

Management of External Service Providers

Procedure

CONTROLLED DOCUMENT

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Graciano Chatikobo

APPROVED

Chief Financial Officer
Power and Water Corporation



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1 Purpose

The purpose of the procedure is to establish a framework for the management of External Service Providers (ESPs) to:

- Promote industry and public confidence in our commitment to promoting transparent, open and fair competition.
- Safeguard sensitive and non-public information and ensure the protection of commercial in confidence information of Power and Water Corporation (Power and Water) and its industry partners.

Power and Water is committed to delivering quality services that are responsive to the needs of its staff, clients and stakeholders. This includes building an organisational culture that recognises the benefits of ensuring the principles of probity and transparency are applied to the engagement of consultants and contractors or ESPs.

ESPs form a legitimate part of our workforce, especially when a specialist skill-set is required which is not available within Power and Water at the time. However, employees must be conscious of protecting Power and Water's interests when dealing with ESPs.

Employees are accountable for the efficient, effective and ethical use of resources and staff must consider value for Territory and how to develop and retain skills and knowledge within Power and Water when engaging ESPs, particularly on longer-term contracts.

The following procedure and associated documents are designed to assist your work with ESPs and should be followed at all times.

2 Scope

This procedure applies to the management of an ESP in any part of Power and Water and supports the Procurement and Contract (Policy) Management Standard.

2.1 Definition of an ESP

An ESP can be categorised as a consultant (which may be an individual or an organisation) or a contractor for professional services who typically works at a Power and Water site for at least some of the time.

2.1.1 Examples of Consultant's Tasks Include:

- Providing expert advice on technical and professional matters
- Carrying out research projects, attitudinal surveys, feasibility studies and fact finding investigations where recommendations are made
- Developing and designing benchmarks, framework/process and standards
- Reorganisation of a division or business unit
- Providing advice in the development of processes and strategic planning issues.

2.1.2 Examples of Contractors for Professional Services Include:

- Labour hire staff
- Keynote speakers, workshop facilitators, trainers, presenters
- Information technology programmers, software development and implementation, analysts and system support staff
- Market researchers, organisations compiling statistical data
- Built environment design and production undertaken by architects and engineers
- Feasibility studies

- Valuation services on land, buildings and other Power and Water assets or potential assets
- Building and construction contractors (Works)
- Design, conceptual design services provided by creative design houses, public relations companies etc
- General financial, legal and taxation services that provide ongoing advice on day-to-day issues
- Financial audit, workplace health and safety audits and most probity advisor/audit activities.

3 Procedure

3.1 Engagement of ESPs

As with all procurements, the engagement of an ESP requires approval from the delegated officer prior to inviting quotes or tenders. All procurements must be conducted in a manner that complies with the [Procurement Sourcing Rules](#) and aligns with the Procurement Principles (refer [Attachment A](#)).

3.2 Request documentation

Where relevant, ESPs must not commence work without an approved contract in place.

3.3 Managing an ESP

3.3.1 Commencement

Managers of ESPs are expected to send the details of any consultants / contractors (name, start date, manager's name and email address) to the [Performance Achievement team](#). They will be added to the on-boarding system so they can access the required training courses. Managers of ESP will get automated reminders to assist in the on-boarding process. For further assistance refer to [On-boarding and Off-boarding](#) Intranet page.

3.3.2 Identification of ESPs

ESPs are an integral part of Power and Water activities and to ensure that it is easy to distinguish between an ESP and a Power and Water employee, ESPs should:

- Wear distinctive nametags, company shirts or company badges for identification purposes
- Identify their status on correspondence, emails (as per the example template signature block below), in telephone conversations and in meetings they attend.

3.3.3 Information Security

To manage security of information, ensure that when working with ESPs you:

- Disclose and discuss sensitive information only with those who have a need to know
- Do not include an ESP in discussions or give them access to information which will give them or their employer an improper competitive advantage
- Do not release proprietary information to an ESP unless protected by appropriate contract clauses and / or an executed [Non-disclosure Contract](#) (NDC).
- Ensure proper controls are in place in relation to ESP access to electronic records and systems to safeguard procurement, confidential or other non-public information.
- Do not allow an ESP to participate in a quotation or tender assessment process unless protected by appropriate contract clauses and an executed [NDC](#).

3.3.4 Use of Power and Water Resources

ESPs may use Power and Water resources for official business where and as described in the contract and Power and Water's Management Governance and Assurance Framework.

3.3.5 Delegations

ESPs should not hold any delegations unless they are specifically engaged to fulfil a position within Power and Water, as outlined in the Chief Executive Officer Delegation of Authority. The CFO will maintain a register of all Authorised Positions. The appropriate delegation must be given to an individual in writing to operate in the expenditure bands.

