

# Procurement policy

## Policy No. 3401.100.E.R

### 1 Purpose

The objective of this policy is to provide strategic direction for the procurement framework that guides sourcing and contract management for City of Darwin.

### 2 Scope

This policy is City of Darwin's overarching policy for the procurement of goods and services. It informs the framework that maximises the benefits that can be delivered through procurement. This policy excludes the following processes that are covered under separate policies:

- Asset disposal
- Property leasing and licensing
- Investment of funds
- Borrowing
- Grants, sponsorships, donations, funding arrangements.

### 3 Policy statement

This policy is based on the following principles:

- securing value for Darwin
- working together to achieve outcomes
- leaders in procurement practice
- integrity, probity and accountability
- renewing City of Darwin's Commitment to Climate Action.

#### 3.1 Securing value for Darwin

Every effort should be made to utilise local suppliers, build local capacity, and to ensure local businesses and industries are given an opportunity to participate in quotation and tender processes. When undertaking traditional contracting, weightings are applied to the assessment process to support the development of a prosperous local economy and to provide economic opportunities for First Nations enterprises. These weightings will consider increased capacity and benefits to the local economy, as well as opportunities for First Nations businesses.

However, there will be instances where City of Darwin is seeking to achieve value through a nationally or internationally competitive market response, including through the delivery of public-private partnerships in line with legislation.

There may also be instances where funding guidelines may place requirements on City of Darwin that are not consistent with this policy. In those instances, City of Darwin will follow the funding guidelines in order to access external funding.

For low value procurement, such as entertainment, food and beverages at community events and civic functions, City of Darwin will prioritise local suppliers.

### 3.2 Working together to achieve social outcomes

City of Darwin’s objective is to increase the social benefit of procurement and the number of social enterprises delivering services to City of Darwin either directly or indirectly.

Similarly, City of Darwin will support the development of a diverse and sustainable First Nations business sector by creating opportunities for First Nations-owned businesses to engage with and supply to City of Darwin. These policy settings and engagement will also assist in improving employment outcomes and opportunities for First Nations people to participate in the local economy.

As part of the local supplier weighting, proponents will be required to demonstrate opportunities for First Nations businesses and benefits for First Nations communities. City of Darwin may also assess the involvement of social enterprise and social benefits as part of the compulsory local supplier weighting.

Social objectives may include:

- employment and training of people from marginalised backgrounds, including First Nations people, people with disabilities, people from culturally and linguistically diverse backgrounds, seniors and the long-term unemployed
- organisational policies and programs
- reinvesting profit into community and First Nations causes
- utilising the services of social enterprises, community organisations or First Nations enterprises in the vendor’s supply chain.

### 3.3 Leaders in procurement practice

City of Darwin is outcome focused and will continually look for opportunities to engage with its peers to share knowledge, identify continuous improvement opportunities and collectively procure to deliver value for the community.

Where it is appropriate and provides value for money, City of Darwin can utilise the Local Buy Procurement and National Procurement Network arrangements to which the Local Government Association of the Northern Territory is a signatory, to facilitate compliant purchasing. While City of Darwin is not legally bound to use these services, these services are fully compliant with the *Local Government Act 2019 (NT)* and *Local Government (General) Regulations 2021 (NT)* and using these

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arrangements can save significant time and money. Purchasing capacity is unlimited for goods and services through Local Buy, however, specific term of agreement limits may apply.

### 3.4 Integrity, probity and accountability

City of Darwin respects the trust placed in us by the community. City of Darwin is accountable for delivering timely outcomes using public resources. To ensure integrity, probity and accountability, City of Darwin will:

- observe all requirements under the *Local Government Act 2021* (NT) and associated regulations and guidelines
- ensure appropriate Workplace Health and Safety protections are in place to meet or exceed requirements under the *Work Health and Safety (National Uniform Legislation) Act 2011* (CTH) and associated regulations and guidelines
- ensure that appropriate governance mechanisms such as conflict of interest and complaints management procedures are in place to maintain the integrity of the procurement process
- ensure all stages of the procurement process are defensible and appropriately documented to ensure public concerns are addressed, and preserve confidence in the procurement process
- manage probity relative to the assigned value and risk of the procurement activity
- consider privacy implications of the procurement activity and preferred supplier
- consider modern slavery risk on supply chains under the *Modern Slavery Act 2018* (CTH)
- meet or exceed disclosure requirements for the outcomes of procurement processes.

### 3.5 Renewing City of Darwin’s commitment to climate action

City of Darwin is committed to responding to Climate Change through the sustainable procurement of materials and services. In developing a sourcing strategy, consideration will be given to whether it is in the public interest to include sustainability principles as part of the assessment criteria. To ensure transparency and consistency, any documentation will include notification and submitters are encouraged to include detail on how they meet them.

Sustainability principles may include:

- vendor strategies to avoid unnecessary consumption and manage demand (this includes the consumption of energy and water)
- goods and infrastructure to be supplied are reusable or recyclable
- goods are made with part or whole recycled content, with a preference to locally processed and remanufactured suppliers
- procuring goods or services that have minimal environmental impacts associated with their production, use or disposal
- innovation in sustainable products and services through the design and implementation of the arrangement.
- organisational policies and programs
- reinvesting profit into community and sustainability activities

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- utilising the services of sustainable enterprises in the vendor’s supply chain.

## 4 Definitions

**First Nations enterprise** is an individual, or an entity that is at least 51% owned by First Nations people and is undertaking commercial activity as verified by the Northern Territory Indigenous Business Network and/or Supply Nation.

**Social enterprise** is a business that operates to address social problems, improve communities, or help the environment. A social enterprise generates most, or all their incomes from trade (not grants or donations) and can be categorised under one or more of the below models:

- provide employment and training for marginalised groups
- provide employment and training for people with a disability
- provide products and services in a direct response to a community or environmental need (something not met by the market)
- an ethical for-profit business, with a significant proportion of profits redistributed for a social impact.

## 5 Legislative references

*Local Government Act 2019 (NT)*

Local Government (General) Regulations 2021

Work Health and Safety (National Uniform Legislation) Act 2011 (NT)

Modern Slavery Act 2018.

## 6 Procedures / related documents

National PPP Guidelines

3401.001.I.N Procurement manual.

## 7 Responsibility / application

Assessment criteria will be determined as part of the development of the sourcing strategy for each procurement activity and will be advised to all interested parties as part of the procurement documentation.

City of Darwin officers responsible for procuring goods, services and contract management, are to comply with this policy. It is the responsibility of each officer involved in the procurement process to understand this policy and City of Darwin’s framework.

The General Manager Corporate is accountable for the overall management of the Procurement policy.

The Procurement policy will be reviewed every two years or at such other time as necessary.

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