation Plan.

VII. The Department of Business and Industry Capability Network (NT) Office may be consulted in the preparation of Industry Participation Plans.

PR6.12 Agencies may obtain an exemption from Industry Participation Plan requirements, depending upon the nature of the procurement. Such exemptions must be obtained from the Accountable Officer prior to the Request for Tender being released.

I. Such exemptions generally will only be approved where it can be reasonably demonstrated and justified that the procurement activity is of a nature where local industry participation opportunities are limited.
### Table of Amendments

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<th>Amendment</th>
<th>Detail</th>
<th>Effective Date</th>
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<td>PR6 withdrawn, Tier 6 removed as part of procurement reforms.</td>
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<td>General</td>
<td>Process updated in its entirety to address the Process for Tenders with an estimated value of $5 million and greater including the introduction of the Local Benefit Advisory Panel and Industry Participation Requirements.</td>
<td>18 April 2016</td>
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Procurement Direction PR7
Process Series

PR7 - Procurement Process for Supplies under Existing Period Contracts

Statement of Intent
This Procurement Direction details the procurement process to be used for Procurement of Supplies under Existing Period Contracts.

Main Features
Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Procurement under Existing Period Contracts

- This Direction identifies the steps to be followed for procurement undertaken under Existing Period Contracts. The steps are not intended to be an exhaustive list of all procurement requirements.

- Agencies will ensure that all relevant procurement requirements as outlined in the Procurement Act, Procurement Regulations, Procurement Directions and the Northern Territory Procurement Code are met in undertaking procurement activity under Existing Period Contracts.

Summary of Procurement Processes

- Agency procurement planning will be undertaken as part of the procurement process (refer Procurement Direction PO3).

- Procurement Directions applicable to the use of existing and other government Contracts will be complied with (refer Procurement Direction PO2).

Contents

Procurement under Existing Period Contracts
Summary of Procurement Processes
Across Government Contracts
Agency Specific Period Contracts
Other Government Period Contracts

Authorities

Procurement Act
Procurement Regulations
Procurement under Existing Period Contracts

PR7.1 Agencies will ensure that all relevant procurement processes as outlined in the Procurement Act, Procurement Regulations, Procurement Directions and the Northern Territory Procurement Code are met in undertaking procurement activity under existing Period Contracts.

Summary of Procurement Processes

PR7.2 Agency procurement planning will be undertaken as part of the procurement process (refer Procurement Direction PO3).

PR7.3 Procurement Directions applicable to the use of existing and other government Contracts will be complied with (refer Procurement Direction PO2).

Across Government Contracts

PR7.4 Where there is an existing Across Government Contract in place for particular Supplies, an Agency will source the Supplies via the Across Government Contract.

PR7.5 Across Government Contracts are administered by Contract and Procurement Services.

Agency Specific Period Contracts

PR7.6 Where an Agency Specific Period Contract exists, the relevant Agency or Agencies will ensure that procurement activities for Supplies covered by the Agency Specific Period Contract are undertaken in accordance with the terms and conditions specified in the Agency Specific Period Contract.

PR7.7 Where use of the Agency Specific Period Contract is mandated, all Supplies will be sourced under the Agency Specific Period Contract.

   I. Where use of the Agency Specific Period Contract is not mandated, Agencies need to consider the intention behind the Agency Specific Period Contract prior to determining the most appropriate procurement approach.

PR7.8 An Agency, which is not a party to an Agency Specific Period Contract, may access Supplies under the Agency Specific Period Contract only with the approval of the Accountable Officer of the procuring Agency, the Accountable Officer of the Agency which has established the Agency Specific Period Contract and the Supplier.

   I. Factors that the procuring Agency needs to consider include:

      a. Equity and fairness to industry and business – Agency Specific Period Contracts are established based on the scope of Supplies Tendered, which would not have included requirements of an Agency which is not party to the arrangement.
b. Terms and conditions of the Agency Specific Period Contract and application to the Supply requirements of the procuring Agency.

Other Government Period Contracts

PR7.9 Agencies may, with Procurement Review Board approval, use Period Contracts for Supplies established by other governments (Federal, State or Territory).

