# Development guidance for Contractors

## Version 1.5 – 03/04/2024

Note: Conditions of Contract clause numbers referred to in this document relate to the Conditions of Contract NPWC NT Edition 3, Version 5.6. If an alternate Conditions of Contract applies, such as the Minor Works and Services, Period Contract Works and Services, Engineering and Consultant Services or a different version of the NPWC, clause numbers may vary. <https://nt.gov.au/industry/procurement/understanding-the-rules/conditions-contract>

The Building Northern Territory Industry Participation (BNTIP) Policy is available at: <https://business.nt.gov.au/__data/assets/word_doc/0018/239130/BNTIP_policy.docx>

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| Contract or Policy Clause Reference | Requirement | Interpretation of minimum requirement to be detailed in the IPP |
| General | | |
| **Conditions of Contract NPWC NT Edition, Clause 6(e)** | The Contract is comprised of… the Contractor’s tender in response to the Request for Tender. | All qualitative and quantitative commitments and targets made in the Contractor’s tender response (including the Response Schedule) must be reflected in the Industry Participation Plan (IPP).  It is strongly recommended that any departures from or changes to the tender commitments are clearly identified in the IPP.  Any departure or change from tender commitments may only be approved at the discretion of the Superintendent. |
| **Conditions of Contract NPWC NT Edition, Clause 64.1** | If the Contractor defaults in the performance… of any… condition or stipulation in the Contract… the Principal may suspend payment under the Contract. | The Contractor must comply with all requirements of the Conditions of Contract and RFT in relation to the IPP, including submission timeframes, plan content and ongoing reporting requirements.  Failure by the Contractor to fulfil these requirements may result in the Principal exercising its right to suspend payment under Clause 64.1. |
| Submission and Resubmission | | |
| **Conditions of Contract NPWC NT Edition, Clause 19** | Within fourteen (14) days of the Date of Acceptance of Tender, the Contractor shall submit one copy of the Contractor’s proposed industry participation plan to the Superintendent for approval | The contractor must submit the completed IPP to the Superintendent’s Representative for approval with 14 days of receipt of the Notice of Acceptance.  The Principal may suspend payment if the IPP is not submitted in accordance with Contract requirements. Refer to Conditions of Contract Clause 64.1 and explanation under ‘General’ section of this document. |
| **Conditions of Contract NPWC NT Edition, Clause 19** | If the Superintendent rejects the Contractor’s proposed industry participation plan the Contractor shall address the reasons for rejection and submit the Contractor’s revised proposed industry participation plan for approval by the Superintendent. | The contractor must revise and resubmit the IPP if the Superintendent rejects it.  The Principal may suspend payment if the IPP is not submitted in accordance with Contract requirements. Refer to Conditions of Contract Clause 64.1 and explanation under ‘General’ section of this document. |
| Minimum Requirements - The IPP as a minimum must address the following topics: | | |
| **Project Description** | | |
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| **BNTIP Key elements of an IPP 1)** | Outline of the project and its estimated value | The IPP must provide a short, project specific outline of the project and its estimated value. |
| **BNTIP Key elements of an IPP 1)** | Outline of the Northern Territory Industry Component | The IPP must provide a short, project specific outline of the goods, services and labour components which of the works which will be sourced from Northern Territory suppliers, subcontractors and personnel. |
| **How Services, Suppliers and Labour Will Be Utilised** | | |
| **BNTIP Key elements of an IPP 2)** | What goods or services will be required? | The IPP must provide details of all goods, services, labour and other subcontracts that are required to deliver the works.  The IPP may also elect to provide details of the estimated value of goods and services procured by subcontractors.  It is recommended the following table is included in the IPP. Where subcontractors are not yet confirmed, these should be indicated as To Be Advised (TBA) or similar.   |  |  |  |  | | --- | --- | --- | --- | | **Description of subcontracted works / supplies / services** | **Subcontractor Trading Name** | **Business premises base** | **Value of Subcontracted works / supples** | | Electrical Works | Subcontractor A | address | $150,000 | | *Subcontractor A accommodation* | *Hotel D* | *address* | *$5,000 (estimate)* | | *Subcontractor A materials supply* | *Supplier C* | *address* | *$40,000 (estimate)* | | Blockwork supply | Supplier B | address | $50,000 | | Contractor Accommodation | Hotel C | address | $12,000 | |
| **Conditions of Contract NPWC NT Edition, Clause 6(e)** | Suppliers and subcontractors nominated in the Response Schedule to be confirmed in the IPP | It is recommended that all subcontractors and suppliers nominated in the Response Schedule are reflected in the IPP. It is recommended that any departures from or changes to tender commitments are clearly identified. It is recommended that the table above is included in the IPP.  Note: the Conditions of Contract Clause 6(e) confirms that the contract is comprised of the Contractor’s tender, which includes the Response Schedule. Any departure or change from tender commitments may only be approved at the discretion of the Superintendent. |
| **BNTIP Key elements of an IPP 2)** | What goods or services can industry tender for? | The IPP must list or describe all subcontracts which industry can tender for.  The IPP must describe the proposed (or already conducted) tendering process. |
