

OFFICIAL

Procurement Policy

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Contents

1	Objective	3
	1.1 Overview.....	3
2	Application	3
3	Definitions.....	3
4	Policy Statements	4
	4.1 Procurement Policy Framework.....	4
	4.2 NSW Procurement Board directions.....	4
	4.3 ICT procurement.....	5
	4.4 Other policies.....	6
5	Responsibilities.....	6
6	Related Legislation and Documents.....	7
7	Feedback	8
8	Version Control.....	8
9	Publication Information	9

1 Objective

This policy establishes a framework for procurement activities at the NSW Crime Commission (**the Commission**), consistent with relevant legislation and the NSW Government's [Procurement Policy Framework](#), and the Commission's information security management system which includes compliance with ISO 27001 and compliance with the Protective Security Policy Framework (PSPF).

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

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

Before commencing procurement activity, consult with the Finance & Procurement Team or the Chief Operating Officer, as the Chief Procurement Officer, 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 and establishes the NSW Procurement Board (**the Board**). The NSW Procurement Board sets a government-wide strategic approach to procurement and monitors compliance.

The Commission is required to procure goods and services in accordance with relevant policies and directions of the Board and the principles of probity and fairness. The Commission is required to ensure it obtains value for money in relation to procurement of goods and services. The Board may request the Commission provide information about its procurement activities.

2 Application

This policy applies to all staff. It 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*.

This policy 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 identifying a need, a basic 'make or buy' decision and spans the 'whole life' of supplier arrangements. It includes definition of business needs, designing and implementing arrangements, monitoring and managing performance and reviewing outcomes to assess effectiveness of the arrangements.
- **Procurement Policy Framework:** The NSW Government Procurement Policy Framework.
- **Purchasing:** The process of buying from supplier arrangements.

- **Value for money:** The difference between the total benefit derived from a good or service against its total cost, assessed over the planned utilisation period. Achieving value for money does not always mean the ‘highest quality’ good or service is selected. A lower cost option meeting quality requirements may be appropriate. Value for money is achieved when the ‘right sized’ procurement solution is selected to meet an agency’s need.

4 Policy Statements

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 Procurement Board and the NSW Government.

4.1 Procurement Policy Framework

The NSW Procurement Policy Framework provides a consolidated view of government procurement objectives and the Procurement Board’s requirements as they apply to each step of the procurement process.

All government agencies are required to obtain value for money in relation to procurement of goods and services. Order, invoice and project splitting to avoid upper procurement thresholds is prohibited. All agencies must comply with international obligations and disclosure requirements.

The Framework provides guidance about multi-agency ‘piggybacking’ arrangements.

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.

4.2 NSW Procurement Board directions

The current Board Directions are available on buy.nsw and are reflected and referenced in the Procurement Policy Framework.

The Commission is unaccredited and must use approved methods for procuring goods and services, set out in Procurement Board Direction 2021-04, summarised below:

- Agencies must use existing whole of government contracts for obtaining goods or services where the contract value is more than \$10,000. Agencies must 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.
- Where there is no whole of government procurement arrangement in place:

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.
≥\$680,000	Determine if the procurement is a covered procurement under PBD-2019-05 Enforceable Procurement Provisions and comply if required and Conduct a procurement process endorsed by an accredited agency within the cluster (preferred) or NSW Procurement.

The Commission is required to apply:

- Procurement Board Direction 2013-01 requires agencies to regularly test compliance with the Procurement Policy Framework.
- Board Direction 2019-03: Access to government construction procurement opportunities by SMEs
- Board Direction 2016-05: Procurement innovation stream
- Board Direction 2019-05 Enforceable Procurement Provisions: Relates to international procurement agreements over the relevant procurement threshold.
- Board Direction 2017-07: Monitoring supplier conduct
- Board Direction 2014-06: Procurement of goods and services on behalf of other agencies
- the NSW Procurement Board Statement on the Promotion of Competition (Board Direction 2013-02)

4.3 ICT procurement

Procurement Board Direction 2021-02 mandates use of the ICT Purchasing Framework for all ICT procurement:

- Core& contracting framework for low risk ICT procurement up to \$1 million (excluding GST)
- MICTA/ICTA contracting framework for high risk ICT procurement or over \$1 million (excluding GST)

A risk assessment must be undertaken to determine the correct framework for an ICT procurement activity. This includes putting in place as appropriate to the procurement proportionate protective security measures by identifying and documenting:

- Specific security risks to Commission staff, information and assets, and
- Mitigations for identified risks

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 and Telecommunications Purchasing Agreements.

The ICT Services Scheme contains a list of prequalified suppliers which must be consulted when procuring ICT goods and services. The scheme has two supplier categories:

- Registered suppliers can enter into low-risk contracts valued up to \$150,000 (excluding GST). They may be engaged using Core& contracts.

- Advanced suppliers can enter into high-risk contracts valued over \$150,000 (excluding GST). They may be engaged using Core& or MICTA/ICTA.

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.