I. Where an Agency seeks to access another government’s Period Contract in which the Agency will need to consider the terms and conditions of the other government’s Period Contract in terms of suitability and fitness for purpose.

II. The approval of the Accountable Officer of the procuring Agency and the relevant other government entity which has established the Period Contract will need to be obtained prior to the procuring Agency commencing any procurement activity under the other government Period Contract.

III. Once the approval of the Accountable Officer and the government entity has been given, the procuring Agency will need to obtain the Contractor’s agreement to provide the Supplies under the other government’s Period Contract prior to the actual procurement activity.

IV. Procurement Review Board approval is also required and, in making a submission for Procurement Review Board approval, the Agency must demonstrate that consideration has been given to the terms and conditions of the other government’s Contract, and an assessment has been made that the terms and conditions are appropriate for the Agency’s requirements for the Supplies.

V. Once Procurement Review Board approval is obtained, the Agency may obtain Supplies under the other government’s Contract.
## Table of Amendments

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<td>1 July 2012</td>
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<td>General</td>
<td>PR6 re-numbered to PR7 (consequential re-numbering throughout)</td>
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PR8 - Procurement Process for Supplies under Standing Exemptions

Statement of Intent

This Procurement Direction details the procurement process to be used for procurement of Supplies under Standing Exemptions.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Procurement under Standing Exemptions

- This Direction identifies the steps to be followed for procurement undertaken under Standing Exemptions. The steps are not intended to be an exhaustive list of all procurement requirements.

- Agencies will ensure that all relevant procurement requirements as outlined in the Procurement Act, Procurement Regulations, Procurement Directions and the Northern Territory Procurement Code are met in undertaking procurement activity under Standing Exemptions.

Contents

Procurement under Standing Exemptions

Attachment 1 - Supplies exempted from the Public Quotation/Tender process

Attachment 2 - Supplies Exempted from Consultation with Industry Capability Network (NT) Consultation and mandatory Territory Enterprise inclusion requirements

Authorities

Procurement Act

Procurement Regulations
Procurement under Standing Exemptions

PR8.1 Agencies will ensure that all relevant procurement requirements as outlined in the Procurement Act, Procurement Regulations, Procurement Directions and the Northern Territory Procurement Code are met in undertaking procurement activity under Standing Exemptions.

PR8.2 Agency procurement planning will be undertaken as part of the procurement process (refer Procurement Direction PO3).

PR8.3 Procurement Directions applicable to the use of Standing Exemptions will be complied with (refer Procurement Direction PO2).

PR8.4 Standing Exemptions from specific requirements of the Procurement Directions have been established for certain classes of supplies. The Standing Exemption only applies to the specific procurement requirement, all other requirements of the Procurement Directions continue to apply.

PR8.5 Classes of supplies listed in Attachment 1 are exempt from the requirement Public Quotation/Tender Requirements.

I. Tier Two supplies may be procured with less than three quotes

II. Tier three, Tier Four or Tier Five supplies may be procured by select process

PR8.6 Classes of supplies listed in Attachment 2 are exempt from the Industry Capability Network (NT) Consultation and mandatory Territory Enterprise inclusion requirements
Attachment 1

Supplies Exempted from Public Quotation/Tender Requirements

A. Library subscription services

B. Travel and Freight on scheduled services
   No prior approval is required for the purchase of official travel and freight on scheduled services.
   (i) This includes the purchase of accommodation required in association with official travel.
   (ii) This exemption includes the use of interstate removalists when arranging the uplift of personal effects for interstate recruits.
       a. Agencies should provide interstate recruits with a list of Northern Territory based removalists and encourage the use of a reputable local firm. Local firms would have particular benefits for the recruit particularly in terms of insurance matters, which may need to be resolved.

C. Works of Art
   Covers permanent acquisitions including, but not limited, to paintings, photographs, statues digital images, carvings, pottery, craft work, literature, or ephemeral activity such as specific exhibitions, performances, films and special events etc.

D. Membership to Professional Organisations or Associations and National peak bodies
   Covers where membership is required in conjunction with an Agency’s core business.

