Section 1

- OBJECTIVES -

Value for money

Fair and open competition

Easy to do business

Innovation

Economic development, social outcomes and sustainability
Value for money

The overarching consideration for government procurement is ensuring best value for money in the procurement of goods, services and construction.

Value for money is not necessarily 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, fitness for purpose, capability, capacity, risk, total cost of ownership or other relevant factors.

References

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Table 2 References: Value for money
## Fair and open competition

Fair and open competition improves outcomes for NSW by broadening access to government procurement, especially for SMEs and regional businesses.

Transparent, competitive processes build trust in government procurement practices and decisions, drive fair and ethical behaviour, safeguard probity and foster healthy working relationships between government buyers and suppliers. Competition produces tangible outcomes such as cost savings, increased quality and innovation and supports market sustainability.

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<td>You <strong>must</strong> treat potential suppliers equitably and not discriminate based on business size, location or ownership, except where targeted policy measures or preferences apply (e.g. SME and Regional Procurement Policy).</td>
<td>Statement on promotion of competition</td>
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<td></td>
<td>![Icon]</td>
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<td>≥$657,000</td>
<td>You <strong>must not</strong> discriminate against suppliers due to foreign affiliation or ownership, or the origin of their goods or services, for procurements covered by <em>international procurement agreements</em>.</td>
<td>PBD-2017-06 International Procurement Agreements</td>
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<td>≥$9.2 million</td>
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<td>![Icon]</td>
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<td>You <strong>should</strong> assess the impact of contract terms and extensions on market competition, including how they will limit new suppliers from doing business with government.</td>
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<td>Probitity and fairness</td>
<td>![Icon]</td>
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<td>Any</td>
<td>You <strong>must</strong> ensure procurement is fair, ethical, transparent and probity rich and ensure that probity is routinely considered in procurement decisions.</td>
<td>Independent Commission Against Corruption Act 1988</td>
</tr>
<tr>
<td></td>
<td>![Icon]</td>
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<td>Any</td>
<td>You <strong>must</strong> safeguard confidential supplier information and treat tenders and business information fairly, impartially and securely.</td>
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<td>You <strong>should not</strong> use probity as a ‘road-block’ or to ignore innovative procurement arrangements with suppliers.</td>
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<td>Supplier conduct</td>
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<td>You <strong>must</strong> require suppliers to comply with relevant standards of</td>
<td>PBD-2017-07 Conduct by Suppliers</td>
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<td>behaviour and use reasonable endeavours to be aware of any adverse</td>
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<td>findings against current or prospective suppliers.</td>
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<td>You <strong>must</strong> keep appropriate records of procurement planning,</td>
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<td>You <strong>must</strong> comply with the contract disclosure and open access information</td>
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<td>You <strong>should</strong> proactively share information on procurement processes</td>
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Table 3: Fair and open competition
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Table 4 References: Fair and open competition

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**Key**
- ☑️ Mandatory
- 🔴 Recommended
- 🍴 Goods and Services
- ⚗ Construction
- 🌐 ICT
- 💼 Human services
- 📜 Additional information

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Section 1: Objectives | NSW Government Procurement Policy Framework

13
Easy to do business

NSW aims to be the easiest state to start and stay in business.

Making government procurement simpler, easier and more efficient saves time and money for both agencies and businesses. Streamlined and accessible processes lower barriers to participation and expand opportunities to a broad supply base, especially small and medium businesses.

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<td>Notifying suppliers of business</td>
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<td>You must advertise open tenders electronically on the eTendering website. Print advertising may only be used in exceptional circumstances where electronic advertising will not meet the agency’s needs. In these cases, eTendering must still also be used to, at a minimum, notify the market of the tender.</td>
<td><a href="http://www.tenders.nsw.gov.au">www.tenders.nsw.gov.au</a></td>
<td>M2011-16 NSW Government Tenders advertised on eTendering only</td>
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<td>opportunities</td>
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<td>You should provide as much notice as possible of upcoming procurement opportunities.</td>
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<td>You must ensure tender periods give respondents reasonable time to effectively price and prepare their submissions or bids.</td>
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<td>Contracts and prequalification schemes</td>
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<td>Mandated contracts must be used for ICT (Procure IT) and human services procurements.</td>
<td>PBD-2018-02 Procure IT Framework</td>
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<td></td>
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<td>&gt;$1.3 million</td>
<td>Unaccredited and partially accredited agencies must use the Procurement System for Construction, including contract templates, for construction works valued over $1.3 million. (Refer Section 2:02 Source, Contract requirements).</td>
<td>PBD-2017-04 Procuring Human Services from NGOs</td>
<td>PBD 2014-03C Threshold for Unaccredited Work</td>
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<td></td>
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<td>Any</td>
<td>Procurements using whole-of-government arrangements, e.g. standing offers and prequalification schemes, must use the designated contract for those arrangements.</td>
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<tr>
<td>Contracts and prequalification schemes</td>
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<td>Any</td>
<td>Agencies <strong>should</strong> use standard tender and contract templates with uniform terms and conditions across the agency, to make it easier for potential suppliers to familiarise themselves with contract requirements.</td>
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<td>You <strong>should</strong> use plain English and limit contract length and complexity.</td>
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<td>Any</td>
<td>You <strong>should</strong> apply the Procurement Board’s recommended commercial approaches to key contract terms except where individual circumstances and/or value for money considerations require otherwise. <a href="#">Commercial approaches in contracts</a></td>
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<td>Any</td>
<td>You <strong>should</strong> minimise insurances and indemnities imposed on suppliers, with risk allocated to the party best placed to mitigate or manage those risks.</td>
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<td>Any</td>
<td>You <strong>should</strong> identify opportunities to establish prequalification schemes in place of panel contracts and standing offers, so that new suppliers are not locked out of government business opportunities for long periods.</td>
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<td>Supplier payments</td>
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<td>Any</td>
<td>You <strong>must</strong> use the most efficient electronic payment method for suppliers, such as PCards or Electronic Funds Transfer (EFT), unless a viable electronic payment method is not available. <a href="#">DFSI 2015-02 Efficient Electronic Payment Methods</a></td>
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<td></td>
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<td>Any</td>
<td>Cheques <strong>should not</strong> be used unless a viable electronic payment method is not available.</td>
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<td>You <strong>should</strong> pay suppliers within contractual timeframes, noting your agency must report on payment performance in its annual report.</td>
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## Section 1: Objectives

