

# Procurement Policy



New South Wales  
Crime Commission

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# POLICY

## 1. Objective

This policy establishes the framework for simple and complex procurement activities at the NSW Crime Commission (the Commission), consistent with relevant legislation and the [NSW Government's Procurement Policy Framework](#).

The primary objectives of this policy are to ensure that **all** Commission procurement activities:

- are conducted in accordance with Government requirements;
- are conducted with minimal perceived or actual risk; and
- achieve best value for money; and
- meet the requirements of the Commission.

Before you commence your procurement activity, consult with the Finance & Procurement Team or the Chief Operating Officer, as the Chief Procurement Officer for the Commission, for advice, guidance, requirements and the latest information.

### 1.1 Overview

The *Public Works and Procurement Act 1912* provides the legislative basis for the procurement of goods and services, along with the establishment of the NSW Procurement Board (the Board). The Board oversees the procurement of goods and services by and for government agencies and monitors compliance.

The Commission is required to exercise its functions in relation to the procurement of goods and services in accordance with:

- any policies and directions of the Board that apply to the Commission
- the principles of probity and fairness.

The Commission is required to ensure it obtains value for money in relation to the procurement of goods and services.

The Commission is also, at the request of the Board, required to provide the Board with information about its activities in relation to the procurement of goods and services.

## 2. Scope/Application

This policy is binding on all Commission officers including a person engaged by the Commission as a consultant, contractor or a police officer under the *Crime Commission Act 2012*.

Specifically, this policy applies to all staff and, in particular, to those who have the responsibility, budget and/or financial delegation to arrange, approve and manage procurement.

It applies to the procurement of all goods and services, capital works, major plant and equipment, construction and infrastructure improvements, Information Communication Technology (ICT) projects, professional services, leasing arrangements, utilities and contract labour services regardless of the source of funding.

### 3. Definitions

**Contract:** A binding agreement between the Commission and a supplier established for a specific purpose for a specific duration and up to an amount approved by the Financial Delegate.

**Contractor:** A person or company engaged to undertake a particular task.

**Probity:** Ensuring the process of procurement is morally and ethically sound.

**Procurement:** a process that begins with the identification of a need, a basic 'make or buy' decision and then spans the 'whole life' of supplier arrangements, which includes definition of business needs, designing and implementing arrangements, monitoring and managing performance and reviewing outcomes to assess the effectiveness of the arrangements.

**Procurement Policy Framework:** The NSW Government Procurement Policy Framework. Importantly, construction and infrastructure procurement is not covered by the Procurement Policy Framework.

**Purchasing:** The process of buying or purchasing from supplier arrangements.

**Value for money:** The differential between the total benefit derived from a good or a service against its total cost, when assessed over the period the goods or services are to be utilised. Achieving value for money does not always mean that the 'highest quality' good or service is selected. A lower cost option still appropriate to quality requirements may be appropriate where an agency has limited funds available for a particular procurement. Value for money is achieved when the 'right sized' procurement solution is selected to meet an agency's need.

### 4. Policy Statements

The [NSW Government Procurement Policy Framework](#) applies.

Section 175 of the *Public Works and Procurement Act 1912* states:

*"The (NSW Procurement) Board may issue directions to government agencies regarding the procurement of goods and services by and for government agencies."*

Procurement must be conducted in accordance with any policy, direction or requirement issued by the NSW Government or the NSW Procurement Board. The current [Board Directions](#) are available on the ProcurePoint website at [www.procurepoint.nsw.gov.au](http://www.procurepoint.nsw.gov.au).

The Commission is unaccredited and must use approved methods for procurement of goods and services.

**Procurement Board Direction 2020-04** sets out the approved procurement arrangements for NSW government agencies, including outlining the methods for procuring goods and services based on the procurement value, summarised below:

These requirements do not apply to construction procurement.

Value	Process
<\$10,000	Purchase from any supplier, subject to agency safety and infrastructure requirements and provided the rates are reasonable and consistent with normal market rates.
\$10,000 - \$30,000	Obtain at least one written quotation.
\$30,000 - \$680,000	Obtain at least three written quotations or Conduct an appropriate procurement process approved by the agency head or an accredited agency within the cluster. Determine if the procurement is a covered procurement under PBD-2019-05 Enforceable Procurement Provisions and comply if required
≥\$680,000	and Conduct a procurement process endorsed by an accredited agency within the cluster (preferred) or NSW Procurement.

Agencies must use, where available, existing whole of government contracts for obtaining goods or services.

Agencies must also use the following whole of government prequalification schemes to obtain goods and services to which those schemes apply:

- Contingent Workforce
- Financial Services Prequalification Scheme
- ICT Services
- Motor Vehicle Acquisition
- Office Furniture Prequalification Scheme
- Operational Telecommunication Equipment, Infrastructure and Services
- Prequalification Scheme for General Construction Workers when procuring construction work valued up to \$1 million covered by the categories in the scheme.

The Commission applies the [Statement on Value for Money](#). All government agencies are required to ensure they obtain value for money in relation to the procurement of goods and services.

Order, invoice or project splitting, with the intention of avoiding upper procurement threshold levels, is prohibited.

[Procurement Board Direction 2013-01](#) requires agencies to test, on a regular basis, compliance with the [Procurement Policy Framework](#).

[Procurement Board Direction 2013-06](#) requires the Commission to progressively publish procurement plans on the eTendering website.

Advice and discussion on departures from the Procurement Policy Framework may be directed to the Chief Procurement Officer (the Chief Operating Officer) who may seek advice from the Department of Finance, Services and Innovation (DFSI) and consider whether other specialist advice is required, such as probity or legal advice.