E. Curriculum Materials
   Where those materials are available only from sole Suppliers or licensors.

F. Government occupied buildings
   (i) Renewal of an existing Government office and commercial accommodation lease and/or a variation where the area to be leased is not more than twenty-five percent (25%) of the area currently within lease (adjoining car parks can be included in the lease arrangements at the sole discretion of the Agency).
   (ii) Building owners who undertake building alterations, renovations and/or fit out of their own property on behalf of Government tenants. Building owners undertaking such work will be exempt from the requirement to be accredited with Contractor Accreditation Limited.

G. Legal Practitioners and Expert witnesses
   Where such is required to provide legal advice and expertise in their relevant fields and appear before courts and tribunals.
H. Labouring services and remote locality Police Stations
Cleaning and ground maintenance (labouring services) at remote locality police stations.

I. Cattle and buffalo for research purposes
Where purchases are made through stock and station agents.

J. Partnership Agreement with Charles Darwin University
(i) The Partnership Agreement covers the period 1 July 2012 to 30 June 2017. The Partnership Agreement’s objective is that the economic, social and environmental development of the Northern Territory is supported by a robust and resilient University working in partnership with government Agencies and the wider community.
(ii) This exemption is valid where the services required fall under the core outcomes in the Partnership Agreement.
(iii) This exemption shall cease to operate when this Partnership Agreement expires.

K. Lease of equipment, display space and other services
This includes forwarding of freight through interstate/overseas exhibition and conference organisers and their nominated subcontractors. This exemption allows Agencies attending a particular interstate/ overseas exhibition or conference, to pay the conference fees, to acquire display space through the organising body, send freight through the nominated freight forwarder, rent TV, lighting, pot plants etc. through whichever sub-contractor has been appointed to provide these requirements.

L. The supply of electricity from the Power and Water Corporation
All NTG sites subject to pricing orders issued under section 44 of the Electricity Reform Act are exempt from Tender requirements while the pricing orders remain in place. These customers, as defined by the Electricity Reform Act, are to acquire their electricity directly from Power Water Corporation under the provisions of the pricing orders.

M. Partnership Agreement with the Batchelor Institute of Indigenous Tertiary Education
(i) The Partnership Agreement covers the period 1 January 2011 to 30 June 2014. The overarching aim of the Partnership Agreement is to reinforce and expand upon the mutually productive and cooperative relationship between the Batchelor Institute and the Northern Territory Government for the benefit of indigenous Territorians in the areas of economic development, social and cultural development.
(ii) This exemption is valid where the services required fall under the core outcomes in the Partnership Agreement.
(iii) This exemption shall cease to operate when this Partnership Agreement expires.

N. Renewal of ongoing Software Maintenance and Licensing Agreements
Covers requirements for existing business critical Information Communication Technology systems operated by Government.

O. Specialist Police, Fire and Emergency Services Equipment
(i) Covers purchase, from interstate and overseas, of specialist tactical equipment, defined as:
   a. Lethal and non-lethal weapons and sighting systems.
b. Specialist chemical, biological, nuclear, and radiological equipment (CBN-RE) of a restricted nature.

c. Protective clothing including specialist ballistic armour, helmets, webbing and load bearing equipment.

d. Information Communication Technology, including digital communication systems not available to the general public or those operating as part of a secure network. This includes the installation and repair of hardware components of a proprietary nature relating to the Original Equipment Manufacturers warranty and intellectual property provisions, where the upgrade of software necessitates hardware and peripheral component replacement.

e. Intelligence gathering systems

f. Vision enhancing and electronic listening systems

g. Specialist method of entry and extraction equipment

h. Bomb response capability specialist equipment.

(ii) Any equipment or service that’s disclosure may compromise operations of a sensitive or classified nature with the approval of the Accountable Officer.

(iii) Rapid acquisitions of an operational nature in support of a defined declaration of emergency, or in support of National Contingency Plans such as the Northern Territories contribution to National Counter Terrorism Operations and Border Security.

(iv) Procurement action for such purchases to be handled by NT Police, Fire and Emergency Services Procurement Unit (in lieu of Contract and Procurement Services).

(v) The requirement to publish such purchases is waived.

NT Police, Fire and Emergency Services will advise the Agency responsible for Procurement Policy of any amendments to the defined types of specialist equipment covered by this exemption.

