



Port Pirie is an integrated multi-metals recovery plant with the flexibility to process a wide range of lead rich concentrates and smelting industry by-products.

It is one of the world's largest primary lead smelting facilities and the third largest silver producer, which allows it to generate significant economies of scale.

Safety, health, hygiene and environment are the foundation of all our values. We live safely by living our values.

#### **FAST FACTS**

**Technology:** Top submerged lance (TSL) furnace, blast furnace and lead refinery. Slag fuming leach, electrowin copper, solvent extraction/electrowin (SXEW)

**Products:** Commodity grade lead, copper cathode, silver and gold dore and sulphuric acid.

**Employees:** 670

**Production 2018:** 97kt sulphuric acid, 160kt lead metal, 4,3t copper cathodes, 13,752 troy ounces silver, 73,038 troy ounces gold.

Website: www.nyrstar.com

#### **CONTACT INFORMATION**

Register for the Nyrstar Local Business Priority Program by completing the Supplier Registration process at the Nyrstar Port Pirie eProcurement website (www.tenderlink.com/nyrstarportpirie). Registration on the portal is provided free of charge.

#### **REGISTRATION INTEREST FORM - click here**

Questions or enquiries can be emailed to PortPirie.LocalBusiness@nyrstar.com or Fax: (08) 8638 1556

For further information please contact:
Nyrstar Local Business Priority Program
c/- The Regional Procurement Manager - Australia
Nyrstar Port Pirie Pty Ltd
PO Box 219, Ellen Street
Port Pirie SA 5540



# ABOUT NYRSTAR'S LOCAL BUSINESS PRIORITY PROGRAM

I aspire for Nyrstar Port Pirie to be a welcome neighbor and an employer of choice, providing significant value to all stakeholders and noted for continuously learning and evolving to deliver sustainable success in a changing world. We will be a source of infectious challenge and positive change around us.

- Nic Clift, Vice President Australian Operations, Nyrstar.















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#### 1. Introduction

Nyrstar's

approach

sustainability
is to strive to
contribute to the
socio-economic welfare
of the regions and
communities in which
we operate.

The redevelopment of the Port Pirie Smelter has transformed our capabilities and our potential to such an extent that we have become more flexible in what we are capable of achieving. This in turn offers the Smelter a more sustainable future – which then also delivers a sustainable future for the Port Pirie community and the wider region for the next decades.

Linked to our core vision and values is our commitment to building durable relationships with the local communities

Over the last few years the landscape of our operation and where we do business has undergone immense change.

where we operate and enhancing the opportunities available to, and capabilities of, those communities.

As a global multi-metals business Nyrstar is very mindful that our business has the potential for significant positive and negative impacts for our host communities and those living near our operations. At Nyrstar we recognise that we have a commitment and responsibility to ensure that the impact is a positive one. To achieve this, we actively engage with the local community to better understand and incorporate community expectations in our everyday decision making and operational activities. We also manage, fund and participate in various community development programmes. We assist to build local capabilities and know-how and, where possible, we work in collaboration with local stakeholders (governments, education boards, local medical providers, etc.) to support the improvement of education and local community health.

But there remains a vitally important area that we need to focus on: our procurement and supply chain.

We have shifted our focus and think differently about how our procurement, supply chain, and corporate social responsibility are interwoven: we believe that focussing on ways to give priority to local business in our procurement of goods and services, and our supply chain in general, provides an opportunity to change our local community in ways our predecessors may have never imagined.

Engaging local businesses in our supply chain presents a valuable opportunity to promote the growth of the local community, strengthen the economy, and provide more opportunities for individuals and businesses to grow and prosper. This creates the platform for a thriving local community and vibrant lifestyle that will attract and retain talent and new business opportunities to the area.

Local procurement is not only "the right thing to do" but it is of course also of significant strategic importance to our business. Establishing and maintaining enduring partnerships with local businesses will build our supply chain value and strengthen our social licence to operate in the local community.

Ultimately, a prosperous Port Pirie is a positive for everyone and if Nyrstar is to be truly sustainable, we believe local procurement must form a cornerstone of our supply chain strategy.



#### 2. Local Business Priority Program 2.1 Current Local Procurement

Nyrstar spends approximately \$60 million annually with local suppliers<sup>1</sup>. This represents approximately 30% of our addressable spend (excl. energy, raw materials).

