



Indigenous Procurement Policy (IPP)

The IPP is a Commonwealth wide policy that must be considered by officials when undertaking a procurement. The purpose of the IPP is to stimulate Indigenous entrepreneurship, business and economic development, providing Indigenous Australians with more opportunities to participate in the economy. The policy has three elements:

1. A number and value target of contracts that need to be awarded to Indigenous businesses.
2. A Mandatory Set-Aside (MSA) of contracts for Indigenous businesses to apply in certain situations.
 - a) all Remote Procurements (regardless of value); and
 - b) all other procurements wholly delivered in Australia, where the estimated value of the procurement is from \$80,000 to \$200,000 (GST Inc.)
3. Mandatory Minimum Requirements (MMRs) for Indigenous participation to apply to all new contracts delivered in Australia valued at \$7.5 million (GST Inc.) and above, where more than half of the value of the contract is being spent in one or more of the MMR industry sectors as outlined in Part 4 of the Policy.

Further information on the IPP is available on the National Indigenous Australians Agency (NIAA) website -

<https://www.niaa.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp>

Commonwealth Procurement Rules (CPRs)

The CPRs are the basic rules that Commonwealth Agencies must follow when procuring goods and services. Achieving value for money is the core rule of the CPRs. In addition, the CPRs contain requirements including that tenderers are to demonstrate the capability to meet applicable standards and relevant regulations and regulatory frameworks, as well as details of the economic benefit of the procurement to the Australian economy.

The CPRs contain procurement thresholds that determine the method by which goods and services are procured. These thresholds are \$80,000 for all non-construction related goods and services and \$7.5 million for construction services. Any procurement above these thresholds must be undertaken via an open tender process unless the procurement is exempt in accordance with a specific exemption contained in Appendix A of the CPRs, or is subject to a specific condition for a limited tender process detailed at clause 10.3 of the CPRs. Additionally, CPR Appendix A Exemption 16 allows the procurement of goods and services from a Small to Medium Enterprise (SME) with at least 50% Indigenous ownership.

Further information on the CPRs is available via the following link - <https://www.finance.gov.au/government/procurement/commonwealth-procurement-rules>

Supply Nation Indigenous Business Directory

Defence is a member of Supply Nation, the provider of Australia's leading database of verified Indigenous businesses, the Indigenous Business Directory (IBD). The IBD contains a list of Indigenous enterprises. To meet the definition of an Indigenous enterprise, the enterprise must be at least 50 per cent Indigenous owned. The IBD is used by Defence officials to confirm whether a relevant indigenous business exists prior to making an approach to the market. To join the IBD please visit www.supplynation.org.au

ENGAGING WITH DEFENCE

Indigenous Business Matching

Defence offers a business matching service in order to assist Indigenous businesses in identifying relevant business units (buyers) within the Department. Through this service, the Defence IPP team meet with Indigenous businesses to discuss their service offering and provide guidance, relevant information and contacts to assist Indigenous businesses to engage with Defence. To access the Business Matching service, please complete the questionnaire at www.defence.gov.au/indigenous-business and send it to indigenous.procurement@defence.gov.au.

Office of Defence Industry Support (ODIS)

The ODIS supports eligible businesses working or seeking to work in the defence industry. The Defence Industry Facilitators and Defence Business Advisers understand the Commonwealth's IPP and the challenges faced by the Indigenous business community. The ODIS supports businesses across Australia, including those who are operating in regional and remote areas. For more information, visit www.defence.gov.au/ODIS or call 132846.

Endorsed Defence Contracting Templates

The following contracting templates are mandated for use by Defence officials when undertaking procurements.

- The *Commonwealth Contracting Suite (CCS)* is an online interactive suite of smart forms designed to assist procurement officials prepare procurement documentation for Commonwealth procurement valued under \$1 million. The CCS is mandatory for use by Defence for procurements under \$200,000, except for some specific circumstances. Potential suppliers to Defence are encouraged to read the CCS templates to gain a better understanding of their use. The CCS is available at: <https://www.finance.gov.au/government/procurement/commonwealth-contracting-suite-ccs>
- The Defence *ASDEFCON* suite of tendering and contracting templates are also available for potential Defence tenderers to read and understand. The ASDEFCON suite of templates is available at: <https://www.defence.gov.au/business-industry/procurement/contracting-templates/asdefcon-suite>
- The Defence *Suite of Facilities Contracts* are used for the construction and maintenance of Defence facilities. The Suite is available at <https://www.defence.gov.au/business-industry/procurement/contracting-templates/suite-facilities-contracts>

Procurement Opportunities

The Government's centralised web-based procurement information system, AusTender, provides a one-stop shop for the information businesses need to find, plan for and participate in open tenders. Businesses seeking opportunities to sell to Government should register on AusTender for notification of business opportunities and planned procurements that match their business profile. All businesses can register on AusTender at <https://www.tenders.gov.au/>



PROCUREMENT & TENDERING TIPS

When your business is ready to tender for Defence contracts, navigating the tender process may appear daunting. Here are some tips on how to approach the preparation of a tender response.

- **Get set up**

- join the Supply Nation Indigenous Business Directory (IBD) or review and update your capability information if already registered;
- create an account on AusTender to routinely receive notifications of new opportunities in your industry sector which include panels that are being refreshed;

- **Do your research**

- get familiar with the Public Governance, Performance and Accountability Act 2013 (PGPA Act) which provides an understanding of Commonwealth officers' responsibilities and accountabilities when spending public resources;
- get familiar with the Commonwealth Procurement Rules (CPRs) as well as Defence's contracting templates;
- get familiar with any legislative and/or policy requirements relating to your product / service
- routinely check AusTender for approaches to market and the Defence Annual Procurement Plan (APP) for planned open tenders including for the establishment of new Panels. NOTE: a tender is an invitation to competing bidders to submit their proposed solution to a specified business need. The contract will be awarded to the tenderer who can provide the best value for money*.
- use the AusTender Reporting functionality to search and find out what Commonwealth agencies are purchasing, how often and how long those contract terms are. This may also provide an indication of possible new tenders being advertised and, assist in identifying which companies are already providing products or services to Defence;
- networking and making independent approaches to contracted companies by marketing your services and potentially increasing your sub-contracting opportunities.

- **Questions** – if you are planning to respond to a Request for Tender and are unsure of the business need or the terms and conditions of the draft contract, please email the contact officer and ask clarification questions.

- **Address all the criteria** – it is important that you address the tender criteria clearly and concisely and provide supporting evidence if available

- **Review before submission** – ensure that your tender response is complete, clear and lacking in errors.

- **Submit your tender before the tender closing time** – allow sufficient time to develop and submit your tender. Submit a tender/proposal that meets required specifications and provides a strong value for money outcome for the Commonwealth.

- **Debrief** – request a Debrief (successful or unsuccessful) so you can learn what the strengths and weaknesses were on your tender.

*Value for Money (VfM) Assessment

Government officials responsible for procuring goods and services must ensure that their procurement activities encourage competition and use *public resources* in an efficient, effective, economical and ethical manner. Achieving value for money is the core rule of the CPRs. This requires consideration of the financial and non-financial benefits associated with the procurement and not just the cheapest price offered.

