



Planning &  
Environment

# Procurement

Date: March, 2016

***POLICY***

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<b>Status</b>	FINAL
<b>Date of approval</b>	2 March, 2016
<b>Approved by</b>	Secretary
<b>Responsible Officer</b>	Chief Procurement Officer
<b>Executive Sponsor</b>	Chief Financial and Operating Officer
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## Overview of this policy

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- The Department has clear processes for procurement that allow it to ensure that the purchase of works, goods, or services is carried out fairly, ethically, efficiently, transparently, and with the intention of achieving the best value for money.
- Processes change according to the value and method of the procurement, with thresholds of:
  - up to \$5,000;
  - between \$5,000 to \$30,000;
  - between \$30,000 to \$250,000;
  - between \$250,000 and \$1,000,000;
  - between \$1,000,000 and \$5,000,000; and
  - over \$5,000,000.
- The Department has an [eProcurement portal](#) which enables a consistent and efficient approach to be taken for procuring goods and services, and procurement staff can assist teams with their procurement requirements.
- All procurement for the Department must follow this policy and will be monitored and audited for compliance by the Chief Financial and Operating Officer (CFOO), the Chief Procurement Officer (CPO), and internal or external auditing agencies.
- Procurement activity reports will be compiled by the Procurement Team on a regular basis for this purpose.
- **All dollar values listed in this document include GST unless otherwise stated.**

## 1. Introduction

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The Department of Planning and Environment (the Department) expects that a high standard of probity, ethics, and integrity will be applied and demonstrated by all parties involved in the procurement of goods and services.

This policy reflects the Secretary's directions in relation to procurement and is consistent with the [NSW Government Procurement Policy Framework](#).

It will result in better business outcomes, improvements to service delivery and performance, and more effective coordination of the Department's procurement activities.

### 1.1 Objectives

The objectives of this policy are to:

- outline the principles and processes used by the Department;
- ensure that public funds are used prudently and achieve the best value for money;
- ensure that procurement is carried out in a fair, ethical, efficient, and transparent manner; and
- support government service delivery objectives.

The policy encompasses all of the Department's procurement activities.

## 1.2 Scope

The Department is committed to the highest standards of ethical conduct and integrity and conducts its business with efficiency, economy, fairness, and impartiality, as outlined in its [Code of Ethics and Conduct](#).

This policy applies to all staff members involved in procurement processes, which includes any individual employed, appointed, or otherwise attached to the Department, whether on an ongoing, temporary, contract, casual, or voluntary basis.

It also applies to secondees from other agencies or employees of any firm or company contracted to perform work on behalf of the Department.

## 1.3 Definitions

Delegated officer	<p>the person who will approve the procurement in line with Departmental <a href="#">Financial Delegations</a>.</p> <p>This role can only be carried out to the level of a staff member's delegation authority.</p>
Direct negotiations	<p>exclusive negotiations between an agency and a proponent without first undertaking a genuine competitive process.</p> <p>Direct negotiations are sometimes referred to as directly sourced, single-invited or non-competed contracts.</p>
Emergency / special case procurement	<p>procurement of goods or services that cannot be achieved through normal processes.</p> <p>Emergency/special case procurement allows the requesting officer, in collaboration with the Chief Procurement Officer, to restrict the quotation/tendering process to certain organisation(s) when:</p> <ul style="list-style-type: none"> <li>• a need is too urgent to call for tenders;</li> <li>• there is a need for confidentiality;</li> <li>• there is an existing contract for a specific (and related) need; or</li> <li>• there are fewer than three organisations in the market that can meet the procurement requirements.</li> </ul>
High-risk procurement	<p>procurement activity that has the potential to cause financial or human loss, or reputational damage if managed inappropriately.</p>
Order splitting	<p>where an agency or team:</p> <ul style="list-style-type: none"> <li>• intentionally splits purchases into components or a succession of orders for the same or similar goods and services in order to avoid reaching set procurement thresholds; or</li> <li>• uses recurring contracts for the same service, rather than bundling them into a single procurement.</li> </ul>
Requesting officer	<p>the person seeking to procure goods or services.</p> <p>This role can be performed by any member of staff, including contractors, consultants, or temporary employees.</p>
SME	<p>a small and medium enterprise, being an organisation with up to 200 full-time equivalent employees.</p>

Staff/staff member any individual employed, appointed, or otherwise attached to the Department, on an ongoing, temporary, casual, contract, or voluntary basis, including secondees from other agencies or employees of any firm or company contracted to perform work on behalf of the Department.