However we believe there is enormous potential to significantly increase the levels of local procurement spend over the medium to long term while also providing numerous spin offs for the local community through job creation, skills development, and investment in local infrastructure and economic growth programs.

<sup>1.</sup> Approximately \$7m in goods and \$53m in services in the 2018 financial year.





#### 2.2 Establishment and aims of the Program

Nyrstar Port Pirie has established a Local Business Priority Program aimed at making it easier for local suppliers and small business owners to competitively bid for supply opportunities through a streamlined on-boarding and procurement process where priority will be given to local businesses.

Our entire supply chain offers potential opportunities for local procurement: from the supply of consumables to specialised goods and services, chemicals, and capital projects.

Sound business principles and good governance will continue to underpin all our transactions and the way we do business generally. There will be no compromise on quality, service, safety, health, the environment or any technical requirements.

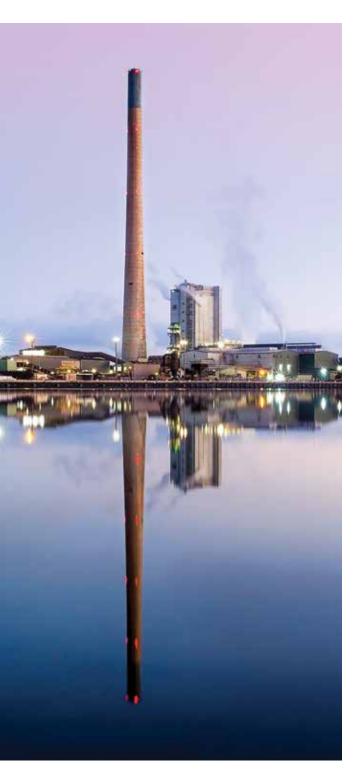
Instead, we will focus on minimising barriers to entry to make it easier for local suppliers to competitively bid for supply opportunities and do business with Nyrstar. To this end, we are committing to the following to facilitate and actively promote local supply opportunities and create an enabling environment for sustainable levels of local procurement:-

- We are developing appropriate guidelines, standards, policies and other measures to minimise the barriers to participation and simplify and streamline our procurement policies and processes.
- We will allocate appropriate resources and build the required internal capacity to enable effective delivery of local procurement through the Local Business Priority Program.
- We are developing a robust strategy to effectively support local procurement. The strategy will include an analysis of local supply, a plan to position local businesses to access and service procurement demand, and an assessment of and plan to mitigate risks for both the local community and Nyrstar.
- We will develop tools to clearly and transparently communicate our requirements, standards and new opportunities.



- We will employ a range of preferential sourcing methods suited to the characteristics of the local market and small to medium sized businesses.
- We will take appropriate steps to ensure that a commitment to optimising local procurement is integrated throughout our supply chain decision making across all of our business functions and business processes.
- We will support the development of commercially viable local businesses that meet Nyrstar's requirements in partnership with the Port Pirie Regional Council, Regional Development Australia (Yorke & Mid North), Business Port Pirie and other government organisations and agencies.
- We will work towards and prioritise the achievement of sustainable levels of local procurement that help build and grow a vibrant local business community.
- We will set targets, monitor our local procurement activities, and measure their impact on the local community.
- We will report on local procurement progress in a fully transparent manner and will develop tools to provide easy access to relevant information, both internally and externally.





Businesses must meet the following minimum criteria to be accepted into the Local Business Priority Program:-

- (a) The business must have a significant physical presence in an Eligible Local Area . 'Significant physical presence' must meet the following criteria:
  - (i) The business operates from a permanent premises or establishment located within an Eligible Local Area ("Local Premises");
  - (ii) The personnel employed at this Local Premises are resident to an Eligible Local Area;
  - (iii) The Local Premises is used to provide the core functions necessary to supply goods and/or services to Nyrstar.
- (b) Eligible Local Areas are defined as areas falling within the official boundaries of the following local government areas:
  - (i) Port Pirie Regional Council;
  - (ii) District Council of Mount Remarkable; and
  - (iii) Northern Areas Council.
- (c) The business must have an ABN and be registered for GST (if required in terms of the GST legislation).
- (d) The business must have appropriate insurance, including Workers Compensation and Public Liability insurance.
- (e) The business must have the appropriate capability and capacity (personnel, management and financial) to supply the goods and/or services to Nyrstar.



