

NSW Government
**Procurement
Policy Framework**



Section 3

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Governance

The NSW Procurement Board

The NSW Procurement Board is responsible for developing and implementing a government-wide strategic approach to procurement.

The Secretary of The Treasury is the chairperson of the Procurement Board. The board is made up of the cluster Secretaries, or approved deputies.

Three subcommittees currently operate as governance bodies supporting the board:

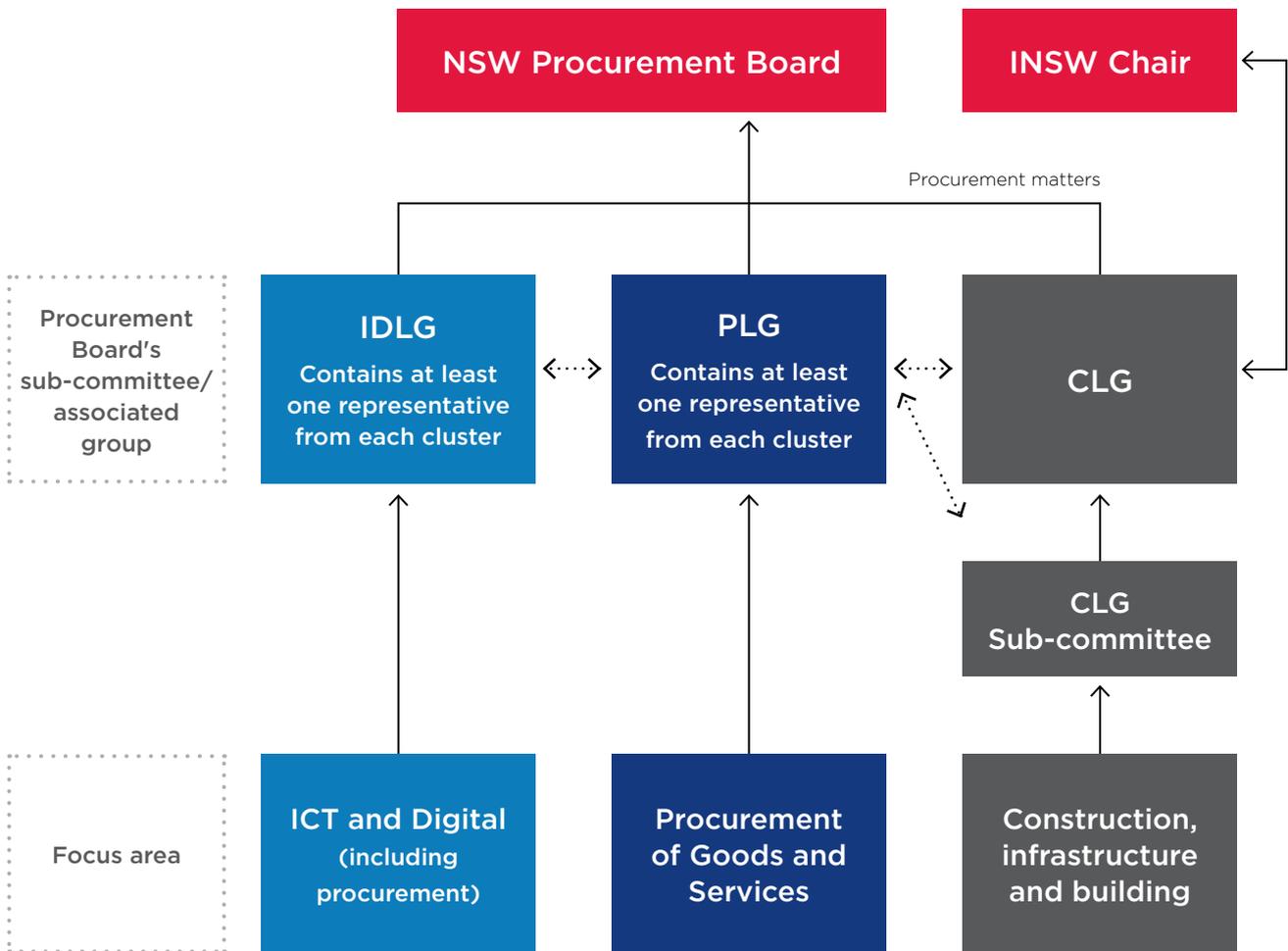


Figure 1: NSW Government procurement governance structure

Procurement Leadership Group (PLG)

The PLG is the principal advisory group to the Procurement Board on government goods and services procurement. The PLG considers and advises the board on whole-of-government procurement strategies, practices, policies and guidelines relating to the procurement of goods and services.