This includes senior executives.

## 2. Policy principles

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In all procurement activity, the Department seeks to achieve:

- value for money for the goods or services being provided;
- efficiency and effectiveness;
- probity and equity; and
- effective competition between providers.

The procurement process must comply with these principles, the law, and government policy, and treat all participants in a fair and impartial manner.

Although the Procurement Team can advise staff on ways to achieve the best outcomes, responsibility for approving or not approving expenditure will always rest with the delegated officer.

## 3. Goals of procurement

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In procuring goods and services, the Department will:

- achieve its strategic and operational objectives;
- comply with:
  - its legal obligations;
  - the [Public Works and Procurement Regulation 2014](#); and
  - the [NSW Procurement Policy Framework for NSW Government Agencies](#);
- adopt the strategic procurement practices endorsed by the NSW Procurement Board, including the use of whole of government and panel contracts, and prequalification schemes, or single source procurement when dealing with highly specialised matters;
- act in an ethical manner and ensure probity is observed throughout the procurement process;
- identify and manage risk throughout the procurement process, as appropriate to the relevant procurement threshold level;
- regularly monitor procurement activity through the reporting function of the [eProcurement portal](#);
- ensure that staff and service providers comply with the [obligations outlined in their contracts](#);
- maintain records to a standard that would allow an independent review to verify whether the policy has been followed; and
- ensure that records have been secured, where required, to ensure the confidentiality of commercial information.

## 4. Initiating procurement

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To commence the procurement of goods and services, the following steps should be followed.

The Procurement Team can be contacted at any time by telephone (02) 9860 1575 or on [procurement@planning.nsw.gov.au](mailto:procurement@planning.nsw.gov.au).

### 4.1 Define the Department's needs and the procurement's specifications

Identify the need for the procurement and specify the scope of works in order to prevent wasted time, effort and cost.

Specifications should provide sufficient detail to help a service provider understand the Department's requirements, and should:

- use terms that encourage and promote open and effective competition;
- be clear, concise, and unambiguous;
- not nominate known products or services but identify the outcomes required;
- identify service, contractor or consultancy agreement requirements;
- prescribe minimum required levels of insurance; and
- identify proposed milestones.

It is important to be reasonably accurate with the Department's requirements, because:

- overstating specifications may limit the range of goods and services offered or result in a higher price; while
- understating may result in inappropriate or inadequate goods or services being offered.

#### 4.1.1 Requirement to procure from small to medium enterprises (SME)

Under the NSW Procurement Board's [Direction 2014-02: Access to government contracting opportunities by small and medium sized enterprises](#), the Department must consider sourcing supplies from SMEs.

This means that:

- if the Department is required to seek more than one written quotation for the supply of goods or services of a type covered by certain NSW Government prequalification schemes; and
- the value of the goods or services is up to \$1,000,000,

the Department must make all reasonable efforts to obtain at least one written quotation from a prequalified SME business.

The relevant prequalification schemes for this requirement are:

- Prequalification Scheme for Construction Consultant Services;
- Prequalification Scheme for Construction Contractors;
- ICT Services Scheme;
- Contingent Workforce Scheme (while quotations are not required under this Scheme, agencies are encouraged to seek one or more CVs from a SME); and
- Performance and Management Services Scheme.

## 4.2 Determine the procurement method

The procurement method chosen must comply with this policy and be appropriate to the size and nature of the goods or services sought.

