

Western Parkland City Authority

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Procurement Policy (Goods and Services)

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Version	Objective ID	Status	Date	Prepared By	Comments
1		Final	31/3/2020	Virginia Tinson	New policy
2		Final	30/10/2020	Rajiv Kumar	Amended to reflect- <ul style="list-style-type: none"> PBD 2020-04: Approved procurement arrangements Updated financial sub-delegations for COO, Clerk Grade 11/12 and business coordinators.
3		Final	12/2/2021	Rajiv Kumar	Amended to reflect updated financial sub-delegations for Head Aerotropolis Development. Refreshed to reflect

Version	Objective ID	Status	Date	Prepared By	Comments
					<u>Administrative updates to the Procurement Policy Framework</u>
4		Final	August 2021	David Hurrell	Updated to remove duplicated flow diagrams in Procurement Guidelines for Goods and Services, to clarify that it is a policy for Goods and Services Only and to remove financial delegations that are now published elsewhere.
5	A5351457	Final	17/12/2021	Virginia Tinson	Reviewed with minor update and adopted WPCA branding

Review date

The Authority will review this Policy every two years or more frequently if required. It may be reviewed earlier in response to a change in the Australian Government or NSW guidelines.

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1. Introduction

1.1 The Western Parkland City Authority

The Western Parkland City Authority (Authority) is a place focused organisation responsible for the planning, coordination and delivery of the Western Parkland City, creating a new benchmark for connectivity, innovation, liveability and smart city design. The Authority is working alongside three levels of government, national and global industry to masterplan and deliver a city focussed on globally competitive advanced manufacturing, aerospace, defence, quantum computing, research and agribusiness, within a thriving, resilient community.

Anchored by Sydney's first 24/7 international airport, the Western Parkland City will open Western Sydney to the world: delivering jobs, infrastructure, education pathways and enhanced liveability for the Western Parkland City.

1.2 Policy Statement

The Authority is committed to ensuring value for money whilst encompasses being fair, ethical and transparent when procuring goods and services. The procurement of goods and services supports the Authority in its Strategy to deliver the Western Parkland City. This involves leading master planning and delivery of the Aerotropolis, investment attraction and undertaking planning and infrastructure coordination across the Western Parkland City in collaboration with the local councils and State and Commonwealth government agencies. The Authority is a non-accredited agency under the NSW Government Procurement Framework.

1.3 What are the Objectives of the Policy?

The objectives of the Authority's procurement policy are to:

- maintain standards of transparency, probity and ethics;
- consider and apply value for money requirements, ensuring quality of goods, services and works;
- ensure accountability, consistency and alignment in procurement practices across the Authority;
- commit to fair and effective competition, innovation and continuous improvement;
- identify sustainable and socially responsible procurement solutions;
- provide efficient processes, a robust risk management framework and flexibility to support the Authority and its suppliers;
- facilitate and promote compliance with the NSW Government's current Procurement Policy Framework.

1.4 Who does the Policy apply to?

This policy applies to all the Authority's staff, which includes employees, contractors and consultants, who undertake or are involved in procurement. Procurement is the purchasing of goods and services, which includes engaging consultants. Procurement does not include engaging contingent workers or recruiting employees.

2. Procurement Policy Framework

2.1 Procurement Governance

This Procurement Policy documents the Authority's governance of procurement and provides information about procurement in general.

2.1.1 Ethical Code of Conduct

The Authority's Code of Ethics and Conduct sits alongside and is complementary to the [Code of Ethics and Conduct for NSW Government sector](#). Both Codes of Ethics and Conduct apply to all employees, contractors and consultants engaged by the Agency. The codes are based around four core values – integrity, trust, service and accountability.

2.1.2 Authority's Delegations

The Authority's Delegations provide the financial delegation as delegated by the Authority's Board to our Chief Executive Officer (CEO) and in turn the CEO has sub delegated certain functions and financial limits to government employees. This sets the financial limits for expenditure by government employees for and on behalf of the Authority. Refer to the Authority's Delegation Manual.