The PLG is made up of the cluster Chief Procurement Officers or approved delegates.

ICT and Digital Leadership Group (IDLG)

The IDLG is responsible for translating the Government's ICT strategy, procurement and associated implementation plans into outcomes across government. The IDLG considers matters relating to the procurement of ICT and digital products and services and advises the board on ICT related procurement policy.

The IDLG members include cluster Chief Information Officers or approved delegates.

Construction Leadership Group (CLG)

The CLG advises the NSW Procurement Board on construction and infrastructure-related procurement strategies and policies. The [CLG's Action Plan: A ten point commitment to the construction sector](#) details the CLG's current priorities and work plan.

The CLG is made up of senior executives from each cluster with responsibility for construction infrastructure.





Accreditation schemes

The Procurement Board has established separate goods and services and construction accreditation schemes. The accreditation schemes:

- establish minimum standards for managing procurement activities
- effectively manage risk
- promote the delivery of outcomes towards strategic priorities
- drive continuous improvement and capability development across the sector.

Goods and services accreditation

Level 1 accredited	Agencies may independently conduct procurement activities up to a maximum contract value based on the risk profile of the procurement as follows:	
	Low risk	<\$50 million
	Medium risk	<\$35 million
	High risk	<\$20 million
	Concurrence from a Level 2 accredited agency or NSW Procurement is required for a Level 1 accredited agency to conduct procurements above these thresholds.	
Level 2 accredited	Agencies may independently conduct procurement activities in line with approved budgets, financial delegations and procurement delegations. The responsibilities of Level 2 accredited agencies include: <ul style="list-style-type: none"> • taking a leadership role in relation to procurement in the cluster • taking lead buyer status for a category to establish and manage whole-of-government contracts. 	

Accredited agencies are responsible for establishing and managing internal procurement systems and governance mechanisms, in compliance with board directions and policies.

Accredited agencies **must** annually report to the board on performance over the previous year, and procurement plans for the next 12 or 24 months. Accredited agencies **must** also monitor and report trigger events that could impact their ability to meet accreditation requirements.

Construction accreditation

The construction accreditation scheme is currently under review. The updated accreditation scheme will become available in 2019.

Two legacy construction accreditation schemes are currently in place:

Accredited pre-2015

[Agency Accreditation Scheme for Construction: Guide for Agencies](#)

Accredited post-2015

[Agency Accreditation Scheme for Procurement \(joint scheme including goods and services procurement\)](#)

Construction accreditation assesses agencies for the planning and delivery phases of procurement. An agency may be accredited to undertake construction project planning without support but be required to obtain external support for the delivery phase. Unaccredited and partially accredited agencies must use the [standard construction contract templates and guidelines](#) for construction work valued above \$1.3 million. Fully accredited agencies can undertake procurement without external support using their own procurement system.

Resources

Category	Reference
 Goods and services	Accreditation Program Requirements
	Agency accreditation status list (goods and services)
 Construction	Agency Accreditation Scheme for Construction: Guide for Agencies (accredited pre- 2015)
	Agency accreditation Scheme for Procurement (accredited post-2015)
	Agency accreditation status list (construction)





Government procurement arrangements

NSW Government procurement arrangements include contracts, prequalification schemes, standing offers and panels, covering a broad array of goods and services including construction.

Whole-of-government arrangements

Standing offers and panels

Standing offers, including panels, are used by NSW government agencies to purchase goods and services that are required on a recurring basis across the sector. Standing offers are usually established using a tender process.

A *standing offer* is an arrangement setting out the terms and conditions, including a basis for pricing, under which a supplier agrees to supply specific goods and services to an eligible buyer for a specified period.