### Easy to do business

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<td>Supplier payments</td>
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<td>You <strong>must</strong> pay registered <em>small businesses</em> (&lt; 20 FTEs) within 20 calendar days of receipt of a correctly rendered invoice for payments of $10,000 – $1 million, unless an existing contract or standing offer provides for an alternative time period.</td>
<td>Faster Payment Terms Policy</td>
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<td>You <strong>should</strong> pay invoices up to $10,000 as soon as possible by PCard, for <em>applicable expenditure categories</em>, unless a more cost-effective electronic alternative is available or the supplier cannot accept electronic payment methods.</td>
<td>DFSI-2015-02 Efficient Electronic Payment Methods</td>
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<td>You <strong>may</strong> use purchasing exemptions to procure goods and services directly from certain suppliers, subject to your agency’s safety, security or infrastructure requirements, even if the goods or services are available on whole-of-government arrangements. Refer Section 2: 01 Plan, Exemptions for details.</td>
<td>SME and Regional Procurement Policy, Aboriginal Procurement Policy, Aboriginal Participation in Construction Policy, Public Works and Procurement Regulation 2014</td>
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Table 5: Easy to do business
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**Key**:  
- ![Mandatory]: Mandatory  
- ![Recommended]: Recommended  
- ![Goods and services]: Goods and services  
- ![Construction]: Construction  
- ![ICT]: ICT  
- ![Human services]: Human services  
- ![Additional information]: Additional information
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Table 6 References: Easy to do business
Section 1: Objectives | NSW Government Procurement Policy Framework

19
Innovation

The marketplace is a great source of innovation and can assist government to work smarter and deliver better services.

Industry engagement and flexible procurement practices assist agencies to adopt innovative services and solutions and support supplier innovation in government’s supply chains.

Innovation can be encouraged at three levels of market engagement:

- **at the state economic level** – through effective, early, structured, and open communication of needs to the market
- **at the sourcing level** – by adapting sourcing methods to facilitate innovation and collaboration
- **at the contract management level** – by focusing on outcomes and developing supplier relationships that deliver value beyond the contract.

### Table: Innovation Opportunities

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<td>Testing new ideas</td>
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<td></td>
<td>&lt;$1 million</td>
<td>You <strong>may</strong> test the capability of new solutions to meet your current or emerging business needs through innovative collaborations or outcomes-based trials.</td>
<td>SME and Regional Procurement Policy, PBD-2019-03 Construction Procurement Opportunities for SMEs, Digital.nsw accelerator</td>
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<td></td>
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<td>Engaging with industry</td>
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<td></td>
<td>Any</td>
<td>You <strong>should</strong> engage with industry through all phases of the procurement lifecycle, noting there are increased opportunities for innovation if industry engagement takes place as early as possible.</td>
<td>Industry Engagement Guide</td>
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<td></td>
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<td>Any</td>
<td>You <strong>may</strong> consider complex market engagements to pursue innovative procurement outcomes, subject to complying with legislative and policy requirements including the IPA Guidelines.</td>
<td>Complex Market Engagement Methods</td>
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### Table 7: Innovation