The following procurement methods and practices are consistent with the [Procurement Reform Strategic Directions Statement](#) set by the NSW Procurement Board in November, 2012, and by subsequent NSW Procurement Board Directions.

The Procurement Team can provide guidance on the correct process to use for any given procurement.

### 4.2.1 eProcurement portal

The Department has implemented an electronic system for procurement that enables a consistent and efficient approach to be taken for procuring goods and services.

This system [can be accessed through PEcan](#) and all procurements worth more than \$5,000 must be initiated through it, except for the procurement of external legal services which must be carried out through the Legal Division.

[Depending on the estimated dollar value](#), requests for quotation (RFQ) should be issued to suitably qualified and experienced service providers.

### 4.2.2 NSW Procurement Board (NSWPB) whole-of-government contracts and prequalification schemes

Consistent with [Premier's Memorandum M2006-11](#), whole-of-government contracts and prequalification schemes must be used for the procurement of goods and services where available, if they are consistent with the Department's requirements (as with the purchase of ICT hardware such as desktop computers, for example).

The only exception to this requirement may be where a panel contract has been established by the Department.

### 4.2.3 Pre-qualified procurement

The Department will establish panels of suitable contractors and consultants where an ongoing demand has been identified.

These will generally be established through a tendering process managed by the Procurement Team, and must be used where appropriate.

There are substantial benefits to be gained by using prequalified panels, including:

- lower risk of engaging service providers who do not meet the Department's procurement requirements, as they have already been subjected to a thorough evaluation process prior to being included on a panel;
- greater efficiency by avoiding delay and the repetitive costs that may arise from separately inviting open/selected tenders or 'Expressions of Interest' (EOI) for each project and assessing the capability of all interested service providers;
- reduced time to evaluate tenders because the service providers being considered are usually known to the Department; and
- the potential for better working relationships between the Department and its service providers.

The Department may also elect to procure professional services, including contractors or consultants, using the [NSW pre-qualification schemes](#), where the required services are available, [but the financial thresholds for these pre-qualified services vary](#).

Note: All requests for the use of the Department of Transport's panel for the procurement of external legal services must be made through the Legal Division.

#### 4.2.4 Procurement procedures for certain consultancy services

Consultancy advice services procured from the top ten suppliers and valued over \$50,000 are subject to [new requirements by the NSW Procurement Board](#) in order to optimise engagement and reduce red tape.

Those suppliers are:

Accenture	KPMG
APP Corporation	Nous Group
Boston Consulting Group	PriceWaterhouseCoopers
Deloitte Touche Tohmatsu	Project 7 Consultancy
Ernst and Young	Third Horizon

The Procurement Team will manage these requirements, so staff should not engage any service from these suppliers before consulting them and securing appropriate approval from the CFOO.

These procurements will still be achieved through the [procurement portal, but there will be additional steps](#) to finalise such requests, which will take more time to process.

The Procurement Team will:

- manage interaction with the Major Suppliers Portal;
- review Major Suppliers procurement activities in relation to new procurements;
- manage evaluation of similar projects, if any;
- negotiate price/fee cost savings, where possible; and
- ensure full compliance with the [NSW Procurement Board Direction 2015-04](#).

#### 4.2.5 Purchase of other goods and services

The Department shall purchase **all other goods and services**, including professional services, in accordance with [NSW Procurement Board's strategic directions](#), which mandate the following thresholds.

**A risk assessment appropriate to the type of procurement must be carried out before contracts valued over \$5,000, not obtained through prequalified schemes, can be finalised.**

For the purposes of this policy, the procurement of the services of a barrister by the Legal Division is considered to be [emergency or special case procurement](#), with the prior authorisation of the General Counsel or the CFOO or the Secretary, as required.

In some cases of ICT procurement, prior endorsement by the ICT Board may also be required.

##### **Procurements of up to \$5,000**

If not available under a whole-of-government contract or panel contract, the staff member must obtain at least one verbal quotation from a suitable service provider for a good or service and document the reason for their selection.