A *panel arrangement* involves more than one supplier whereby a standing offer is established with each supplier covering the same or similar goods or services, including a basis for pricing, for a specified period.

Standing offers and panels, routinely referred to as *whole of government contracts*, are a closed procurement arrangement where suppliers are approved to provide eligible buyers with a selection of goods and/or services for a fixed period.

The successful suppliers provide goods and services during the contract period, including any contract extensions, and generally no new suppliers are added during the contract period.

Whole-of-government contracts are mandated and must be used by NSW Government agencies to purchase the goods and services they cover (refer [Section 2:01 Plan, Existing arrangements](#)).

Current NSW Government whole-of-government contracts can be viewed on [ProcurePoint](#).

Prequalification schemes

Prequalification schemes, also known as Multi-Use Lists, Approved Lists or Procurement Lists, allow suppliers to apply to qualify for business opportunities with government agencies. The NSW Government's Prequalification Schemes provide a more flexible procurement approach to meet the government's sourcing requirements.

Prequalification schemes provide government buyers with access to lists of resources that meet relevant experience and qualification standards. The schemes aim to reduce red tape and streamline the process for agencies to source and engage external expertise, and for suppliers to register for a range of business opportunities.

NSW government prequalification schemes have the advantage of not 'locking-up' a market, with new suppliers able to register at any time, or at least periodically.

See the list of [all NSW Government prequalification schemes](#).

Agency-specific procurement arrangements

Agencies may have specific or unique procurement requirements or need to purchase goods or services on a one-off basis. In these cases, agencies establish their own contracts, standing offers or prequalification schemes to meet their specific needs.

While individual agencies establish and manage these arrangements, they may be made available for other agencies to use via a *piggybacking* clause. *Piggybacking* allows other agencies to use the arrangement, under the existing terms and conditions.

Government procurement solutions

eTendering	<ul style="list-style-type: none"> • Single entry point for NSW Government buyers and suppliers to advertise and respond to tenders • Upcoming, current and closed business opportunities • Government contract register for awarded contracts >\$150,000 (incl. GST) • Apply for prequalification schemes
buy.nsw	<ul style="list-style-type: none"> • buy.nsw is a new platform for ICT cloud products and services • Allows online registration to become a buyer or seller
NSW eQuote	<ul style="list-style-type: none"> • Online quoting system used by agencies to seek quotes from prequalified businesses
NSW eCatalogues	<ul style="list-style-type: none"> • Online catalogue and purchasing system connecting buyers and suppliers • Allows suppliers to list goods and services under contract • Visible to public, but without pricing information
ProcurePoint	<ul style="list-style-type: none"> • One place for all NSW Government procurement • Provides procurement information and tools to help NSW government agencies and current or potential suppliers

The Procurement Board is undertaking a refresh of the sector's digital procurement capabilities.

Responsibilities of suppliers

Suppliers to NSW Government need to fulfil a number of requirements in accordance with their agreements, which may include:

- conducting their business relationships in accordance with law and accepted standards of behaviour
- complying where relevant with the NSW Procurement Policy Framework, the [NSW Code of Practice for Procurement](#), the [NSW Industrial Relations Guidelines: Building and Construction Procurement](#) and the contracting agency's Statement of Business Ethics
- ensuring goods or services are delivered as per their contract with the buyer
- ensuring accurate documentation including invoices
- completing reporting requirements in relation to orders and contract spend
- participating in performance management activities with the contracting agency
- updating their contact information, product and pricing information on NSW eCatalogues.

Findings of dishonest, unfair, unconscionable, corrupt or otherwise illegal conduct, regardless of whether such conduct occurs in the context of a relationship with the NSW Government, can adversely affect the Government's reputation as a procurer. Such findings can have a range of consequences for individual suppliers, including as serious as exclusion from contracting opportunities with the Government.



Complaints and feedback

The NSW Procurement Board's responsibilities under the [Public Works and Procurement Act 1912](#) includes investigating and dealing with complaints about the procurement activities of agencies.

The [NSW Procurement Board's Complaints Management Guidelines](#) describes the process for managing complaints made about procurement, including setting out the circumstances in which the NSW Procurement Board may investigate complaints. It does not apply to complaints of a criminal or corrupt nature which should be referred to the relevant authorities for investigation.