- (f) Businesses must agree to Nyrstar's General Purchasing Conditions (\*unless a separate overriding written contract applies).
- (g) Businesses must demonstrate alignment with Nyrstar's Code of Business Conduct and the Nyrstar Values. Safety, Health, Hygiene & Environment are the foundation of all our values we live safety by living our values: Respect, Ownership, Excellence, Teamwork and Integrity

Suppliers may also be required to have additional mandatory insurance cover, or policies and procedures in place in relation to certain types of goods and/or services provided to Nyrstar. All requirements will be clearly communicated in the relevant Invitation to Tender or Request for Quotation.

Nyrstar may from time to time exempt a local business from one or more of the above mentioned eligibility criteria if it is satisfied (at its absolute discretion) that the integrity of the Local Business Priority Program and/ or any related tender process has not and will not be compromised by doing so.







Our payment terms will accommodate the needs of small to medium sized local businesses. Faster payment terms will help suppliers manage cash flow and help our local business partners grow.

We have made adjustments to the payment terms of existing local suppliers.

Effective immediately, all existing local suppliers (registered as such on the Nyrstar SAP system) with spend less than \$1 million per year are on net 30 day payment terms or less according to a tiering system based on the annual spend (historical or anticipated).

Standard terms of net 60 days apply to larger businesses with an annual spend greater than \$1 million.

Existing suppliers impacted by these changes will be notified in writing. Nyrstar will not increase the payment terms of any existing suppliers without prior consultation.



#### 3. First Wave of Local Opportunities

The first wave of supply opportunities being released to the local market consist of various bundles comprising our supply of Personal Protective Equipment (PPE), Industrial Hardware, Repairable items, Manufactured Spares, and Steel.

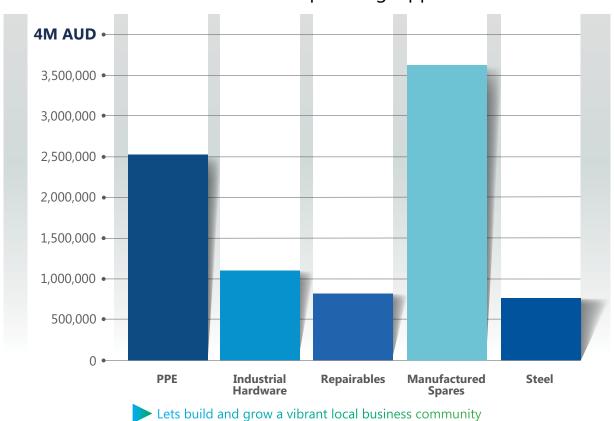
The total potential value of these supply bundles is estimated at approximately \$8.6M, based on FY18 historical consumption and spend.

These supply categories have been unbundled in an effort to remove some of the barriers to entry to the market for local suppliers.

These bundles will be tendered simultaneously, and suppliers will be free to submit bids for one or more (or all) of the various different tender packages.

The estimated value of each of the main categories of supply to be tendered during the first wave of the Program is shown in the chart below:

#### **Estimate of Current & Upcoming Opportunities**





Please note that any figures or forecasts provided by Nyrstar in this regard are provided as a guide only and will be non-binding. Prospective suppliers are to fully acquaint themselves with all aspects of the supply of any goods or services to Nyrstar and are to:

- base any bids for the supply of goods and/ or services to Nyrstar on its own investigations, interpretations, deductions, information and determinations; and
- not rely upon, any information, figures, or forecasts provided by Nyrstar for any purpose (including, but without limitation, determining whether or not to prepare or submit a bid or enter into a contract with Nyrstar).

Suppliers are referred to the Nyrstar Tender Terms & Conditions available for download at the Nyrstar eProcurement Portal.

Further details of the individual items comprising each separate supply bundle referred to below are included in the annexures to this information pack.





#### 3.1 Personal Protective Equipment (PPE)

Nyrstar Port Pirie spends approximately \$2.8M annually on all goods and consumables categorised as PPE.

This consists of both catalogued items (i.e. Nyrstar store stock or vendor held) and "free text" material, being direct purchases of uncatalogued material master records and non-contracted goods.