An officer with the appropriate financial delegation must review and approve the quotation.

Agencies located in a non-metropolitan area may purchase goods and services up to the value of \$5,000 in this way from local sources, provided that the service provider's rates are reasonable and consistent with normal market prices.

The Procurement Team can be contacted for any assistance if required.

***Procurements valued between \$5,000 and \$30,000***

The staff member requiring the good or service must obtain one written quotation and manage the process by issuing a RFQ to a qualified service provider.

An officer with the appropriate financial delegation must review and approve the quotation.

***Procurements valued between \$30,000 and \$250,000***

At least three written quotations are required, unless the service provider is sourced from a prequalification panel or scheme.

Procurement from a prequalification panel or scheme is allowable only up to certain thresholds, for example:

- the limit for the Performance and Management Services scheme (advanced) is \$150,000; and
- the ICT Services scheme (advanced) has a limit of \$165,000.

Above those amounts, or in situations where service providers are not sourced from a panel or scheme, a competitive tender process must be carried out to source quotations.

The Department's Procurement Team must manage this quotation process in conjunction with the requesting officer.

***Procurements valued between \$250,000 and \$1,000,000***

The Department must employ a tender process as approved by the NSW Procurement Board.

The Procurement Team must manage the tender process in conjunction with the requesting officer.

***Procurements valued between \$1,000,000 and \$5,000,000***

A business case for the procurement, and the professional services brief, must be approved by the Secretary prior to their release.

The business case should include the following:

- a description of the requirement for the goods or services sought;
- an analysis of the market for the goods or services;
- the anticipated project budget based upon whole-of-life costs;
- a risk assessment; and
- the proposed procurement approach.

Potential risks to the Department could include:

- inappropriate method of assessing the impact of price in obtaining value for money;
- inappropriate identification or allocation of risks in the Brief and Contract documentation;
- inappropriate contractual terms; and
- an assessment process that fails to maintain an appropriate standard of probity.

These must be considered and addressed in the risk assessment section of the business case and will be subject to a probity review.

The Procurement Team's review of the business case, brief, and preferred service provider/s will seek to confirm that:

- goods or services offered comply with the requirements of the brief;
- the procurement approach will maximise value for money;
- the price offered is adequate for the service provider to meet the specification;

- the service provider has accepted the risk profile included in the business case and in the draft services / contract / consultancy agreement;
- any departures from this risk profile have been recorded and signed off as acceptable to the Department;
- the service provider has adequate insurances in place;
- the financial capability of the service provider is sound; and
- the service provider has the current capacity to fulfil the requirements of the brief.

#### ***Procurements valued over \$5,000,000***

The [NSW Procurement Board's Gateway Review Process](#) must be followed for all procurements with a value in excess of \$5,000,000.

#### ***4.2.6 Inter-Agency Procurement***

##### ***With NSW Government departments and agencies***

If engaging services from other NSW Government departments or agencies, the Department must issue a RFQ to the agency, followed by a memorandum of understanding (MOU) or Interagency Agreement (IA).

The MOU or IA will be executed between the Secretary or Chief Financial and Operating Officer (CFOO) and the authorised delegate of the engaged agency or department.

Although no financial limits are set, the Department must be able to demonstrate value for money and [Financial Delegations](#) will apply.

##### ***With local government/ federal/ statutory authorities***

Similar rules apply to the engagement of local governments, federal government agencies, or statutory authorities, with the requirement to issue a RFQ and to achieve value for money objectives.

The procurement must be authorised through the issue of a letter of acceptance by the Department.

#### ***4.2.7 Emergency or special case procurement***

The Secretary or CFOO must approve procurements that cannot be achieved using the methods above, where emergency or special case reasons exist, in accordance with the [Financial Delegations](#) policy.

#### ***4.2.8 Agency hire (temp staff)***

Divisions wishing to engage temporary staff through a labour hire organisation (agency hire) must first obtain a Funding Certificate from the Director, Finance to demonstrate that they have the available funding within their budget.