2.1.3 Gifts and Benefits Policy

All staff should read and be familiar with the Authority's Gifts and Benefits Policy, which applies to all staff including contractors and consultants.

2.1.4 Purchasing Cards Policy

The Authority has a Purchasing Cards Policy which clearly outlines conditions and processes that ensure effective management control over the use of purchasing cards.

2.1.5 Procurement Board Directions

The NSW Procurement Board has the statutory power to issue Board Directions. These Board Directions set rules and guidelines around procurement by NSW Government agencies.

NSW Procurement Board Directions can be viewed on the [buy.nsw](#). Key directives relevant to the Authority's Procurement requirements include:

- **An agency must not** split orders to avoid procurement threshold levels and/or governance requirements;

- **An agency must** use [whole-of-government contracts and specified prequalification schemes](#) to purchase relevant goods and services, except where exemptions are provided by the Procurement Policy Framework;
- **An agency may** purchase goods or services (including construction) valued up to \$10,000 (ex GST) from any supplier, even if the goods or services are available on whole of government procurement arrangements. Buyers must comply with internal agency procurement policies and delegations, including your agency's safety, security or infrastructure requirements.

2.1.6 NSW Government Procurement Policy Framework

The [NSW Government 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. The Framework sets out the policy and operating framework for the NSW public sector procurement system and provides a single source of guidance on the rules for procurement.

2.2 Context

The Authority's Procurement Policy is aligned with and guided by the NSW Government Procurement Policy Framework, issued by the NSW Procurement Board and Board Directions.

A fundamental objective of the Framework is to ensure that government procurement activities achieve [value for money](#) in supporting the delivery of government services.

The legislative and administrative framework includes:

- [Public Works and Procurement Act 1912](#)
- [Public Works and Procurement Regulation 2019](#)
- [Government Sector Finance Act 2018](#)
- [Government Information \(Public Access\) Act 2009 \(GIPA\)](#)
- [State Records Act 1998](#)
- [Commonwealth Disability Discrimination Act 1992](#)
- [Work Health and Safety Act 2011](#)
- [Work Health and Safety Regulation 2011](#)
- [Independent Commission Against Corruption Act 1998](#)
- [NSW Government Procurement Policy Framework](#)
- [NSW Procurement Board Directions](#) and relevant Board Statements and Policy Frameworks
- [Accreditation Program for Goods and Services Procurement](#)
- Current whole of government policy, Premier's Memoranda and relevant NSW Treasury Policy and Circular requirements.

2.3 Key Responsibilities

Staff (including contractors & consultants) responsibilities include:

- Initiating purchase orders for goods and services wherever possible, prior to procurement;
- Following NSW Government policies and this Policy & Procedures for procurement;
- Consulting with the Authority's Procurement Team for purchases other than standard goods;
- Procuring goods and services from NSW Government contracts and pre-qualification schemes where applicable;
- Obtaining approval to procure from their Manager and delegate prior to procurement occurring;
- Obtaining quotations for purchases as appropriate;
- Checking of goods or services received and updating system records accordingly;
- Maintaining adequate records in accordance with the [State Records Act 1998](#) and in line with the Authority's policy and making the necessary disclosures in accordance with [Government Information \(Public Access\) Act 2009 \(GIPA\)](#);
- Ensuring purchase orders are initiated prior to the supply of goods and services;
- Reviewing quotations received for purchases;
- Ensuring the number and form of quotations sought are appropriate;
- Approving purchases under financial delegations;
- Ensuring staff adhere to the requirements of the [State Records Act 1998](#) and the Authority's policies for document management and security;
- Ensuring staff adhere to this Procurement Policy and Procedures;
- Ensuring that staff performing purchasing functions are aware of NSW Government policies; and
- Ensuring contracts are registered on the Contracts Register, [Government Information \(Public Access\) Act 2009 \(GIPA\)](#) requirements are met; and
- Ensuring that the contacts are performed in accordance with the contract requirements.

