

Procurement and Contract Management Policy



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Policy owner/sponsor:	Chief Operating Officer		
Branch contact:	Manager, Facilities – 9273 1797		
Approved by:	State Library Executive		
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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 \$10,000	<ul style="list-style-type: none">• A quotation is not required but recommended if normal market rates are not known.
Over \$10,000 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 to \$680k	<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
Over \$680k for goods and services, or Over \$1.3M for construction	<ul style="list-style-type: none">• Procurement request form to be completed and approved.• Facilities and Contracts Coordinator to advise the procurement pathway, as support from an Accredited Agency may be required.

- The above values exclude Goods and Services Tax (GST)
- Quotations must be sought from [whole-of-government contracts](#) for obtaining the goods or services to which those contracts apply. Also, the following whole of government prequalification schemes must be used:
 - [Contingent Workforce](#)
 - [Financial Services Prequalification Scheme](#)
 - [ICT Services](#)
 - [Motor Vehicle Acquisition](#)
 - [Office Furniture Prequalification Scheme](#)
 - [Operational Telecommunications Equipment, Infrastructure and Services](#)
 - [Prequalification Scheme for General Construction Works](#)

Where these schemes are used' 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 \$10,000, a SAP purchase order must be created at time of purchase and approved prior to making a commitment. For procurements over \$30k, the Procurement Register number must also be recorded in SAP.
- The [NSW Government Policy Procurement Framework](#) provides a comprehensive overview of all the obligations to be complied with when procuring.
- Original material purchased for the Library's Collection is exempt from the above and managed through the Collection Acquisition Policy.
- Any proposed procurement over \$500,000 with significant overseas inputs and/or foreign currency risk, must be undertaken in accordance with [TPP21-14](#).
- All suppliers/contractors must comply with the [NSW Government Supplier Code of Conduct](#).

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

The Procurement Register will act as checklist to ensure staff undertake the required activities throughout the process.

2. Procurement Evaluation

Procurements with non-price assessment criteria require the following:

- A tender evaluation plan.
- An evaluation committee of two or more people.
- All evaluation committee members must have signed the Conflict of Interest declaration and the procurement Code of Conduct.
- No unresolved conflicts of interest, real or perceived.

Procurements that are awarded based on the lowest-price do not require the above as subjective assessments are not being made.

All procurements should be assessed to ensure all new third-party technology contracts clearly define the cyber security requirements.

Software-as-a-Service providers should be assessed against the Security Checklist for Cloud Services Providers

Procurement processes for services that include the collection of Personal Identifiable Information (PII) should have a Privacy Impact Assessment conducted. This assessment should be conducted in conjunction with the Library's Privacy Officer.

3. Contract Management Requirements

Except for Software, contracts which are over \$30k and have a contract duration more than 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, approved by the relevant Director.
- Monthly, quarterly, or annual contract management meetings

The Contract Manager shall provide a quarterly update via a SharePoint form on the contract health status key indicators of:

- WHS and safety management
- Delivery of contractual requirements
- Financial Management
- Sustainability
- Report delivery
- Contract meeting attendance
- Fraud and corruption
- Cyber Security
- Privacy

A SAP purchase order for the relevant financial year or term of the contract shall be used to control the expenditure against the contract.

4. Record Keeping

- For single quotation procurements, the quotation must be attached to the SAP purchase order request.
- For all 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 3. *Contract Management Requirements*, the following documentation shall be archived on the Library's SharePoint site:
 - 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

5. Contract Register

The contract register will be maintained by the Facilities Branch for all contracts nominated above in 3. *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.

6. 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;
- Donation to another government entity, cultural institution, registered charity or community organisation; or
- Recycling or rubbish – for assets which have no or nominal value only.

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

7. 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.
- Construction procurement and delivery shall be in accordance with the [NSW Government Work Health & Safety management guidelines](#).

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, 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.
- Update the contract health status key indicators quarterly.
- Resolve disputes or assist with dispute resolution.

The Facilities and Contracts Coordinator will:

- Provide support and advice for all procurements.
- Maintain the Procurement Register.
- Maintain the Contract Register.
- Provide the quarterly contract dashboard Executive update.
- Provide assistance for high-value and complex procurements, as required.
- Undertake an organisational spend analysis review quarterly.

Related Key Legislation and Policy

- [Procurement Board Direction 2021-04 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.

Contract Manager: The Library's nominated person who is responsible for the management of that contract.

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

Software: Generic software and subscriptions, including software-as-a-service are excluded from contract management requirements. However, specialised or custom software with support or maintenance services above the \$30k threshold do require contract management.

Document history and version control

Version	Date approved	Approved by	Brief description
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3.1	7 March 2023	State Library Executive	Comments applied and approved