P. Remote Procurements

Procurement activities for Supplies to be delivered in a remote area from a legal entity which has (as a minimum) 30% of its fulltime employees who are local Aborigines is exempt from the Public Quoting/Tendering requirements.

A remote area is any of the following remote Aboriginal communities, homelands or outstations:

Please read in outline view for best navigational experience

1. Acacia Larrakia
2. Ali Curung
3. Alpurrurulam
4. Amanbidji
5. Amoonguna
6. Ampilatwatja
7. Angurugu
8. Apatula (Finke)
9. Areyonga
10. Atitjere
11. Barunga
12. Belyuen
13. Beswick
14. Binjari
15. Bulla
16. Bulman
17. Daguragu
18. Engawala
19. Galiwinku
20. Gapuwiyak
21. Gunbalanya
22. Gunyangara
23. Haasts Bluff
24. Imanbara
25. Imanpa
26. Jilkminggan
27. Kalkarindji
28. Kaltukatjara
29. Kintore (Walungurru)
30. Kybrook Farm
31. Lajamanu
32. Laramba
33. Maningrida
34. Manyallaluk
35. Milikapiti
36. Milingimbi
37. Milyakburra
38. Minjilang
39. Mnyerri
40. Mt Liebig
41. Mutitjulu
42. Nauiyu (Daly River)
43. Nguiu
44. Ngukurr
45. Nturiya (Ti Tree)
46. Ntaria (Hermannsburg)
47. Numbulwar
48. Nyirripi
49. Owatilla (Canteen Creek)
50. Palumpa
51. Papunya
52. Peppimenarti
53. Pigeon Hole
54. Pirlangimpi
55. Pmara Jutunna (Ti Tree 6 Mile)
56. Ramingining
57. Rittarangu
58. Robinson River
59. Santa Teresa
60. Tara
61. Titjikala
62. Umbakumba
63. Wadeye
64. Wallace Rockhole
65. Warruwi
66. Weemol
67. Willowra
68. Wilora
69. Wutunugurra (Epenarra)
70. Yarralin
71. Yirrkala
72. Yuelamu
73. Yuendumu
Attachment 2

Supplies Exempted from with Industry Capability Network (NT) Consultation and mandatory Territory Enterprise inclusion requirements

A. Library subscription services.

B. Travel and freight on scheduled services:
   i. Accommodation required in association with official travel.
   ii. Interstate removalists when arranging the uplift of personal effects for interstate recruits.

C. Works of art.

D. Membership to professional organisations or associations and national peak bodies (required in conjunction with an Agency’s core business), payment of conference fees.

E. Curriculum materials (where those materials are available only from sole suppliers or licensors).

F. Leased accommodation where the building owner resides interstate (refer Attachment 1).

G. Legal practitioners and expert witnesses (required to provide legal advice and expertise in their relevant fields and appear before courts and tribunals).

H. Lease of equipment, display space and other services, including forwarding freight, through interstate/overseas exhibition or conference organisers and their nominated sub-contractors.

