

Policy: NSWTG Procurement

1 Purpose

NSWTG spends over \$400 million dollars each year procuring goods and services for general operating purposes and on behalf of customers. The overarching requirement for all procurement is that it delivers value for money. It must also be fair, ethical and transparent.

Procurement is broken down into the following key categories:

- ICT, logistics and professional services
- Facilities
- financial and commercial services (including legal, PR & marketing, recruitment, insurance and travel).

Corporate procurement conforms with all NSW Government policies, procedures requirements and enforceable directions.

NSWTG uses customer funds or funds held in trust for them when purchasing goods and services on a customer's behalf. These goods and services can relate to any area of a customer's life including medical supplies and services, personal items, utilities, travel, home and vehicle repairs and renovations, sale and purchase of property.

The NSW Procurement Board has exempted purchases for customers from NSW Government procurement requirements.

To ensure customers receive value for money, wherever it is practical, NSWTG does follow NSW Government procurement requirements when purchasing goods and services for them. Following these requirements enables us to ensure procurement for customers is fair, ethical and transparent. Where it is impractical or inappropriate to comply with NSW Government guidelines for customer expenditure, an approach that is as closely aligned as possible under the circumstances is taken.

The NSWTG Procurement Steering Committee provides oversight and direction for procurement activities and ensures they comply with NSW Government requirements, as required.

NSWTG's Procurement Policy, Client Procurement Framework, Procurement Plan, guidelines and templates also support staff when procuring goods and services for customers or for general operating purposes.

Key staff have been trained in procurement and on using the eTendering website.

2 Policy statement

The following principles are relevant to all steps within the procurement process in order to reach an outcome that is defensible, minimises risk and meets the expected standard of probity:

- The overarching requirement for procurement is that NSWTG achieves value for money in the exercise of its functions and for its customers.
- Promotion of effective competition is encouraged to increase efficiency and innovation in procurement.
- Records are to be kept in accordance with the government and NSWTG requirements for auditing and accountability purposes.
- Sustainable procurement is incorporated into the procurement activities.

- Procurement is an area vulnerable to real and perceived fraud, corruption and maladministration. Therefore, procurement should be conducted in a manner that is fair, ethical, transparent and probity rich.

Some of these principles are described in more detail below.

2.1 Value for Money

Securing value for money is not necessarily about achieving the lowest price, nor the highest quality good or service. It requires a balanced assessment of a range of financial and non-financial factors such as quality, cost, fit for purpose, capability, risk, timeliness of delivery or other relevant factors – in particular, where procurement is for NSWTG customers, their needs and preferences or what is permitted under the terms of the will or trust deed and according to law.

2.2 Fair and Open Competition

Transparent, competitive processes build trust and confidence in NSWTG procurement practices and decisions. They ensure procurement is undertaken with integrity, that probity is appropriately managed and that accountability for outcomes is taken. Competition produces tangible outcomes such as cost savings, increased quality, innovation and supports market sustainability.

2.3 Easy to Do Business

Making procurement simpler, easier and more efficient saves time and money for both NSWTG and its customers. Streamlined and accessible processes lower barriers to participation and expand opportunities to a broad supply base, particularly for small and medium business.

2.4 Sustainable Procurement

Wherever possible, NSWTG procurement should seek to achieve outcomes that are beneficial beyond the primary purpose of the procurement. NSWTG should take care to ensure that due diligence is conducted on suppliers to ensure that their business practices do not pose a threat to the reputation to NSWTG or have negative impacts on any NSWTG customer group.

NSW Government encourages the use of small to medium enterprises (SME's), regional businesses, Aboriginal businesses and Australian disability enterprises. For contracts under \$250,000, NSWTG is required to first consider SME's, regional businesses and Aboriginal business in order to comply with NSW Government policy.

2.5 Governance and Planning

Governance refers to the overall procedural arrangements and systems to ensure that the adopted procurement process allows appropriate levels of control and probity. Successful procurement activities rely on having undertaken an appropriate level of prior planning to ensure the right governance and processes are undertaken. These include project planning and management; audit and review; fraud prevention program and framework; good standards in governance; a framework and process to identify, analyse, allocate and treat risks; maintenance of proper records on procurement activities; and an appropriate level of procurement capability and approval processes.

As part of the governance structure, the NSWTG Procurement Steering Committee (PSC) which is a sub group of the Executive Leadership Team, will provide strategic direction and oversight of NSWTG procurement. PSC will be responsible for high level oversight and monitoring of the procurement processes and procedures operating within NSWTG to ensure compliance with this Policy. The Chair of the PSC will also provide an update to the ELT on a regular basis as a standing item, to ensure all staff are kept informed of any changes relevant to the Agency.

