

Foreword

Defence as an organisation conducts more procurement than almost any organisation in Australia. It comes as no surprise, then, to realise that procurement policy is an important foundation stone to our operations, particularly within the Defence Materiel Organisation. This role as a significant procuring agency has been emphasised by the recent release of the 2009 report *Defending Australia in the Asia Pacific Century: Force 2030* ('The Defence White Paper') coupled with the savings requirements outlined in the Strategic Reform Program. Given the ever increasing demands on Defence at all levels, clear and easily accessible procurement policy is more important than ever.

The authority for the DPPM comes from the Defence and DMO *Chief Executive's Instructions* (CEIs). The DPPM incorporates guidance from the *Financial Management and Accountability Act 1997* (Cth), the *Financial Management and Accountability Regulations 1997* (Cth) and the *Commonwealth Procurement Guidelines – December 2008*. The Defence Procurement Policy Manual is the primary reference document for all Defence officials involved in the procurement process and provides procurement officers and others involved in the procurement process with up to date policy and guidance. The DPPM is intended to be used in conjunction with other Defence documents such as the Defence and DMO CEIs and contracting templates.

Effective management of the procurement process, from the conception of an idea through contract to project closure, is vital to Defence in delivering projects on time, on budget and to the required quality, capability and safety standards. The development of a mature relationship with industry and the use of sound procurement and contract management principles will assist Defence in achieving superior procurement outcomes, in particular the savings requirements required under the Strategic Reform Program and the requirement to deliver to Government the capability required in the Defence White Paper.

Procurement and Contracting Branch within the DMO is the sponsoring authority for the DPPM. Under the direction of Special Counsel to CEO DMO (SCCEO), the DPPM is currently being reviewed with the objective of streamlining the information provided and ensuring consistency with updated legislation and policy. The ultimate goal of the current DPPM review process is to ensure that the DPPM is primarily a compliance focused manual which will ensure that key procurement requirements are more easily identified and complied with.

The DPPM will now be released on a quarterly basis to ensure the currency of information. To this end, I am now pleased to release to you this updated version of the DPPM. I trust you will find it a useful and informative resource as you conduct your procurement activities in Defence.



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