They must then complete and submit the [Consultant/Professional Services/Temp Staff \(Agency Hire\) Engagement form](#) on the eProcurement portal.

To access the form, click on the link above, and select "New Item" at the top of the page.

Once the form, supported by the Funding Certificate, has been [endorsed by the CFOO](#), the Human Resources team will assist with the engagement.

To learn more, visit the short video: [New Workforce Engagement Request](#).

#### ***4.2.9 Direct negotiation***

The Secretary's approval must be obtained before direct negotiations can commence, and staff members can only negotiate within the delegated amounts allowed under the [Financial Delegations](#) policy.

The CFOO must also be consulted prior to the commencement of any direct negotiation process.

For further information about how to avoid problems in this approach to procurement, visit the Independent Commission Against Corruption (ICAC) publication [Direct Negotiations-Guidelines for managing risks in direct negotiations](#).

It is against Government policy to negotiate with service providers who are on prequalification panels or registered on a prequalification scheme.

#### **4.2.10 'Order splitting' is forbidden**

'Order splitting' is where an agency intentionally splits purchases into components or a succession of orders for the same or similar goods and services in order to avoid reaching set procurement thresholds.

This is inconsistent with the objectives of the procurement system and is prohibited.

### **4.3 Authorisation**

The Procurement Team was created to assist and advise divisions with their procurement activities.

Staff must inform the Team about any procurement over \$30,000 in order to receive:

- guidance on the most appropriate procurement methodology; and
- assistance with the procurement process.

Procurement activity above this amount, or as required by the Department of Financial Services and Innovation (DFS), (including issuing invitations to tender or tender evaluations) should not proceed without the involvement of the Procurement Team.

### **4.4 Probity Advisor**

High-risk procurement activity requires additional controls. Before undertaking such procurement, staff members must consider:

- whether a probity advisor is required;
- the proposed method of selection; and
- the timing of the activity.

They should then consult with the Director, Governance and Performance or the Chief Financial and Operating Officer (CFOO) about these proposals.

Probity reports are to be forwarded to the Director, Governance and Performance or CFOO, who must report any recommendations to the Audit and Risk Committee.

Engagements of any probity advisor must be done in accordance with [NSW Procurement Board Direction 2013-05: Engagement of probity advisors and probity auditors](#).

## **5. Planning the procurement**

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### **5.1 Single source procurement**

Single source procurement should be avoided unless:

- the goods or services are available under a NSW Procurement Board (NSWPB) whole-of-government contract;
- the value of the procurement is less than \$30,000; or

- the value of the procurement is within the single source threshold of one of the Prequalification Schemes.

Circumstances may, however, arise where it is appropriate or necessary to negotiate directly with a service provider, but this can only be done with the written approval of the CFOO and if the provider is not on a prequalification panel or registered to a prequalification scheme.

The reasons for pursuing direct negotiations and the proposed approach taken must comply with the ICAC document, [Direct Negotiations-Guidelines for managing risks in direct negotiations](#), which provides guidance on how to:

- decide when direct negotiations may be appropriate;
- conduct direct negotiations; and
- address specific issues relating to direct negotiations.

## 5.2 Tender evaluation panels

Evaluation panels must be established to assess all proposals requiring competitive, open, selective, or expression of interest procurement.

These must be guided by an evaluation plan that is prepared before responses are received and that will outline how a proposal is to be assessed.

Guidance on tendering can be found in the Department’s [Tender Evaluation Procedures](#).

### 5.2.1 Establishment of the evaluation panel

Evaluation panels consist of people who have the relevant skills and knowledge to appraise proposals and determine whether they represent value for money.

Panel members must complete conflict of interest forms in relation to the procurement, to ensure that probity is preserved, and in some cases should preclude themselves from involvement in the evaluation.

The following table shows the required membership for evaluation panels relevant to different types and sizes of procurement.