All procurement activity must be conducted within the delegations of authority based on the total value of a contract over the course of its life. In the case of a procurement list (formerly known as a panel), the maximum likely value of available work for the whole list, over the life of the list is the value for which delegations should be applied in establishing the list. Once a list is established, NSWTG staff should apply the relevant financial delegations to the transaction being entered into.

Evaluation panels shall be established to assess all proposals requiring competitive, open, selective, or expression of interest procurement guided by an evaluation plan that is prepared before responses are received and that will outline how a proposal is to be assessed. The panel should consist of people who have the relevant skills and knowledge to appraise proposals and determine whether they represent value for money. The panel must be free of any conflict of interest and must contain at least 1 independent member nominated to participate in the full tender evaluation process.

3 Scope

This policy applies to all NSWTG staff, including the Public Guardian (PG), where they are procuring goods or services on behalf of customers or for the functioning of the organisation.

4 Legislative context

NSWTG Customer procurement is exempt from the [NSW Government Procurement Guidelines](#) when aligned with the definition of **Exempt Procurement**.

The relevant legislation for this policy includes:

- [Government Sector Finance Act 2018](#)
- [NSW Trustee and Guardian Act 2009](#)
- [Public Works and Procurement Act 1912](#)
- [Public Works and Procurement Regulation 2019](#)
- [Independent Commission Against Corruption Act 1988](#)
- [State Records Act 1998](#)
- [Government Sector Finance Act 2018](#)
- [Government Information \(Public Access\) Act 2009](#)

Corporate Procurement is not exempt and must strictly abide by the NSW Government's policies and procedures. The framework, policies and relevant procedures can be obtained at <https://buy.nsw.gov.au>.

NSWTG is not an accredited agency under this framework and can only procure goods and services valued up to a threshold of \$680,000, ex GST. For [construction](#) work, the threshold is higher at \$1.3 million, ex GST.

To procure goods and services over this value, NSWTG must seek concurrence from:

- an accredited agency within the cluster, or
- NSW Procurement.

5 Exemptions from supplier selection process

Limited exemptions are possible and should be submitted with supporting evidence, including detailed circumstances, rationale and approval for the exemption to the Senior Manager, Procurement and Supplier Relations for record.

5.1 Customer Procurement

Exemptions from the supplier selection process for customer procurement, including use of NSWTG panel suppliers, can be approved by the relevant Financial Delegate where:

- if the procurement is aligned with the definition of Exempt Procurement and:
 - the customer has requested their own service provider; or
 - NSWTG suppliers do not provide adequate coverage of the required services in the area of need.
- a need to take urgent action has been identified as per Responding to Customer Abuse Procedures.

5.2 Corporate Procurement

Any exemption for Corporate Procurement must be approved by the nominated Financial Delegate and Chief Executive Officer prior to obtaining quotes.

Exemptions may apply where:

- the required number of quotes or responses cannot be obtained; or
- there is a need to renew existing arrangements deemed critical to NSWTG operations; or
- seeking alternate supply would be infeasible or threaten continuity of supply; or
- alternate supply is unavailable for a specific timeframe.

6 Related resources

- [NSWTG Customer Procurement Framework](#)
- [NSWTG Contract Management Guidance](#)
- [NSW Government Procurement Framework](#)
- [NSWTG Internal Procurement Procedure](#)
- [NSWTG Corporate Financial Delegations](#)
- [Responding to Customer Abuse Procedures](#)

7 Definitions

Exempt Procurement means procurement for Customers is exempt from the [NSW Government Procurement Guidelines](#) in relation to the following:

- a) all sales and purchases by or for customers, estates, trusts, beneficiaries and any other work for people/organisations not of a corporate nature; and
- b) tendering for panels of property related works; legal services; authorised visitors; where such services will be paid for by the customers, estates, trusts, beneficiaries or other people/organisations.

Goods and services mean any type of right, interest or thing, both physical and intangible, which is legally capable of being owned (goods); and work performed by individuals or a group of individuals for others (services).

Procurement refers to a process that begins with the basic 'make or buy' decision, and then spans the 'whole of life' of supplier/construction arrangements. It includes the definition of business needs, designing and implementing arrangements, monitoring and managing contract and supplier performance, and reviewing outcomes to assess the effectiveness of arrangements.

Probity is uprightness, honesty, proper and ethical conduct and propriety in dealings, and can be defined as complete and confirmed integrity, uprightness and fairness in a particular process.

Value is the genuine, estimated value over the proposed term of an acquisition (not a value per annum). Unless specified otherwise, value is inclusive of GST. If an agency undertakes more than one procurement activity with the same supplier for the same goods and services within a reasonable period, the value of all the procurement activities should be added together (that is, order splitting is prohibited).