I. Licenses, other than software licenses, only available from Government Agencies/Statutory Authorities.

J. Specialist police, fire and emergency services equipment.
## Table of Amendments

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<th>Detail</th>
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<td>Attachment 1 items J and N</td>
<td>Remove listing process details on engaging CDU/BIITE under the Partnership Agreements</td>
<td>04 May 2010</td>
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<td>Attachment 1</td>
<td>Remove &quot;Indigenous Community Organisations&quot; from Supplies exempt from the requirement to see public quotations/tenders. This resulted in consequential &quot;renumbering&quot; for latter items listed</td>
<td>1 July 2010</td>
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<td>Attachment 1 item M</td>
<td>Amended period of BIITE Partnership Agreement to reflect new agreement period</td>
<td>14 March 2011</td>
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<td>Attachment 1 new item O</td>
<td>Amended new item purchases - required by NT Police Territory Response Section – Specialist Tactical Equipment</td>
<td>14 March 2011</td>
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<td>Attachment 2 new item J</td>
<td>Added new item which is exempt from requirement to consult with ICN NT when seeking Supplies from outside the NT – namely NT Police Territory Response Section specialist tactical equipment</td>
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<td>General</td>
<td>Introduced a sixth procurement Tier Replaced “NTICN” with Industry Capability Network (NT) to reflect name change PR7 re-numbered to PR8 – consequential re-numbering throughout</td>
<td>1 July 2012</td>
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<td>Attachment 1 C</td>
<td>Made it clearer that the list of art works was not exclusive and added some other relevant categories</td>
<td>1 September 2012</td>
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<td>Attachment 1 J (i)</td>
<td>Revised the description of the CDU partnership agreement in line with the most recent agreement</td>
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<td>Attachment 1 L</td>
<td>Amended the PWC exemption to reflect Government’s decision on competitive tendering for electricity</td>
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<td>PR8.4 II Attachment 1 O</td>
<td>Removed requirement for Gazette publication in line with changes to Procurement Regulations</td>
<td>20 March 2013</td>
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<td>Attachment 2: J</td>
<td>Consequential amendment to reflect changes in O.</td>
<td>21 March 2014</td>
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<td>General</td>
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<td>1 July 2014</td>
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<td>‘P: Remote Procurements’ added</td>
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<td>Formatted for web compatibility Amended to reflect Buy Local Plan including establishment of Standing Exemption from the requirement to invite a quote from a Territory Enterprise for Tier One and Tier Two supplies</td>
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<td>Amendment to reflect new Travel Policy</td>
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PR9 - Procurement Review Board Processes

Statement of Intent

This Procurement Direction outlines the processes to be followed by the Procurement Review Board.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Procurement Review Board Role and Processes

- The Procurement Review Board is accountable to the Minister responsible for Procurement.
- The Procurement Review Board provides advice to the Minister responsible for Procurement on Agency compliance with Government Procurement Policy and processes.
- The Procurement Review Board may provide an independent review or audit of an Agency’s procurement processes.
- The Procurement Review Board will determine appeals in relation to the admissibility of a Quotation or Tender.

Contents

Role of the Procurement Review Board
Procurement Review Board Processes

Authorities

Procurement Act
Procurement Regulations
Role of the Procurement Review Board

PR9.1 The Procurement Review Board may review the procurement processes and activities in Agencies to assess compliance with the Government’s Procurement Framework.

I. Accountability for procurement decisions and activities rests solely with the Agency undertaking the procurement activity, specifically the Accountable Officer.

II. Agencies have a responsibility to ensure that all information provided for PRB consideration is comprehensive and in sufficient detail to demonstrate the Agency’s compliance with the Government’s Procurement Framework.

III. The PRB may seek subsequent clarification or additional information from the Agency to assist in their review, including a request for applicable Agency officers to attend the PRB and provide clarification or make a formal presentation.

PR9.2 The Procurement Review Board is accountable to the Minister responsible for Procurement and may provide advice to the Minister responsible for Procurement and Accountable Officers on Agency compliance with Government Procurement Policy and processes.

I. The PRB may make recommendations in relation to amendments or improvements to Government Procurement Policy and processes, where appropriate. These recommendations will be made to the Agency responsible for Procurement Policy.

II. The PRB may advise the Minister responsible for Procurement on a periodic basis of Agency compliance with Government Procurement Policy and processes. The PRB may also provide information to the Minister responsible for Procurement on request. All PRB advice to the Minister responsible for Procurement is undertaken through the Agency responsible for Procurement Policy.

PR9.3 Agencies will, on an annual basis, submit their Agency Procurement Management Plan to the Procurement Review Board for consideration.

I. The PRB will consider all Agency Procurement Management Plans and may provide comments to the Agency responsible.

PR9.4 At the end of the reporting period, Agencies will submit a report to the Procurement Review Board on their compliance with the Agency Procurement Management Plan.

PR9.5 The Procurement Review Board will determine appeals in relation to the admissibility of a quote or tender (refer Procurement Direction PO6).

I. The PRB meets as required to consider appeals on admissibility. Agencies may be required to submit information or attend at the PRB to enable their consideration of a matter.