3.3.6 Participation in Tender Assessment Panels

Under the Procurement Sourcing Rules, Power and Water may contract third-party contractors or consultants (ESPs to provide advice, arrange or manage a procurement activity). In these instances, the ESP must comply with the Procurement Sourcing Rules.

When conducting a quotation or tender assessment:

- a. ESPs may be engaged to provide specialist advice on certain aspects of the tender responses. ESPs must not have access to any financial information contained in any tender response, unless that ESP has been engaged for the specific purpose of analysing the financial information only. ESPs must not form part of the quotation or tender assessment panel, rather their specialist report must inform the quotation or tender assessment panel unless the ESP satisfies clause (b) below.
- b. An ESP may form part of a tender assessment panel (excluding the position of chairperson) if:
 - there are no real or apparent conflicts of interest
 - a NDC has been signed by an ESP in connection with their involvement in the procurement process
 - if an ESP is expected to participate in several procurement processes concurrently, one NDC can be signed
 - the tender or quote being assessed is not for a scope of works similar to the scope of works used to engage the ESP.

3.3.7 Training and Professional Development

Power and Water is not responsible for the professional development of ESPs. ESPs should not attend any training or professional development courses during the ESPs' engagement, other than attendance at a site induction course, the provision of any on the job training and any training at discretion of the ESP's manager.

3.3.8 Performance/contract management

The contracting of an ESP should result in achieving the most beneficial outcome for Power and Water and the Northern Territory. Contract management ensures benefits are realised and risk is managed appropriately. The ESPs performance should be aligned to the deliverables of the contract and should be managed as such. Clearly defined scope and timelines should enable this to occur and enable both parties to meet and manage the obligations.

The Contract Manager will collect performance data as outlined in the contract. If an ESP isn't meeting the requirements under the contract, the manager will:

- a. discuss performance issues with the ESP
- b. document all performance discussions
- c. allow the under-performing ESP an opportunity to discuss their performance
- d. agree on measures for the ESP to address performance issues, including timeframes for implementation and document a performance Improvement plan (if required)
- e. agree dates for a supplementary performance review.

Underperformance cannot be overlooked for the sake of the relationship. Clear, solution-focused communication that leads to improved performance will support the professional working relationship between all parties.

Every effort is to be made by both parties to resolve performance issues before considering termination of the contract or commencing formal dispute resolution processes in line with the conditions of contract.

3.3.9 Separation

Upon completion of an ESP's service, the Contract Manager is to inform Performance Achievement team when they have a consultant / contractor leaving Power and Water to ensure they are off-boarded. They will receive an email with a link to complete the off-boarding checklist in the Performance Achievement System (ELMO). This helps with the return of all assets and removal from systems and contact lists. For further assistance refer to On-boarding and Off-boarding Intranet page.

4 Roles and responsibility

Role or title	Responsibility
Delegates	Endorse and / or approve the engagement of ESPs Ensure the ESP procedure is followed within the business unit
Contract Manager	Ensures policies and procedures are followed Ensures the effective management of ESPs for a specific engagement Inform Power and Water staff about the engagement details of the ESP and advise when the service has ceased
Employees	All Power and Water employees are responsible for compliance with this procedure
ESPs	All ESPs are responsible for compliance with all contractual obligations

5 Definitions

Refer to our 'Jargon Buster' for clarification.

6 Change management and continuous improvement

6.1 Consultation, approval and communication

The Responsible and Accountable managers listed below must endorse and approve this document.

Role or title	Requirement
Chief Financial Officer	Accountable - approve this document
Chief Procurement Officer	Responsible - endorse this document
Supply Chain Development and Support Lead	Consult - develop/update this document
Employees	Informed of any changes

6.2 Review

The requirements of this document are mandatory and shall be reviewed and updated periodically for its ongoing effectiveness. A review of this document must occur, at a minimum, every three years or in the event of any significant change in:

- our vision, values, long-term goals.
- risk appetite, policy statement.
- business model or related systems or processes.

6.3 Internal references and related documents

Document title	Record number
Procurement and Contracting Policy Statement	CONTROL0291
Procurement and Contract (Policy) Management Standard	CONTROL0410
Chief Executive Officer Delegation of Authority	CONTROL0714
Contractor WHS Management Procedure	CONTROL0011
Fitness for Work – Alcohol and Other Drugs Impairments Procedure	CONTROL0432
Code of Conduct	CONTROL0204
Conflict of Interest Reporting Procedure	CONTROL0021
Motor Vehicle Procedure	CONTROL0229
Procurement Sourcing Rules	D2014/313553
Jargon Buster	D2014/453124
Template - Example Email Signature Block for External Service Providers	D2015/193379

6.4 External references, legislative and regulatory obligations

- Government Owned Corporations Act
- Power and Water Corporation Act
- Corporations Act 2001
- Corporate Governance and Reporting Framework for Government Owned Corporations
- NTG's Policy Statement on Competitive Neutrality
- Australian Energy Regulator (AER)
- Utilities Commission (UC)

6.5 Records management

This document and all related documents, are captured, stored and managed in our Electronic Document and Records Management System and controlled in the Controlled Document Register.