| **BNTIP Key elements of an IPP 2)** | Prequalification and tender criteria | The IPP must confirm if there are any prequalification criteria for tenderers, and confirm the tender criteria which will be used to assess subcontract / supply bids. |
| **BNTIP Key elements of an IPP 2)** | How the ICNNT will be engaged? | The IPP must provide details of Industry Capability Network NT (ICNNT) engagement, or confirm if ICNNT will not be engaged. |
| **BNTIP Key elements of an IPP 2)** | Opportunities for local participation through all tiers of the supply chain (i.e. include potential sub-contractors) | The IPP must describe how all tiers of the supply chain may participate in the project (for example, smaller local suppliers and contractors to partner with subcontractors). |
| **BNTIP Key elements of an IPP 2)** | Estimated local employment during construction and operation | The IPP must provide an estimate of the labour force to be engaged on the project, i.e. the number of workers engaged.  It is recommended the IPP includes the table that was part of the Response Schedule. |
| **BNTIP Key elements of an IPP 2)** | Proposed workforce operation in the Northern Territory | The IPP must confirm the number of workers engaged in the Northern Territory.  Note: this may typically be 100%. Response can be combined with the item above. |
| **Enhancements to business and industry capability** | | |
| **BNTIP Key elements of an IPP 3)** | Skills development.   * Are the accredited and non-accredited training opportunities for workers identified in the RS reflected in the IPP? * apprentices and trainees to be employed | The IPP must describe the accredited and non-accredited training to be delivered as part of the project. This must align with Response Schedule commitments.  The IPP must describe the number of apprentices and trainees to be employed on the works. It is recommended names of personnel and courses being undertaken are provided. This must align with commitments made in the Response Schedule and any other contract requirements for apprentices. |
| **BNTIP Key elements of an IPP 3)** | Opportunities for networks and alliances | The IPP must describe if there are any opportunities for networks and alliances to be developed or formed as part of this project. |
| **BNTIP Key elements of an IPP 3)** | Encouragement of International quality standards | The IPP must describe any quality standards (e.g. ISO – AS/NZS which will be implemented as part of this project. |
| **BNTIP Key elements of an IPP 3)** | Use of proven emerging technologies and materials | The IPP must describe if any emerging technologies will be utilised on the project (e.g. innovative construction materials or techniques). |
| **BNTIP Key elements of an IPP 3)** | Integration of local industry into global supply chains | The IPP must describe any opportunities for local industry to integrate with global supply chains. |
| **Regional economic development benefits** | | |
| **BNTIP Key elements of an IPP 4)** | The estimated impact of the project on the immediate region | The IPP must describe the estimated qualitative and quantitative impact on the immediate region through the use of local content on the project. |
| **BNTIP Key elements of an IPP 4)** | Specific proposals to maximise regional involvement | The IPP must confirm if there are any specific proposals to maximise regional involvement and describe those proposals (e.g. subcontract tender evaluation criteria which promote selection of regional or local subcontractors). |
| **Proposals for Indigenous Participation** | | |
| **BNTIP Key elements of an IPP 5)** | An outline of specific plans to maximise Indigenous participation. | The IPP must provide an outline of specific plans to maximise Indigenous participation.  Note: detail may be provided in the Indigenous or Aboriginal Development Plan. The IPP can refer to this document. |
| **Communication Strategy** | | |
| **BNTIP Key elements of an IPP 6)** | Outline how the proponent will inform local industry about particular opportunities | The IPP must describe how local industry will be informed of opportunities. This may include engagement through ICNNT, industry briefing sessions, advertising tenders etc. |
| **BNTIP Key elements of an IPP 6)** | Include structural tender documents to ensure that local suppliers are provided the same opportunity as existing supply chain partners to participate in the project. | The IPP must describe how the tender documents and tender process will ensure that local suppliers are provided the same opportunity as existing supply chain partners to participate in the project. |
| **Reporting Methodology** | | |
| **BNTIP Key elements of an IPP 7)**  **Conditions of Contract NPWC NT Edition, Clause 19**  **Conditions of Contract NPWC NT Edition, Clause 17**  **Conditions of Contract PCWS NT Edition, Clause 18** | An overview of reporting commitments and mechanisms, including:   * A proposed records management system/process to enable reporting of the promises and commitments contained in the Response Schedule * A proposed framework for reporting against key elements of the IPP * A schedule of report submissions | The IPP must address this requirement of the IPP.  The IPP must confirm the use of a records management system that will enable the Contractor, within seven (7) days of a written request by the Superintendent, to submit a written report to the Superintendent detailing how it has complied or is complying with Conditions of Contract clauses 17.1 and 17.2 (NPWC) or 18.1 and 18.2 (PCWS). **Relevant clause should be checked prior to guidance given.**    The IPP must confirm the contract requirement to provide an end of project report on compliance (achievements against the objectives/goals) of the IPP within 30 days of completion of Contract. |