Panel Members	Consultant or Contractor	Capital Works	Goods
One	<\$30,000		<\$10,000
Three	\$30,000 to \$250,000	<\$100,000	\$10,000 to \$50,000
Three	\$250,000 to \$1,000,000	\$100,000 to \$1,000,000	>\$50,000
Three plus a Probity Adviser	>\$1,000,000	>\$1,000,000	>\$1,000,000

### 5.2.2 The issue and receipt of responses

All RFQs must be issued by the Procurement Team.

Procurements with a pre-tender estimate above \$30,000 are to be lodged and closed on the eTendering website, which must be done by the Procurement Team.

Tenders must be in the marketplace for a minimum of 10 working days, and the closing time and date for the tender should be detailed in the Professional Services Brief that is prepared to guide tenderers and is available on eTendering.

### **5.2.3 Treatment of late tenders**

Late tenders will not be considered, except where the Chief Procurement Officer is satisfied that the integrity and competitiveness of the process has not been compromised, in accordance with the [NSW Tendering Guidelines](#) (the Guidelines).

### **5.2.4 Clarification of requirements**

Potential service providers may seek clarification of the specifications or other requirements after invitation documents are issued.

Procurement ethics require that potential service providers are treated equally and fairly.

All queries or clarifications must be received and responded to in writing and forwarded to [procurement@planning.nsw.gov.au](mailto:procurement@planning.nsw.gov.au) for the team to review.

Where necessary, an Addendum will be issued by the Procurement Team through eTendering to provide further clarification of the Brief and prevent potential claims of bias or unfair advantage.

### **5.2.5 Evaluation of responses and recommended outcomes**

All tender responses must be assessed using the same evaluation methodology and criteria.

This is determined and approved at the beginning of the procurement and before going to market via eTendering.

Before the assessment begins, the Procurement Team will populate a tender evaluation score sheet with the evaluation criteria and weightings, the names of the tendering service providers, and the value of the fees required to perform the project.<sup>1</sup>

Each of the approved Evaluation Panel members will be forwarded a score sheet to complete to assist them in their deliberations – they must independently review the tenders before the panel considers them collectively.

A consolidated evaluation score sheet will be completed by a Procurement Team member during these discussions in accordance with the pre-agreed evaluation methodology and guided by the deliberations of the panel.

The procurement will not proceed unless consensus is achieved.

The individual evaluation score sheets and consolidated score sheets must be signed and retained on file for review.

Once the tenders have been reviewed, and a decision has been made, an evaluation report must be prepared that includes the reasons for the recommendation.

The recommended tender must represent the **best value for money** in the expenditure of public funds, when assessed using the evaluation methodology, and while complying with all relevant Government requirements.

## **5.3 Contract / consultancy agreements**

The Department uses various types of agreement to engage service providers. These are selected automatically when establishing procurement activity through the [eProcurement portal](#).

A copy of the relevant Agreement will be issued by the Procurement Team along with the invitation to tender.

Any proposed departures from the proposed Agreement must be taken into consideration in the evaluation process.

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<sup>1</sup> Copies of tenders are not to be removed from Departmental premises without the written approval of the Chief Financial and Operating Officer.

Departures that increase risk to the Department will have a negative impact on the evaluation of a proponent and, if significant, may result in the proponent being passed over.

## 5.4 Contract extensions / variations

Circumstances may emerge where a service provider is already engaged and the scope or nature of their required output changes significantly during or immediately following the engagement.

Should this occur, the Department's default position is to re-test the market in accordance with this policy.

However, should the currently engaged service provider have a significant market advantage in terms of project knowledge, it may not be appropriate to seek proposals from other service providers, particularly if there is little chance for them to be successful.

The Procurement Team must be contacted before entering into direct negotiations with an existing service provider, and accountability requirements outlined above for single sourced procurements will apply.

Extensions and variations are created through the [eProcurement portal](#) and **must** remain within an officer's established [Financial Delegations](#) limits, particularly when using a service provider from a prequalification panel or scheme.