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<td>Engaging with industry</td>
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<td>You <strong>must</strong> refer <em>unsolicited proposals</em> to the Department of Premier and Cabinet for assessment, noting such proposals are not a substitute for routine competitive procurement actions. An <em>unsolicited proposal</em> is an approach to government from a proponent over a commercial proposition, where the government has not requested the proposal (refer <a href="#">Glossary</a> for more). The focus of <em>unsolicited proposals</em> is on unique and innovative projects or services, with the proposal and proponent to be uniquely able to deliver the proposed service.</td>
<td>C2017-05 Unsolicited Proposals Unsolicited Proposals: Guide for Submission and Assessment</td>
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<tr>
<td>Construction</td>
<td>🌟 🟢 🟤</td>
<td>Any</td>
<td>You <strong>may</strong> consider a commissioning and contestability approach to pursue innovative, customer centric approaches to service delivery.</td>
<td>TPPI6-05 Commissioning and Contestability Policy</td>
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<tr>
<td>Engaging with the human services sector</td>
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<td>Any</td>
<td>You <strong>must</strong> refer to the CILF practice notes as guidance when procuring and delivering major infrastructure projects. The CILF notes provide strategies to address key challenges affecting the construction sector.</td>
<td>Construction Industry Leadership Forum (CILF) Practice Notes</td>
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<td></td>
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<td>You <strong>must</strong> use the NGO Registration Scheme – Human Services as a first step to sourcing information from NGOs that are seeking, or are contracted, to deliver human services on behalf of the NSW Government.</td>
<td>PBD-2016-04 NGO Registration Scheme</td>
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**Key**
- 🌟 Mandatory
- 🟢 Recommended
- 🟤 Goods and services
- 🟢 Construction
- 🟢 ICT
- 🟤 Human services
- 🟢 Additional information
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Table 8 References: Innovation
Economic development, social outcomes and sustainability

Government procurement can help to support economic participation, social outcomes, develop skills and create jobs for the citizens of NSW.

By building a diverse supply base, government agencies can support businesses of all types to grow and encourage economic development across the state. The government uses procurement to support small and medium sized businesses, Aboriginal-owned businesses, regional businesses and disability employment organisations. It is also using its substantial infrastructure investments to support jobs and skills development for a range of workers including Aboriginal people.

Sustainable procurement focuses on spending public money efficiently, economically and ethically to deliver value for money on a whole of life basis. Sustainable procurement extends the assessment of value for money beyond the sourcing process, considering benefits and risks to the organisation, the community, the economy and impacts on the environment.

Sustainable procurement:
- Considers how procurement impacts society, the economy and the environment
- Provides all suppliers with full and fair opportunities to compete
- Respects stakeholders’ interests, the rule of law and human rights
- Seeks innovative solutions to address sustainability throughout the supply chain
- Buys only what is needed or seek sustainable alternatives
- Analyses all procurement costs, including benefits for society, environment and the economy
- Integrates sustainability into procurement practices.
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<td>You <strong>must</strong> comply with the SME and Regional Procurement Policy to support the participation of <em>SMEs and regional businesses</em> in goods and services procurement.</td>
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<td>Employment of Aboriginal people</td>
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<td>You <strong>must</strong> comply with the Aboriginal Procurement Policy and Aboriginal Participation in Construction Policy, to support 3,000 FTE employment opportunities for Aboriginal people by 2021 through government procurement activities.</td>
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<td>Employment of people with a disability</td>
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<td>You <strong>may</strong> purchase goods and services of any value from an approved <em>disability employment organisation</em> via a single written quote, even if there is a whole of government arrangement in place.</td>
<td>Public Works and Procurement Regulation 2014</td>
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<td>Construction skills development</td>
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<td>You <strong>must</strong> set targets for apprentices and trainees engaged on construction projects valued &gt;$10 million and monitor the contractor’s progress in achieving the targets.</td>
<td>PBD 2017-05 Construction Training and Skills Development</td>
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<td>&gt;$500 million</td>
<td>Your agency <strong>must</strong> publish and periodically update a <em>Construction Skills Development Plan</em> if it has a planned construction expenditure &gt;$500 million over the for-ward estimates.</td>
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**Key**<br>绿色图标：Mandatory<br>黄色图标：Recommended<br>蓝色图标：Goods and services<br>红色图标：Construction<br>橙色图标：ICT<br>紫色图标：Human services<br>黄色图标：Additional information
### Section 1: Objectives

#### Economic, social and sustainable procurement outcomes

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<tr>
<td></td>
<td>🌟</td>
<td>🍚</td>
<td>Any</td>
<td>You <strong>should</strong> purchase construction materials with recycled content; copy, stationery and print publication paper with post-consumer recycled content, and non-recycled paper from sustainable sources. Refer to the GREP for information on recognised standards and certification programs for recycled content and sustainable sources.</td>
<td>M2012-08 Use of Biofuels</td>
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<td>You <strong>must</strong> use E10 and biodiesel blends where possible, unless there is a clear operational requirement that precludes the use of biofuels.</td>
<td><a href="https://www.greponline.nsw.gov.au">NSW Circular Economy Policy Statement</a></td>
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<td>🍚</td>
<td>Any</td>
<td>You <strong>should</strong> consider the product lifecycle when conducting needs analysis and developing product specifications, including taking account of circular economy principles, so that use of recycled materials and disposal or repurposing of goods or assets is planned into the procurement process.</td>
<td><a href="https://www.greponline.nsw.gov.au">NSW Circular Economy Policy Statement</a></td>
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Table 9: Economic, social and sustainable procurement outcomes
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Table 10 References: Economic, social and sustainable outcomes