

Introduction

Commonwealth Procurement Guidance

Procurement conducted within the Commonwealth is governed by a legislative and policy framework comprising:

- a. the *Financial Management and Accountability (FMA) Act 1997* (Cth);
- b. the *Financial Management and Accountability Regulations (FMAR) 1997* (Cth); and
- c. the *Commonwealth Procurement Guidelines (CPGs)* and related Department of Finance and Deregulation (DOFD) Finance Circulars.

The *Financial Management and Accountability Regulations 1997* (Regulation 7(4)) require officials performing duties in relation to procurement to act in accordance with the Commonwealth Procurement Guidelines (CPGs).

Whole of Defence Procurement Guidance

Procurement in the Department of Defence is further governed by a series of policy and procedural documents. These documents have different levels of applicability and enforceability determined by reference to *Defence Instruction (General) ADMIN 00-001 - The System of Defence Instructions* (SoDI). The SoDI provides the following hierarchy for financial and procurement related policy and procedural documents:

- Defence and DMO Chief Executive's Instructions (CEIs); and the
- Defence Procurement Policy Manual (DPPM) - as a Defence Manual.

Defence CEI 2.1 (Procurement) requires officials undertaking procurement to have regard to the DPPM.

DMO CEI 2.1 (Procurement) requires DMO officials performing duties in relation to procurement to comply with the DPPM.

Defence Procurement Policy Manual System

The DPPM is the primary reference document for all Defence and DMO officials involved in the procurement process. Unless otherwise specified, a reference to Defence should be interpreted as a reference to Defence and the DMO.

The Office of Special Counsel to the Chief Executive Officer DMO (SCCEO) is the sponsoring authority for the DPPM as the Business Process Owner for the procurement domain. Within OSC, the DPPM is maintained by the Directorate of Procurement Policy with assistance from a wide range of specialist areas.

The guidance provided in the DPPM incorporates mandatory procurement policy drawn from the higher level Commonwealth or Defence procurement guidance, in particular the CPGs. These requirements are mandatory for all Defence officials.

The format of DPPM chapters is being progressively updated to highlight mandatory procurement policy at the start of each chapter. Obligations which must be complied with, in all circumstances, are denoted by the use of the term *must* within the mandatory policy section at the beginning of each chapter. The use of the term *should* denotes matters of best practice.

Where urgent DPPM updates are required, or procurement related advice needs to be promulgated, Departmental Procurement Policy Instructions (DPPIs) are released. Accordingly, the DPPM must be read in conjunction with all current DPPIs until the relevant DPPI is incorporated into the DPPM and/or cancelled.

Further sources of policy and procedure applicable to procurement in Defence and the DMO include:

- the ASDEFCON suite of tendering and contracting templates and the Infrastructure Division Suite of Contracts. Please note, that where an existing template is appropriate to the type of procurement being undertaken, the use of that template is mandatory;
- Process Templates – when developed, these tools will provide best practice templates for a range of procurement process issues, such as tender evaluation or drafting source evaluation reports; and
- the Better Practice Guides – when developed, these guides will provide best practice guidance for certain procurement related activities.

DMO Procurement Guidance

Within the DMO, specific functional level policy falls under the System of Defence Materiel Instructions (SDMI) hierarchy.

Compliance with DMO functional policy is mandatory for all personnel working in the DMO. DMO officials performing duties in relation to procurement must be aware of and comply with the requirements of all relevant Defence Materiel Instructions (DMIs). Of particular importance to the procurement process is the DMI(PROC) and DMI(FIN) series of instructions.

DPPM Feedback

All feedback on the DPPM and related suggestions are welcome as the Directorate of Procurement Policy seeks to maintain the quality and currency of the DPPM. Please forward any suggestions to contracting@defence.gov.au in the first instance.

NOTE TO EXTERNAL USERS:

Those users external to Defence should be aware that the Defence Procurement Policy Manual (DPPM) has been prepared for the guidance of Defence staff involved in procurement activities. Nothing in the DPPM should be construed as a representation as to the future conduct of the Commonwealth in any particular procurement activities. The DPPM should not be relied upon as a substitute for legal or procurement policy advice.

Please note that while the Contracting Help Desk can respond to policy questions, this service is not available to those outside of Defence. Contractors should, in the first instance, seek guidance from the relevant Contact Officer for their specific procurement.