

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.

The policy aims to:

- **Focus on the economic benefit to Darwin** – by applying a local supplier test to increase expenditure within the local economy
- **Support City of Darwin's commitment to Climate Action** – by considering impacts to the environment and integrating sustainability into procurement practices
- **Empower our Community** – by increasing procurement with quality social enterprises, including Aboriginal and Torres Strait Islander entities
- **Engage with industry and drive innovation** – by adapting sourcing methods to facilitate innovation and collaboration
- **Ensure compliance and best practice** – ensure accountability, transparency, competitive processes and achieve continuous improvement.

3 POLICY STATEMENT

City of Darwin officers responsible for procuring goods and 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.

This policy is centered on:

1. **Securing value for Darwin** – recognising that value for money is more than price paid, it is overall benefit to the local economy
2. **Working together to achieve outcomes** – providing a flexible procurement framework that responds to the diverse needs of the community
3. **Leaders in procurement practice** – recognising Darwin's role as the capital city of the Territory, collaborate and provide leadership for procurement in the local government sector
4. **Integrity, probity and accountability** – ensuring procurement is undertaken with integrity, that probity is appropriately managed, and that accountability for outcomes is maintained
5. **Renewing City of Darwin's Commitment to Climate Action** – achieving positive environmental outcomes through sustainable procurement practices.

Procurement – 070		Page 1 of 4
Version: 2	Decision Number: ORD280/21	Adoption Date 15/06/2021
Responsible Officer: Chief Financial Officer		Next Review Date: 15/06/2023



3.1 PRINCIPLE 1 - SECURING VALUE FOR DARWIN

Every effort should be made to utilise local suppliers, build local capacity, and to ensure locally based businesses and industries are given an opportunity to participate in quotation and tender processes. A local supplier weighting of 30% is applied to the assessment process to support the development of a prosperous local economy. The weighting will operate primarily to provide benefit to businesses based in the local government area, however, can also consider increased capacity and benefits to the local economy.

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 PRINCIPLE 2 – WORKING TOGETHER TO ACHIEVE OUTCOMES

Social procurement involves delivering positive social outcomes through the purchase of goods and services by City of Darwin. 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 Aboriginal and Torres Strait Islander business sector by creating opportunities for Aboriginal and Torres Strait Islander owned businesses to supply to City of Darwin. This will also assist in improving employment outcomes and opportunities for Aboriginal and Torres Strait Islander people to participate in the local economy.

In developing a sourcing strategy for each procurement activity, consideration will be given to whether it is in the public interest to include a weighting for Aboriginal and Torres Strait Islander enterprises as part of the assessment criteria. To ensure transparency and consistency, any documentation will include notification that Aboriginal and Torres Strait Islander considerations will be considered and submitters are encouraged to include detail on how they meet City of Darwin’s objectives. City of Darwin will 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 Aboriginal and Torres Strait Islander 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 Aboriginal and Torres Strait Islander causes
- utilising the services of social enterprises, community organisations or Aboriginal and Torres Strait Islander enterprises in the vendor’s supply chain.

3.3 PRINCIPLE 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.

Procurement – 070		Page 2 of 4
Version: 2	Decision Number: ORD281/21	Adoption Date: 15/06/2021
Responsible Officer: Chief Financial Officer		Next Review Date: 15/06/2023



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 and Regulations and using these 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 PRINCIPLE 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 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 and associated regulations and guidelines
- ensure that appropriate governance mechanisms are in place to maintain the integrity of the procurement process. As part of this, systems for conflicts of interest and complaints management for procurement will be in place
- 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
- integrate probity to ensure probity is managed relative to the assigned value and risk of the procurement activity
- consideration of privacy implications of the procurement activity and preferred supplier
- meet or exceed disclosure requirements for the outcomes of procurement processes.

3.5 PRINCIPLE 5 – RENEWING COUNCIL’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 consideration of sustainability principles as part of the assessment criteria. To ensure transparency and consistency, any documentation will include notification that these considerations will be taken into account 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 that can be reused, repaired, or recycled, and that include recycled content
- environmental impacts over the life of the goods and services by providing products or services that have lower adverse impacts associated with any stage in their production, use or disposal
- innovation in sustainable products and services through the design and implementation of the arrangement.

Procurement – 070		Page 3 of 4
Version: 2	Decision Number: ORD281/21	Adoption Date: 15/06/2021
Responsible Officer: Chief Financial Officer		Next Review Date: 15/06/2023

Electronic version current. Uncontrolled copy valid only at time of printing.



4 DEFINITIONS

Aboriginal and Torres Strait Islander Enterprise – is an individual, or an entity that is at least 50% Aboriginal and Torres Strait Islander owned, that is undertaking commercial activity and the main business location is in the Top End.

Local Supplier – a supplier operating in the Darwin local government area, with permanent resources in the Darwin local government area, that employs Darwin residents and sources materials and services from businesses in the Darwin local government area.

Social Enterprises – 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.

Top End – the geographical area comprising the northern part of the Northern Territory including Darwin, Palmerston, Litchfield, Coomalie, Belyuen and Wagait local government areas.

5 LEGISLATIVE REFERENCES

Local Government Act and associated Regulations.
 Work Health and Safety (National Uniform Legislation) Act

6 PROCEDURES AND RELATED DOCUMENTS

The Procurement Framework supports this policy and provides guidance to Council staff.

7 RESPONSIBILITY AND 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.

The Chief Financial Officer is accountable for the overall management of the Procurement Policy. The Procurement Policy will be reviewed every two (2) years or at such other time as necessary.

Procurement – 070		Page 4 of 4
Version: 2	Decision Number: ORD281/21	Adoption Date: 15/06/2021
Responsible Officer: Chief Financial Officer		Next Review Date: 15/06/2023

