

Procurement and Contract Management Policy



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Branch contact:	Manager, Facilities and Built Infrastructure – 9273 1797		
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Policy Statement

The purpose of this policy is to ensure the Library's procurement and contract management activities;

- ensure the best value-for-money outcomes,
- minimise risk for the Library,
- promote open and fair competition,
- enable timely and accountable decision making, and
- are consistent with the legislation and the NSW Government's Procurement Policy Framework and the Code of Practice for Procurement.

Target audience

The policy applies to all staff that procure and/or manage contracts, including all goods and services, capital works, major plant and equipment, construction and improvement of infrastructure, Information Technology projects, professional services, leasing arrangements, utilities and contract labour services for the Library, regardless of the source of funding.

Operational requirements

1. Procurement Thresholds

Where the item to be procured is not available from whole of government contracts, the following applies:

Value (exc. GST)	Requirements
\$0 to \$5,000	<ul style="list-style-type: none">• A written quote is preferred, however a verbal quotation is acceptable.
Over \$5,000 up to \$30,000	<ul style="list-style-type: none">• At least one written quotation required
Over \$30,000 to \$250k	<ul style="list-style-type: none">• Procurement request form to be completed and approved• A Request for Quotation (RFQ) process to be undertaken, resulting in a minimum of three quotes
Over \$250k	<ul style="list-style-type: none">• Procurement request form to be completed and approved• A Request for Tender (RFT) process to be undertaken• A person with considerable tendering/procurement experience is required to coordinate the RFT process

- *The above values exclude Goods and Services Tax (GST)*
- *Quotations should be invited from suitable companies on NSW Government Prequalification schemes. The scheme's procurement value thresholds and conditions replace the above where applicable.*
- *The Value is the total cost over the term of the contract.*

- *Purchases must not be split into either components or succession of orders to reduce procurements requirements.*
- *For all procurements over \$5,000, a SAP purchase order must be created at time of purchase and approved prior to making a commitment.*
- *Original material purchased for the Library's Collection is exempt from the above and managed through the Collection Acquisition Policy.*

The above requirements will only be waived in exceptional circumstances, such as; an emergency, a proprietary product or sole-supplier or confidentiality. These exceptional circumstances shall require approval of the State Librarian.

2. Contract Management Requirements

Except for software licenses subscriptions and Software as a Service (SAAS), contracts which are over \$30k and have a contract duration in excess of 6 months shall have the following in place:

- A nominated Contract Manager who is responsible for ensuring the contracted goods and services are provided in accordance with the specification and terms of the contract and approving payments.
- An approved contract management plan.
- Monthly, quarterly or annual contract management meetings with the contractor, where Key Performance Indicators are discussed and meetings are minuted.

3. Record Keeping

- For single quotation procurements, the quotation must be attached to the SAP purchase order request.
- For procurements over \$30k, all procurement documentation shall be stored on the Library's SharePoint site, with access restricted to authorised staff. Procurement documentation shall include:
 - Procurement plans
 - Conflict of Interest disclosures
 - Request for quotation/tender documents
 - Quotation/tender responses
 - Evaluation plans
 - Quotation/tender recommendations
 - Approval by the appropriate financial delegate
- For all contracts nominated above in 2. *Contract Management Requirements*, documentation will be managed on the Library's SharePoint site. Contract documentation will include:
 - The signed contract
 - Contractor insurances, licences and WHS risk assessments
 - All substantive communications with the contractor
 - Meeting minutes, and KPI assessments
 - Variations to the contract
 - Records of any disputes and related discussions or negotiations
- All signed contracts, either paper or digital must be stored in TRIM.
- Procurement and contract documentation will also be archived in the Library's TRIM record management system.

4. Contract Register

The contract register will be maintained by the FBI Branch for all contracts nominated above in 2. *Contract Management Requirements*. The register will be a summary of key contract information and will be updated as contracts are added or expire.

Contracts value over \$150k including GST must be disclosed in accordance with the Government Information (Public Access) Act 2009

5. Disposals

The action of procurement may result in the need to dispose of redundant assets. Library assets which are; obsolete, non-compliant, redundant, excess or uneconomical to repair may be disposed of with the approval of the respective Director.