The Procurement Team can provide assistance and should be contacted about any proposed contract extension or variation before it is carried out.

## 6. Approval

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As a result of the Secretary's direction [SD2014-01: Authority to Engage Consultants](#), the appointment or variation of any contract or agreement for the engagement of contractors or consultants must be endorsed by the CFOO in writing before it can proceed.

Requests must be supported by a business case and documentation showing the availability of sufficient funds to meet the costs of the project, and the proposal and processes must be in line with this policy.

Delegated officers must ensure that the CFOO's endorsement has been received before authorising the transaction.

For tenders, a recommendation for approval must be in the form of a submission, supported (for procurements exceeding \$30,000) by an evaluation report that has been signed by the Evaluation Panel.

The approver must be satisfied that the tender that best meets the evaluation criteria is being accepted, and that the evaluation process has complied with this policy.

When the selection process is completed, the Procurement Team will promptly inform all respondents of the decision and whether or not they were successful.

If requested, the Department may offer a debriefing to unsuccessful tenderers, as a guide for future tender opportunities.

Debriefings should provide a description of the evaluation process and feedback against the evaluation criteria.

They should not include any information about the contents of other proponents' submissions or the strengths and weaknesses of other proponents.

A written record should be maintained of the issues discussed, which should be signed by the relevant officer and forwarded to the Procurement Team for inclusion in the file and for audit purposes.

## 7. Establishment of the contract or agreement

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Approval processes appropriate to the method of procurement, as outlined below, must be undertaken prior to establishment of the contract or agreement.

All procurements are subject to approval by people holding the relevant delegated authority as set out in the Department's [Financial Delegations](#) policy.

Each procurement will include an approval officer certification statement, which acknowledges that the delegated officer complies with the [Public Finance and Audit Act 1983](#), the [NSW Government Procurement Board's policies and procedures](#), and this policy.

### ***For quotations of goods or services of value less than \$30,000***

A review of the process and outcome by the delegated officer is appropriate for compliance with the Department's procurement requirements.

The issue of a system generated purchase order to the service provider will reflect the approval by the delegated officer.

### ***For quotations between \$30,000 and \$250,000***

A review of the process and recommendation to award is approved by the CFOO or their delegated officer.

### ***For quotations over \$250,000***

A review of the process and recommendations to award must be endorsed by the CFOO prior to approval by the delegated officer.

A Letter of Acceptance signed by Procurement Team and the CFOO is to be issued to the service provider after approval by the delegated officer.

### ***Period/Panel contracts***

Period/Panel contracts are established by the Procurement Team on behalf of the Department for procuring works, goods and services where an ongoing demand has been identified or a particular type of expertise is needed.

They are predominantly used where such works, goods and services are not available under NSW Government contracts or prequalification schemes.

Prior approval by CFOO is required for the establishment of Department's Period/ Panel contracts.

They are generally established through a tendering process and must be used where they are available and are consistent with the requirement for the works, goods or services.

The Chief Procurement Officer must issue a letter to applicants notifying them of their inclusion on a panel as a result of an expression of interest process approved by the delegated officer.

Any exception to the use of these existing period/panel contracts must be endorsed by the Chief Procurement Officer.

### ***Contract disclosure***

The NSW Government requires that NSW Government agencies publicly disclose details about any contracts with private sector organisations.

This requirement is part of the [Government Information \(Public Access\) Act 2009](#) for all contracts valued over \$150,000.

Staff members will be guided by the [eProcurement portal](#) on how such disclosure must occur and will be supported by the Procurement Team.

## 8. Contract performance

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A stakeholder performance review and reporting system is used to capture and monitor the effectiveness of a service provider and a procurement contract, following the completion of the project.

The delegated officer or their nominated representative shall monitor the contract/agreement to ensure that it is carried out in accordance with all terms, conditions, and specifications.

This will ensure that the required performance, quality, safety and financial outcomes are achieved.

Reports about the performance of service providers should be provided using the *Service Provider Evaluation Form*, which is provided by the Procurement Team at the outset of the project.