The [Procure IT Framework](#) must be used for **all** ICT procurement.

- [Core& agreement \(Low Risk\) contract](#) (previously the Short form ICT contract) should be used for ICT procurement that is low risk and up to the value of \$1,000,000 (excluding GST).
- [Procure IT v3.2](#) should be used for all high risk ICT procurement over \$1 million (ex GST).

[Whole of government contracts](#), prequalification schemes and panels should be used wherever possible when selecting IT suppliers. The contracts cover areas such as Cloud

Purchasing Arrangements, Microsoft C2913, Telecommunications Purchasing Agreements and Cyber Security Arrangements.

The [ICT Services Scheme](#) contains a list of prequalified suppliers which must be consulted when procuring ICT goods and services. [Procurement Board Direction 2020-05](#) sets out the thresholds, processes and rules on order splitting when procuring ICT goods and services under the ICT Services Scheme.

The [Policy Framework for Construction](#) must be used for construction procurement.

The Commission is required to apply:

- the [Small and Medium Enterprises Policy Framework](#)
- [Board Direction 2014-02](#): Access to government contracting opportunities by SMEs
- the [30 days to pay](#) policy
- [Board Direction C2014-01](#): Construction procurement policies and procedures – interim arrangements
- [Board Direction 2014-06](#): Procurement of goods and services on behalf of other agencies
- [Board Direction 2012-07](#): Multi-agency access arrangements
- the [NSW Procurement Board Statement on the Promotion of Competition](#) ([Board Direction 2013-02](#))
- [Board Direction 2014-05](#): Procurement innovation stream
- [Board Direction 2019-05](#) Enforceable Procurement Provisions: Relates to international procurement agreements over the relevant procurement threshold.

All agencies must comply with international obligations and disclosure requirements.

## **4.1 Responsibilities**

The relevant Minister must approve all procurement activities with a value over \$1M. If Treasury approval is required the [Business Case for Treasury submissions](#) template must be completed.

### **4.1.1 Commissioner**

The Commissioner has financial delegation to approve procurements valued up to \$1M. All new procurement activities with a value over \$500,000 must be approved by the Commissioner. This is subject to funds availability and a budget allocation.

### **4.1.2 Assistant Commissioner**

Assistant Commissioners may approve procurement activities up to their financial delegation of \$500,000. This is subject to funds availability and a budget allocation.

### **4.1.3 Executive Directors**

The Executive Directors are responsible for ensuring that procurement activities within their Division are conducted in a manner consistent with this policy and the overarching policies, directions and guidelines of the Board and DFSI. All approvals for procurement activities must be signed by an Executive Director where the value of the procurement is within their financial delegation of \$50,000. This is subject to funds availability and a budget allocation. Those procurements with a value of greater than \$50,000 must also be approved by an Assistant Commissioner or, if the procurement value is greater than \$500,000, the Commissioner.

### **4.1.4 Chief Procurement Officer**

The Chief Operating Officer is the Commission's Chief Procurement Officer (CPO), in line with mandatory provisions of the Procurement Board's Goods and Services Procurement Policy Framework. The CPO is required to maintain current knowledge of existing practices, or be

able to readily obtain it, in order to provide advice and/or assistance to Commission officers undertaking procurement activities.

#### **4.1.5 Commission Officers**

Those Commission officers undertaking procurement activities must apprise themselves of the relevant provisions and guidelines for the method of procurement they are undertaking. This may be done by visiting the Finance intranet site and/or [www.procurepoint.nsw.gov.au](http://www.procurepoint.nsw.gov.au) or seeking assistance from the CPO as required.

A detailed [business case](#) must be prepared for approval of procurement proposals with a value over \$20,000. Approval sequence is guided by the financial delegations set out in the Government Sector Audit Act 1983 and summarised above. A formal post-implementation review (or post-completion evaluation) must also be completed whenever a business case has been submitted to support a procurement proposal. This post-implementation review is required for complex business cases only.

A supplier warranty must be obtained whenever equipment is procured.

#### **4.2. Values**

This policy supports the Commission's value of accountability.

### **5. Related Documents**

The following documents relate to this policy:

- Public Works and Procurement Act 1912
- NSW Government's Procurement Policy Framework
- Procure IT Framework
- Policy Framework for Construction
- Small and Medium Enterprises Policy Framework
- December 2011, ICAC, Corruption Risks in NSW Government Procurement – The Management Challenge
- Business Case Proposal - NSWCC 2018
- Business Case Proposal - NSWCC 2018 Financials Template
- Business Case for Treasury submissions.

## Version Control

Version	Effective date	Update comments	Author
1.0	31Jul14	Initial version (included procedures)	Governance Team
2.0	3Jul15	Change to Procurement Board Direction 2013-03 – procurement values and specific mention of other Board Directions as recommended by IAB audit of procurement compliance. Procedures section split from policy (being separately reviewed by DCS).	Governance Team
2.1	26 Sep18	Changed titles, included information regarding submission of business cases and other supporting documents and updated Procurement Board Direction PBD2013-03 to PBD2016-01.	Chief Operating Officer
2.2	28Nov18	Updated PBD 2016-01 to 2018-03.	Chief Operating officer
2.3	29Oct19	Updated to include PBD 2019-05.	Governance Team
2.4	03Jun20	Updated approval threshold for IT procurement from \$500,000 to 1,000,000.	Governance Team
2.5	9Nov20	Updated changes to reflect Procurement Board decisions and threshold changes.	Governance Team

## Publication Information

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