6.6 Improvement suggestions



Have an improvement suggestion? Feedback and improvement suggestions for this document can be lodged by completing the online form on your browser or using the QR code from your mobile device.

URL: <https://forms.office.com/r/gxsQ1v1grd>

6.7 Document history

Date of issue	Version	Prepared by	Description of changes
06/11/2018	0.1	K Giles	Migrated to MGAF Template
01/04/2019	0.2	M Abe	Updated with new terminology, removed transitional requirements and added performance management and termination
03/04/2019	0.3	K Giles & M Abe	Reviewed comments and edited document and formatting.
02/09/2019	1.0	K Giles	Published approved document
15/03/2021	1.1	M Abe	Updated to reflect new DOA released 1 December 2020. Remove requirement to obtain personnel confidentiality deed – covered by conditions of contract Removed reference to Promapp Updated 5.4 External References
25/03/2021	1.2	Document Control	Prepared document for approval/endorsement
31/03/2021	2.0	Document Control	Published approved controlled document
05/01/2024	2.1	O Efremova	Replaced Pre-contract Confidentiality Deed with Non-disclosure Contract, removed reference to the overall value of contract to determine who can approve ESP's engagement, commencement and separation process updated with on-boarding / off-boarding process in ELMO, added requirement to sign a NDC if participating in a quotation or tender assessment process, updated training and development section, role/title in section 5.1, internal references and related documents in section 5.3.
10/01/2024	2.2	O Efremova & J Peters	Reviewed comments and edited document.
17/01/2024	2.3	O Efremova & M Abe & C Whitehead	Reviewed comments and edited document.
18/01/2024	2.4	Document Control	Prepared document for approval/endorsement
19/01/2024	3.0	Document Control	Document endorsed and approved inline with section 6.1

7 Appendices

7.1 Attachment A - Power and Water Procurement Principles

The engagement of ESPs must adhere to Power and Water's Procurement Principles.

A Value for Territory

Engagement of ESPs should result in achieving the most beneficial outcome for Power and Water and the Northern Territory. This means that a reasonable consideration of the expected benefits must be given to justify the cost of engaging an ESP as opposed to undertaking the work in-house.

Where an ESP is engaged because the required skills do not exist within Power and Water, steps should be taken to ensure the ESP transfers their specialist skills and knowledge to Power and Water staff. Institutional strengthening should be a core consideration when engaging any ESP as it underpins value for Territory for the Power and Water.

B Ethical and Fair Treatment

All procurement activity, including the engagement of ESPs, is governed by the Procurement Sourcing Rules. The rules require employees and delegates to demonstrate fair and consistent decision-making regarding the procurement process, engagement and management of ESPs. This means ensuring that all ESPs wishing to conduct business with Power and Water are given a fair and reasonable opportunity to do so and that Power and Water and its employees behave with impartiality, integrity and professionalism.

C Probity, Accountability and Transparency

Power and Water employees need to be accountable for their actions and must be able to defend their decisions. This means that the process and approval of engaging an ESP instils confidence in industry and the public as to the probity and cost effectiveness of the procurement activity. Care must also be taken to avoid actual and perceived conflicts of interest. As a government-owned corporation, Power and Water must ensure it is free from bias and that it operates in the most transparent way.

The protection of commercial-in-confidence and other sensitive information is also imperative and poses a number of challenges when engaging ESPs. Some ESPs will be privy to internal systems and have access to sensitive information including that of competitors.

It is expected that they operate in full confidentiality and due care, including signing the 'Confidentiality Deed' this is important in ensuring this occurs.

D Sustainable and skilled industry partners

Engagement of ESPs should promote the delivery of projects at least cost and ensure sustainable solutions that benefit Power and Water's consumers. Procurement activities undertaken to engage an ESP must not disadvantage Territory Enterprises, providing competitive business with full, fair and reasonable opportunity to participate in the growth of the Northern Territory.

E Environmental protection

The engagement and conduct of ESPs must support Power and Water's objective of adopting best practices to promote and protect the environment and minimise environmental harm. All ESPs are required to act in accordance with Power and Water's Management Governance and Assurance Framework.

F Promotion of Power and Water's objectives

The other five principles contribute to this but this principle also requires staff and ESPs to maintain the highest image and reputation of Power and Water through the execution of activities in full conformity with Power and Water's Management Governance and Assurance Framework.