The various sub-categories of the PPE supply are listed in the table below:

CATEGORY	Estimated Value (based on FY18 data)
Footwear	260,000
Clothing	140,000
Socks	40,000
Gloves	520,000
Hearing Protection	16,000
Eye Protection	70,000
Corporate Clothing	4,000
Respiratory	1,750,000
TOTAL	2,800,000



#### 3.2 Industrial Hardware

Nyrstar Port Pirie spends approximately \$1.45M annually on all goods and consumables categorised under our supply of Industrial Hardware.

This consists of both catalogued items (i.e. Nyrstar store stock or vendor held) and "free text" material, being direct purchases of uncatalogued and non-contracted goods.

The various sub-categories comprising the Industrial Hardware supply are listed in the table below:

CATEGORY	Estimated Value (based on FY18 data)
Valves (domestic type)	70,000
Welding	140,000
Tools	270,000
Fittings	110,000
Fasteners	70,000
Bearings	100,000
V Belts	145,000
Miscellaneous	545,000
TOTAL	1,450,000



#### 3.3 Repairable Items

Nyrstar Port Pirie spends approximately \$1,1M annually on repairable items which consist of the stripping, assessment and repair of various types of

mechanical equipment, e.g. gearboxes, pumps, valves, etc.

Electrical repairs are not included in this tender package.

The table below is an example of the types of repairs frequently undertaken:

DESCRIPTION	Material Group
Offsite Repairs to TSL-PRV, s	VALVES NP
Auma Actuator Auma SAC16.2-A/45-Rep	INSTRUMEN
Repairs to Wilden Pumps	SERV MECH
Pump 2000 Slurry Pump	SERV MECH
Repair of AUMA AC01.2 Controller	INSTRUMEN
Level Control Pump Repairs - Urgent	PUMP OTHR
Strip & Assess Flowserve Acid Pump	PUMP CENT
111020 Repair to #1 Slag Slurry Pump	SERV MECH
118255 Offsite Repair #4Bredel Hose Pump	SERV MECH
100346 Offsite repairs to LP Circ Pump	SERV MECH
100365 repair KBA Stirrer gear box	SERV MECH
345383 Modification to Valtek Mk1	SERV MECH
118255 Repair to #6 Bredel Hose Pump	SERV MECH
100410 CP Replace "B" Reactor Gbox Rossi	SERV MECH



#### 3.4 Manufactured Spares

Nyrstar Port Pirie spends approximately \$3,95M annually on manufactured spares.

This consists of custom manufactured items, machined and fabricated from engineered drawings, e.g. shafts, flues, couplings, sleeves, lance assemblies, gaskets, etc.

The table below is a summary of the highest moving manufactured spares items in the 2018 financial year:

DESCRIPTION	UOM	Consumption (FY18 data)
TUBE, LANCE ASSEMBLY: OXY LANCE,LARGE: 4600MM LG X 8MM NB OXY PIPE,: 8 MM NB OXY PIPE, 12.7 MM OD X 1.63 MM WALL,: (COLD DRAWN SEAMLESS OR ERW - CDS PREFERRED,: HYDRAULIC TUBE A179): C/W 15MM NB STEAM PIPE OUTER SECTION,: (15 NB MEDIUM BLACK PIPE): 8MM N	EA	4,528
GASKET: 32MM ID X 63MM OD,3.0MM THK: ROUND, FIBRECORK: FOR TUYERE SIGHT GLASS: ADAMITE:	EA	1,550
BLADE, STAR BLOCK, OPTION 4: 50 MM (H) X 20 MM (W) X 160 MM LG: MILD STEEL: DWG PY-572-04142:	EA	1,280
WINDOW, OBSERVATION: TUYERE SIGHT GLASS: 53MM DIA: 3MM PERSPEX: P/N DWGM2-4621 MK4: MFR NYRSTAR:	EA	1,060
BAR, METAL: HEXAGON, S1045: 30MM AF,6.7MTR LENGTH:	М	719.80
BELT FASTENER, PLATE: NO.2, HARDFACED TOP PLATE (60-65 RC): MILD STEEL: 2-1/8IN BOLT CENTRES: TO SUIT 16MM TO 21MM THICK BELTS: HEAVY DUTY: TO BE SUPPLIED IN BOXES OF 25 FASTENERS: HARDFACED WITH COMWELD ANCHOR SPRAY-TC: SPRAYFACING POWDER NO.321563:	EA	503
GASKET: 95MM ID,5MM THK: OCTAGONAL, VACUBOARD: TUYERE JOINT, LARGE: 250 MM ACROSS FLAT SIDES: 3 X 20 MM HOLES ON 220 MM PCD: AT 120 DEGREE SEGMENTS: P/N DWG792-339: MFR NYRSTAR:	EA	440
ROD, STRAIGHT, HEADED: 12MM DIA,3040MM LG: MILD STEEL,BLACK: 27MM DIA X 46MM LG HEAD: 1/2IN BSP THREAD ON HEAD: C/W PLASTIC CAP ON HEAD THREAD: TO BE SUPPLIED IN BUNDLES OF 10: P/N DWGSM5-5187: * ***IMPORTANT NOTE*** MANUFACTURER MUST CHECK EACH THREAD,:	EA	430
SPACER, SLEEVE: 23MM ID X 39MM OD X 11MM THK: MILD STEEL: MADE FROM 39MM COLD ROLLED STEEL: DWG - NO DRAWING AVAILABLE: MANUFACTURE AS PER DESCRIPTION:	EA	420