Agencies are responsible for resolving complaints concerning their procurement actions at the appropriate agency level (usually commencing at the area undertaking the procurement), escalating as necessary and referring to external statutory bodies as appropriate. The complaints management process should be based on the government's [six commitments to effective complaint handling](#): respectful treatment, information and accessibility, good communication, taking ownership, timeliness, and transparency.

Complaints unresolved after this process may be referred by the complainant to the Procurement Board, via the [NSW Procurement Service Centre](#). In this instance copies of all correspondence with the agency concerned and all other relevant material will need to be provided.

The Procurement Board will review the material and information supplied by the complainant and the agency before making any decision to investigate a complaint. Where the board considers the agency has dealt with a complaint in an appropriate manner, it will decline to investigate separately.

If a complainant submits a complaint to the board prior to complaining to the relevant agency or where the agency is still considering the complaint, the board will refer the complainant to the agency concerned.

Agencies which are considered not to have complied with requirements will be required to take corrective action in relation to future procurement action. The board may issue directions and policies regarding corrective action.

Complaints handling

An effective complaints management process is integral to the principles of probity and fairness. It demonstrates the agency places a high level of importance on conducting procurement in an honest, fair, accountable and transparent manner. Complaints processes can also assist in diagnosing shortcomings in government procurement and provide a means for continuous improvement of procurement systems and standards of service.

Resources

Obligation	Reference	Classification
Guidelines	Applying the Commitments to Effective Complaint Handling - Guidance for Agencies (NSW Ombudsman)	Recommended
	Six Commitments to Effective Complaint Handling (NSW Ombudsman)	Recommended
	Complaint Management Framework (NSW Ombudsman)	Recommended
	Complaints Management Guidelines (Procurement Board)	Recommended
	Complaint Handling Improvement Program: Commitments Implementation Review (NSW Ombudsman)	Recommended
	Effective Complaint Handling Guidelines, 3rd Edition (NSW Ombudsman)	Recommended
	Managing Unreasonable Complainant Conduct (NSW Ombudsman)	Recommended
	Respectful Treatment (NSW Ombudsman)	Recommended
	Tips for Accessible Complaint Handling (NSW Ombudsman)	Recommended





Procurement board directions

Section 175 of the *Public works and Procurement Act 1912* grants the Procurement Board authority to issue directions to government agencies regarding the procurement of goods and

services of any kind, including construction.

A direction may be issued to government agencies generally or to a particular agency.

Resources

Direction	Title	Date commenced	Review date
2013-01C	Financial assessments	13 November 2013	-
2014-03C	Agency accreditation scheme for construction – threshold for unaccredited work	18 August 2014	-
2014-04C	Construction procurement prequalification schemes for work valued up to \$1 million	1 October 2014	-
2014-06	Procurement of goods and services on behalf of other government agencies	1 October 2014	-
2014-07	Recognising suppliers to the Australian Government	1 January 2015	N/A
2015-02	Agency accreditation scheme arrangements	22 July 2015	N/A
2015-03	Radio communications site licence agreement framework	1 September 2015	1 September 2025
2016-03	Construction standards and conformance	6 July 2016	6 July 2019
2016-04	Accessing information about non-government organisations delivering human services	6 July 2016	5 July 2019
2017-03	2017-03 Civil Liability Act 2002 – proportionate liability	1 November 2017	-
2017-04	Procuring human services from NGOs	13 September 2017	13 September 2019
2017-05	Construction training and skills development	26 October 2017	26 October 2020
2017-06	International procurement agreements	22 November 2017	-
2017-07	Conduct by suppliers	22 November 2017	22 November 2022
2018-02	Replacement of the ICT short form contract in the procure IT framework	1 November 2018	1 November 2023
2019-01	Engagement of professional services suppliers	26 March 2019	26 March 2021
2019-02	Telecommunications procurement	29 April 2019	29 April 2024
2019-03	Access to government construction procurement opportunities by SMEs	1 May 2019	1 May 2024
2019-04	Approved procurement arrangements	1 July 2019	1 July 2022
2019-05	Enforceable procurement provisions	29 November 2019	13 September 2024