II. Provision under Procurement Regulations allow for the Minister responsible for Procurement to make a direction to the PRB.

a. Where the Minister responsible for Procurement determines that the PRB has erred in their decision, the Minister responsible for
Procurement Direction PR9 (Procurement Review Board Processes)

Procurement may direct the PRB to amend their decision, and the amended PRB decision is the final determination.

b. Where the Minister responsible for Procurement determines that the PRB is correct in their decision, the decision of the PRB stands.

III. As a Board of review, the PRB does not establish or develop Procurement Policy.

Procurement Review Board Processes

PR9.6 Submissions to the Procurement Review Board will be submitted in the standard Procurement Review Board forms, and any departure from the standard Procurement Review Board forms will require Procurement Review Board approval through the Procurement Review Board Secretariat.

I. Approve all requests to use an Existing Period Contract arranged by Federal, State or another Territory Government (refer Procurement Direction PO2).

II. Note all Tier Two, Tier Three, Tier Four and Tier 5 procurement activity undertaken by Agencies (monthly reporting).

III. Note all consultations between Agencies and the Industry Capability Network (NT) Office in relation to Tier One and Tier Two activity (quarterly reporting) (refer Procurement Direction PO2).
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<td>Amend PRB role to incorporate changes due to new increased procurement activity levels (Tiers increases Quotation and Select Quotation, etc.)</td>
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| General   | Introduced a sixth procurement Tier  
Replaced “NTICN” with Industry Capability Network (NT) to reflect name change  
PR8 re-numbered PR9 (consequential re-numbering throughout) | 1 July 2012 |
| PR9.2 X and XI | Removed the 11am and 9am start times for the Darwin and Southern Region Procurement Review Board meetings | 1 July 2012 |
| PR9.2 VI and VIII | Amendments necessary to clarify the process for appealing PRB decisions in line with the Regulations, and provisions moved here from PO9.4  
Included PR9.2 XII to provide clearer guidance with this Direction on the limits of Southern Region PRB consideration | 1 September 2012 |
| PR9.4 II a | Changed “endorse” to “note” of all future tender activity in line with Regulations and practice, and included Tier Four requirements | 1 September 2012 |
| PR9.4 II n | Included approvals from Government Entities which is required in PO13 but missing from this list | 1 September 2012 |
| General   | Formatted for WCAG2.0 accessibility – changes to formatting, spelling, grammar and punctuation | 1 January 2013 |
| General   | Changes to implement 2014 Procurement Reforms | 1 July 2014 |
| General   | Formatted for web compatibility | 15 February 2016 |
PR10 - Disclosure of Percentage Weightings

Statement of Intent

This Procurement Direction outlines the Government’s requirements for the disclosure of Percentage Weightings against Assessment Criteria for Tier Three, Tier Four or Tier Five procurement activity with an estimated value of $100,000 and greater.

Main Features

Section 11 of the Procurement Act requires Accountable Officers and employees of Agencies to comply with the Procurement Directions.

Summary Disclosure of Weighting Direction

- Percentage Weightings for Assessment Criteria shall be disclosed in the Request for Quotation/Tender documentation for all Quotations/Tenders with a total estimated value at Tier Three and greater.

- Agencies are responsible for developing the Percentage Weightings for each Assessment Criteria.

- Percentage Weightings are not permitted to be amended after the release to market of the Request for Quotation/Tender documentation.

- Chief Executive’s approval is required for an addendum to be issued to amend the disclosed Percentage Weightings.

- No exemptions shall be permitted for the disclosure of Percentage Weightings against Assessment Criteria for procurements with an estimated value at the Tier Three, Tier Four or Tier Five.

Contents

Disclosure of Percentage Weightings

Agency Responsibilities

Amendment to Percentage Weightings

No Exemption from Disclosure of Percentage Weightings

Authorities

Procurement Act

Procurement Regulations
Disclosure of Percentage Weightings

PR10.1 Percentage Weightings for Assessment Criteria shall be disclosed where the estimated value of any procurement activity is at the Tier Three, Tier Four or Tier Five levels (refer Procurement Direction PO1).

I. In the case of Period Contracts, the calculation of value for determining whether disclosure of weightings is required is the estimated value of the Contract over the initial contract period (without options).