#### 3.5 Steel (excl. stainless)

This tender package consists of the supply of a wide range of mild steel. (excl. stainless steel) The steel is supplied according to Nyrstar standardised sizing, e.g. plates, pipe, sections, angle, etc.

The total value of the opportunity is estimated at approximately \$1.030M per annum, based on FY18 consumption and spend.

The table below is a summary of the highest moving steel supply items purchased in the 2018 financial year:

Material #	DESCRIPTION	UOM	Consumption (FY18 data)
208967	BAR, METAL: ROUND, MILD STEEL: 20MM DIA,6M LGTH: 397M PER TONNE: <u>PLEASE SUPPLY IN BUNDLES OF 40 LENGTHS</u>	LN	4,752
208964	BAR, METAL: ROUND, MILD STEEL: 10MM DIA,6M LGTH:	LN	2,520
209115	PIPE, METALLIC: STEEL, BLACK: 8MM NB,1.8MM WALL,4.6M LG: MEDIUM: SCREWED BSP, C/W SOCKET: AS1074: TO BE SUPPLIED STRAPPED,20 PER BUNDLE: BUY IN LOTS OF 400:	LN	1,800
209059	BAR, METAL: HEXAGON, S1045: 30MM AF,6.7MTR LENGTH:	М	719.80
208969	BAR, METAL: ROUND, MILD STEEL: 24MM DIA<(>,<)>8M LGTH: 275M PER TONNE: <u>PLEASE SUPPLY IN BUNDLES OF 40 LENGTHS</u>	LN	673
208970	BAR, METAL: ROUND, MILD STEEL: 27MM DIA,6M LGTH: 217M PER TONNE:	LN	304
209058	BAR, METAL: HEXAGON, S1045 GRADE: 25MM AF,6.0M LGTH:	М	229.28
208270	BALUSTER, HANDRAIL: TUBULAR STANCHION TYPE W(WELDED): HEIGHTS- KNEERAIL 560MM H: HANDRAIL 1017MM H: STEEL, GALVANISED: 48.3MM OD,40MM NB,32MM GAUGE(STANDARD):	EA	250
208823	BAR, METAL: ROUND, SPRING STEEL: 22MM DIA,8.0M LENGTH:	LN	241
208968	BAR, METAL: ROUND, MILD STEEL: 22MM DIA,6M LGTH: 328M PER TONNE:	LN	155



#### 4. Registration and Pre-qualification

Businesses interested in supplying goods and services to Nyrstar Port Pirie are invited to register their interest.

Register by completing the Local Business Priority Program - Registration of Interest Form and the Supplier Registration process at the Nyrstar Port Pirie eProcurement portal (www.tenderlink.com/nyrstarportpirie).

Please note that registration does not guarantee business with Nyrstar Port Pirie but it is an indication of interest and registration of your business's capability and capacity to supply goods and provide services to Nyrstar.