Contracts for goods and services must include as appropriate to the procurement relevant security terms and conditions for the provider to:

- Apply appropriate information, physical and personnel security requirements
- Manage identified security risks relevant to the procurement, and
- Implement governance arrangements to manage ongoing protective security requirements, including to notify the Commission of any actual or suspected security incidents and follow reasonable direction from the Commission arising from incident investigations

4.4 Other policies

The Commission is required to apply:

- the Small and Medium Enterprises Policy Framework
- the Aboriginal Procurement Policy
- the Faster Payment Terms policy

Agencies must follow the Assurance process for construction procurement, summarised by the Construction Procurement Operating Model:

Activity	Accredited agency	Unaccredited agency
Undertake construction procurement valued less than or equal to \$1.3 million (excluding GST)	Yes	Yes
Undertake construction procurement valued over \$1.3 million (excluding GST)	Yes	Only if an accredited agency provides assurance for the procurement activity

5 Responsibilities

Procurement Board Direction 2021-04 requires Government agencies to obtain approval from their relevant Minister before entering into whole-of-government contracts. The Minister will assess if Cabinet consideration is necessary.

Treasury circular 12/19 requires submission of a business case to Treasury for procurement above \$5 million. NSW Government Business Case Guidelines (TPP 18-06) must be adhered to. The Commission has prepared a compliant Business Case for Treasury submissions template.

The Commissions Financial Delegations under the Government Sector Finance Act 2018 are available on OurSource and key delegations are summarised below:

Role	Delegation
Commissioner	The Commissioner has financial delegation to approve procurements valued up to \$1 million. All procurement activities valued above

Role	Delegation
	\$500,000 must be approved by the Commissioner. This is subject to funds availability and a budget allocation.
Chief Operating Officer (Chief Procurement Officer) and Assistant Commissioner	<p>The Chief Operating Officer (COO) is the Commission's Chief Procurement Officer (CPO), in line with the <u>Procurement Policy Framework</u>. The CPO must maintain current knowledge of existing practices to provide advice to Commission officers undertaking procurement activities.</p> <p>The Assistant Commissioner and the COO may approve procurement activities up to \$500,000. This is subject to funds availability, budget allocation and CPO (COO) approval.</p>
Executive Directors and Chief Information Officer	The Executive Directors and Chief Information Officer ensure procurement activities within their Division are consistent with this policy and the overarching policies, directions and guidelines of the Board. They may approve procurement activities up to \$300,000, subject to funds availability and budget allocation. Procurement with a value above \$100,000 must also be approved by the CPO (COO).
Commission officers	<p>Commission officers must review the provisions and guidelines for the method of procurement they are undertaking. This may include visiting the OurSource Finance and Procurement website, reviewing the <u>Staff Guide to Procurement Matters</u>, seeking assistance from the CPO and visiting buy.nsw.gov.au.</p> <p>A detailed <u>business case</u> must be prepared for procurement proposals with a value over \$100,000. Approval sequence is guided by the financial delegations. A post-implementation review (or post-completion evaluation) must be completed if a business case has been submitted to support a complex procurement proposal.</p> <p>A supplier warranty must be obtained whenever equipment is procured.</p>
Finance and Procurement Team	The Commission's Finance and Procurement team are available to provide advice regarding procurement matters. Formal financial and contract documents should be provided to the team for record and processing. The team maintains a Commission contract register and ensures that contracts with a value of \$150,000 or more are disclosed on the government contracts register in accordance with section 27 of the GIPA Act.

6 Related Legislation and Documents

The following documents relate to this policy:

- [Public Works and Procurement Act 1912](#)
- NSW Crime Commission Employee Guide to Procurement
- [Government Information \(Public Access\) Act 2009 – Sect 27](#)
- NSW Government's [Procurement Policy Framework](#)
- [NSW Government's ICT Purchasing Framework](#)
- [Small and Medium Enterprise and Regional Procurement Policy](#)
- [Aboriginal Procurement Policy](#)

- December 2011, ICAC, Corruption Risks in NSW Government Procurement – The Management Challenge
- Business Case Proposal - NSWCC 2021
- Business Case Proposal - NSWCC 2018 Financials Template
- Business Case for Treasury submissions

7 Feedback

Feedback about this policy can be provided to the Audit Risk and People team.

8 Version Control

Version	Effective Date	Update Comments	Author
1	31Jul14	Initial version (included procedures)	Governance Unit
2	3Jul15	Change to Procurement Board Direction 2013-03 and mention of other Board Directions. Procedures section split from policy.	Governance Unit
3	26 Sep18	Changed titles, included information regarding submission of business cases and other supporting documents and updated PBD2013-03 to PBD2016-01.	Governance Unit
4	03Jun20	Updated approval threshold for IT procurement from \$500,000 to 1,000,000.	Governance Unit
5	9 November 2020	Updated changes to reflect Procurement Board decisions and threshold changes.	Governance Unit
6	9 March 2023	Substantial updates relating to layout, delegation limits, updated frameworks, updated Procurement Board Directions.	Audit, Risk & People

9 Publication Information

Key Information	Details
Title	Procurement Policy
Policy Type	Policy
Policy Number	FIN2014/2
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Policy Contact	Chief Operating Officer
Approver	Chief Operating Officer
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Review Date	5 April 2028
Supersedes	Version 2.5
Acknowledgements	NSW Government's <u>Procurement Policy Framework</u>
Related Documents	NSW Crime Commission Employee Guide to Procurement

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