II. Percentage Weightings will only be published against first level Assessment Criteria. In the case where Percentage Weightings are applied to sub-criteria, the weightings are not to be disclosed or published.

III. Percentage Weightings for each Assessment Criteria shall be disclosed with the Request for Quotation/Tender irrespective of whether the Quotation/Tender is a Public or Select Quotation/Tender.

IV. With the exception of Assessment Criteria of Local Content and Price which will always apply, only Assessment Criteria that are considered relevant to the specific procurement activity shall be stated and have their Percentage Weightings disclosed with the Request for Quotation/Tender.

Agency Responsibilities

PR10.2 The Agency is responsible for developing the Percentage Weighting for each Assessment Criteria used in relation to each specific procurement activity and obtain necessary approvals (refer Procurement Direction PO4).

PR10.3 The Percentage Weightings to be applied to all Assessment Criteria used in relation to each specific procurement activity are to be recorded in the Agency Purchase Requisitions Online system (refer Procurement Direction F4).

I. Agencies should ensure that before procurement action is commenced the Percentage Weightings are recorded in the Agency Purchase Requisitions Online system to enable Contract and Procurement Services to publish details when required.

Amendment to Percentage Weightings

PR10.4 Percentage Weightings for Assessment Criteria are not to be amended after the Request for Quotation/Tender has been released to the market unless approval to do so is granted (refer Procurement Direction PO1).

PR10.5 Agency Chief Executive approval is required for an addendum to be issued to amend disclosed Percentage Weightings (refer Procurement Direction PO1).

I. In the case where an Agency has determined the need to amend the Percentage Weightings against Assessment Criteria after release of the Request for Quotation/Tender, the Agency Chief Executive must authorise (approve) the amendment.

II. Advice of such amendments must be given by way of an addendum to the specific Request for Quotation/Tender.
PR10.6 Where an addendum has been issued, suitable additional time for Respondents/Tenderers to adjust their offers shall be allowed (refer Procurement Direction PO1).

I. Where such an Addendum has been issued, any extension to the closing time needs to take into consideration the effect the changes will have on the Respondents/Tenderers preparing offers.

No Exemption from Disclosure of Percentage Weightings

PR10.7 No exemption is permitted from the requirement to disclose Percentage Weightings in Request for Quotation/Tender documents for procurement activity with an estimated value at the Tier Three or greater (refer Procurement Directions PO1 and PO4).
## Table of Amendments

<table>
<thead>
<tr>
<th>Amendment</th>
<th>Details</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>Amendment to reflect Disclosure of Relative Percentage Weighting in Request for Tender documents for procurement activity at Tier Four and Tier Five levels, commencing with an estimated value of $200 000 and greater</td>
<td>30 March 2009</td>
</tr>
<tr>
<td>General</td>
<td>Amended to remove duplication of Direction in following explanations and maintain consistency in the use of defined terminology&lt;br&gt;Removed section on development of weightings to PO4 where it is relevant&lt;br&gt;Amended to reflect Procurement Reforms change: Disclosure of Percentage Weighting for all procurement activity from Tier Three and greater (that is $50 000+)&lt;br&gt;Introduced a sixth procurement Tier&lt;br&gt;PR9 re-numbered PR10 consequential re-numbering throughout</td>
<td>1 July 2012</td>
</tr>
<tr>
<td>PR10.3 and PR10.8</td>
<td>Added as Direction formally stated as following explanations only</td>
<td>1 July 2012</td>
</tr>
<tr>
<td>General</td>
<td>Formatted for WCAG2.0 accessibility – changes to formatting, spelling, grammar and punctuation</td>
<td>1 January 2013</td>
</tr>
<tr>
<td>General</td>
<td>Changes required to implement 2014 Procurement Reforms</td>
<td>1 July 2014</td>
</tr>
<tr>
<td>General</td>
<td>Formatted for web compatibility</td>
<td>15 February 2016</td>
</tr>
<tr>
<td>PR10.1</td>
<td>Amended to reflect Buy Local plan – substitute ‘Local Development and Value Adding’ with ‘Local Content”</td>
<td>15 February 2016</td>
</tr>
</tbody>
</table>