Once confirmed as a registered local supplier, you will receive email notification of any new supply opportunities published to the market. You will also be able to access the Nyrstar Port Pirie eProcurement portal to view any associated documentation, participate in Q&A forums and where required, submit electronic bid responses through our secure, e-tender box facility.





#### 5.1 Nyrstar Code of Business Conduct

Whilst we conduct our business within the framework of applicable professional standards, laws, regulations and internal policies, we also acknowledge that these do not govern all types of behaviour. As a result, Nyrstar has developed a Code of Business Conduct for all Nyrstar employees and sites. Suppliers and contractors are also required to comply with Nyrstar's Code of Business Conduct (Annexure A).

#### 5.2 Nyrstar General Purchasing Conditions

All Goods and Services supplied to Nyrstar Port Pirie are required to be supplied in accordance with our General Purchasing Conditions ("GPC") unless a separate overriding written contract has been entered into with Nyrstar Port Pirie. A copy of Nyrstar's GCP is attached as Annexure B.

#### 5.3 Nyrstar Tender Terms & Conditions

The Nyrstar Tender Terms and Conditions (Annexure C) or Nyrstar RFQ Terms and Conditions (Annexure D), as the case may be, will apply to all tenders, quotes or proposals (whether submitted electronically or manually) that you have been invited to submit by an authorised Nyrstar Representative unless specified otherwise by the Nyrstar Representative.

Copies of the documents can be downloaded from the Nyrstar website at: https://www.nyrstar.com/about-us/corporate-governance





The following is a list of key policies affecting the supply of goods and services to the Nyrstar Port Pirie site. Copies of these policies and procedures are available for download at www.tenderlink.com/nyrstarportpirie.

POLICY	Policy #
Nyrstar Anti-Corruption Policy	Global Policy
Nyrstar Safety and Health Policy	Global Policy
Nyrstar Environment Policy Statement	Global Policy
Nyrstar Quality Policy Statement	Global Policy
Nyrstar Australia Region Policy: Privacy	Global Policy
Nyrstar Asset Management Policy	Global Policy
Nyrstar Port Procedure: Drugs and Alcohol	PP-504-00001
Requirements for Safety, Hygiene & Environment	PP-443-00001
Nyrstar Port Pirie Procedure: Management of Contractor Workplace Health & Safety	PP-361-00015
Nyrstar Port Pirie Procedure: Protocol for Lead in Blood Management	PP-471-00003
Nyrstar Port Pirie Safety Procedure Register	PRK-448-0001
Nyrstar Port Pirie: Requirements for Industrial Practice	PP-443-00002



#### **6 Working with Local Business Partners**

Nyrstar's vision is to establish sustainable levels of local procurement that positively contributes to the economic growth and social development of our local community.

Our ability to successfully deliver on our vision and commitment to local procurement will require a collaborative approach:

- across functions within Nyrstar, with our suppliers, and with our program partners – the Port Pirie Regional Council, Business Port Pirie and Regional Development Australia (Yorke and Mid North).

The development of the Local Business Priority
Program represents a significant step in our journey
towards establishing consistent and responsible local
procurement practices within our business and we
look forward to partnering with our suppliers and local
business to create an enabling environment for local
procurement to stimulate local economic growth and
prosperity.





Annexure A - Nyrstar Code of Business Conduct

Annexure B - Nyrstar General Purchasing Conditions

**Annexure C- Nyrstar Tender Terms & Conditions** 

Annexure D - Nyrstar RFQ Terms & Conditions

Copies of the annexures are available for download at www.tenderlink.com/nyrstarportpirie or from the nyrstar website at https://nyrstar.com/about-us/corporate-governance.



#### MAP - Port Pirie Regional Council



Map is from www.pirie.sa.gov.au/ About Council / About our Region

#### MAP - Northern Areas Council



Map is from www.nacouncil.sa.gov.au / Community / Maps

#### MAP - District Council of Mount Remarkable

# Date created: **Land Services Group** May 23, 2018 The Property Location Browser is available on the Land Services Group Website: www.sa.gov.au/landservices Disclaimer: The information provided above, is not represented to be accurate, current or complete at the time of printing this report. The Government of South Australia accepts no liability for the use of this data, or any reliance placed on it.

Map is from www.mtr.sa.gov.au/wards