Assets should be disposed of to maximise returns whilst ensuring open and effective competition, such as:

- Auction (including eBay) - for assets of value;
- Dumping – for assets which have no or nominal value only;
- Donation to another government entity, cultural institution, registered charity or community organisation;

The staff responsible for the disposal must ensure that no conflict of interest occurs in or as a result of the asset disposal process

6. Safety and Sustainability

The Library will strive to make purchasing and procurement decisions wherever possible that; reduce greenhouse gas emissions; minimise the use of energy and water use and minimise the use of single-use items.

The Library is committed to reducing workplace hazards by ensuring that all suppliers, contractors and goods comply with all Work Health and Safety legislative requirements and the Library's procedural requirements, in particular:

- Suppliers and contractors must comply with all laws, including environmental protection laws, during the supply of goods, works or services.
- Suppliers and contractors are expected to be aware of risk management and legislative requirements and provide job and site-specific Safe Work Method Statements when undertaking works.
- Suppliers and contractors must have all appropriate insurance policies in place at all times during the period of supply of goods, works or services.

Responsibilities

Directors and managers are responsible for:

- Managing processes relevant to this policy and communicating this policy to staff.
- Monitoring and, where necessary, enforcing the policy and procedures

Staff participating in procurement activities should ensure their actions can withstand public scrutiny and undertake procurement activities in accordance with the Library's Code of Ethics & Conduct. This means being constant, open, and transparent in all dealing and declaring any potential or perceived conflicts of interest

The Contract Manager, as the Library's nominated person to manage the contract must:

- Ensure the contracted goods and services are provided in accordance with the specification and terms of the contract.
- Maintain a productive relationship with the contractor.
- Oversee and review the daily activities associated with the performance of the contract.
- Ensure ethical conduct, honesty and transparency in all dealings
- Review, monitor, manage and report contract risks.
- Maintain effective communication with contractor.
- Process and approve variations (within financial delegations).

- Document continuous improvement practices for future contracting purposes.
- Maintain appropriate records, document management and reporting.
- Certify accuracy of invoices prior to processing payment.
- Monitor contract performance and undertake contract performance reviews.
- Resolve disputes or assist with dispute resolution.

The Contracts and Procurement Coordinator will:

- Provide support and advice for all procurements
- Maintain the Contract Register
- Provide assistance for high-value and complex procurements, as required.

Related Key Legislation and Policy

- Procurement Board Direction-2018-03- Approved Procurement Arrangements
- Public Works and Procurement Act 1912.
- Independent Commission Against Corruption Act 1988
- Government Information (Public Access) Act 2009
- Government Sector Finance Act 2018
- Government Sector Employment Act 2013
- Government Sector Employment Regulation 2014
- State Records Act 1998

Definitions

Contract: A binding agreement between the Library and a supplier established for a specific purpose and/or for a specific duration.

Contractor: A person or company engaged to undertake a task as opposed to the provision of advice on those particular tasks; e.g. provision of training, provision of routine services or construction services in accordance with set specifications.

Probity: Probity is about making decisions with the right intentions, that are in good faith. Probity involves maintaining fidelity to public sector values and duties such as selflessness, accountability, fairness and observing value for money. Probity implies values such as integrity, uprightness and honesty and, in doing so, minimises the risk of corrupt or dishonest conduct and mismanagement.

Procurement: The end-to-end process associated with sourcing goods and services including, without limitation, planning, market research, sourcing, contract management, supplier relationship management, and benefits tracking. For the purposes of this procedure the term procurement is used interchangeably with the term purchasing.

Request for Quotation (RFQ): An RFQ shall have the following elements:

- a requirements specification, with appropriate commercial terms and conditions,
- a specific RFQ submission deadline (time and date)
- electronic lodgement via; eQuote, eTendering or an email box accessed after the RFQ close.

Request for Tender (RFT): As per the RFQ requirements, but with submissions received via eTendering

Document history and version control

Version	Date approved	Approved by	Brief description
1.0	25 June 2018		