Performance reports must be completed by the nominated representative and forwarded to the Chief Procurement Officer at the completion of the work for records management and storage.

## 9. Roles and responsibilities

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### 9.1 Staff members must:

- behave ethically and in keeping with the Department's [Code of Ethics and Conduct](#);
- adhere to this policy, incorporating the principles and standards detailed herein;
- ensure that they read, understand, and adhere to this policy and the Department's [Financial Delegations](#);
- recognise that, as public officers, they are accountable for their actions; and
- collaborate and communicate with the Procurement Team over any proposed procurement to ensure that it preserves the integrity and efficiency, and delivers value for money.

### 9.2 Requesting officers

In addition to their responsibilities as staff members, requesting officers shall:

- ensure that they are aware of and comply with this policy; and
- only initiate procurements where they have sufficient budget or funding to cover the cost of the goods or services being procured.

### 9.3 Delegated officers

In addition to their responsibilities as requesting officers, delegated officers shall:

- ensure that employees are aware of and comply with this policy;
- only approve procurements within their delegation;
- only approve procurements where they have sufficient budget or funding to cover the cost of the goods or services being procured; and
- provide leadership by example.

### 9.4 Secretary

In addition to the responsibilities as a delegated officer, the Secretary shall ensure that:

- the Department's policy is consistent with the NSW Government Procurement Policy;
- the policy is communicated to all staff;
- adequate controls are in place to administer the policy effectively; and
- material breaches of the policy are referred to the Secretary for consideration and review.

## 9.5 Procurement Team

The Procurement Team provides an essential service to the Department by facilitating procurement for other divisions, branches, and teams.

In addition to their responsibilities as employees, Procurement Team members are responsible for the timely and efficient procurement of all necessary goods, works, and services in order to enable the day-to-day operations of the Department.

Procurement Team members shall at all times ensure that their procurement activities:

- preserve probity and prevent corruption;
- represent the best value for money for the Department;
- use appropriate documentation;
- comply with all relevant legal obligations;
- are accurately and appropriately recorded; and
- use electronic tendering (eTendering) effectively.

The Procurement Team will collaborate and communicate with other areas of the Department to streamline and simplify the procurement process, while ensuring its integrity, efficiency, and value for money.

## 10. Breaches of this policy

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Staff are encouraged to report any instances of a breach of the Policy to managers or other appropriate officers of the Department at the earliest opportunity.

Behaviour that is clearly contrary to this policy will be dealt with appropriately, in a manner that is proportionate to the seriousness of the matter.

It may be that a discussion between the staff member and their manager is enough to clarify the responsibilities of the staff member.

Staff should be aware, however, that the [Government Sector Employment Act 2013](#) provides for disciplinary action to be taken in circumstances where there is a finding of "misconduct", in accordance with rules made under that Act. Action, under section 69 of that Act, may range from a caution to termination of employment.

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**Associated Acts,  
Policies, and Guidelines***Internal:*

- [Disclosing Interests and Managing Conflicts of Interest](#)
- [Code of Ethics and Conduct](#)
- [Delegations – Financial, Human Resources, Administrative, and GIPA](#)

*External:*

- [NSW Government Procurement Policy Framework](#)
  - [NSW Government Code of Practice for Procurement](#)
  - [Public Works and Procurement Act 1912](#)
  - [NSW Procurement Boards Strategic Directions Statement, 2014-15](#)
  - [NSW Procurement Board Directions \(2012 onwards\)](#)
  - [C2014-09 Governance Framework for Major Transactions](#)
  - [M2013-04 Implementation guidelines for procurement of publicly funded construction services](#)
  - [Public Works and Procurement Regulation 2014](#)
  - [Public Finance and Audit Act 1983](#)
  - [Government Sector Employment Act 2013](#)
  - [Government Information \(Public Access\) Act 2009](#)
  - [Independent Commission Against Corruption Act 1988](#)
  - [Public Interest Disclosures Act 1994](#)
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