3. Procurement Procedures

3.1 What do I need to do to procure goods and services?

3.1.1 Approval to incur expenditure and procure

All Authority expenditure must be approved by a NSW Government officer with appropriate financial delegation. Staff with financial delegation must not approve expenditure relating to their own activities or for activities outside of their area of responsibility. Purchases must **not** be split into components or a succession of orders in order to avoid seeking approval from an appropriately delegated government officer.

3.1.2 Value for money

The Statement on Value for Money should be referred to when assessing value for money. A range of factors must be considered, such as quality, reliability, fit for purpose, service and support, as well as initial and ongoing costs. Achieving value for money does not always mean that the 'highest quality' good or service is selected. A lower cost option still appropriate to quality requirements may be appropriate where an agency has limited funds available for a particular procurement. Value for money is achieved when the 'right sized' procurement solution is selected to meet an agency's need.

3.1.3 Ethical Behaviour

It is expected that staff responsible for procurement will act to ensure the best value for money reasonably available and behave ethically. Ethical behaviour embraces the principles of honesty and fairness, accountability and transparency, avoiding conflicts of interest, and compliance with laws and regulations. Practices that are anticompetitive or confer an improper advantage to one party over another must be avoided.

3.1.4 Contract disclosures

The Authority is required to publicly disclose details of or the entire contract with the private sector with an estimated value of \$150,000 or above (GST inclusive). This information must be published on the NSW Government tenders website (e-Tenders) within 45 working days after the contract becomes effective regardless of how the supply was sourced. (effective is from the date of execution or when any preconditions are satisfied)

[Government Information \(Public Access\) Act 2009 \(GIPA\)](#) details the level of information requiring disclosure.

The Authority will maintain a Contracts Register to contain contract details. This is in addition to our GIPA Act contract disclosure requirements. Contract disclosure is the responsibility of the officer undertaking or managing a procurement activity or approving a purchase order in consultation with the Authority's Procurement Team.

3.1.5 Transparency and Record Keeping

Accurate records are an important component of the Authority's corporate memory, assets and resources. They provide evidence of actions and decisions and are an indispensable ingredient in accountability, transparency and assurance. The Authority must keep records in accordance with the [State Records Act 1998](#).

The Authority's Records Management Framework and associated policies and the use of our corporate electronic document and records management system (Objective) applies to all staff and contractors. It addresses the process of managing records from their creation or receipt through registration, distribution, organisation and retrieval to their ultimate preservation or disposal.

3.2 How do I procure goods and services?

3.2.1 Purchase Orders

The procurement of goods and services is affected by a contract and an official purchase order. Expenditures shall be committed or incurred by staff only in a way that is authorised. Expenditure of money is authorised if it is done in accordance with a financial delegation from a person with power regarding the expenditure of money or as authorised under the [Government Sector Finance Act 2018](#)

or another Act ([section 5.5, Government Sector Finance Act 2018](#)). Purchase orders should be raised and approved prior to expenditure being committed or incurred.

3.2.2 Purchasing Cards

The Authority recognises that Purchasing cards (P-Cards) are an efficient method for arranging the purchase of goods and services subject to certain conditions. P-Cards are used to purchase a range of business-related goods and services. The use of P-Cards is subject to financial delegation. The default transaction limit is \$10,000 per item. The Authority's Purchasing Card Policy outlines the requirements for use of P-Cards.

Goods sourced from overseas suppliers should be procured using a Purchasing Card where practicable in order to minimise the risk of foreign currency fluctuations.

3.2.3 Prequalification schemes or NSW Government contracts

Where possible staff must use prequalification schemes or NSW Government contracts to make purchases as directed by NSW Procurement Board Direction 2021-04 Approved procurement arrangements. There are mandatory schemes which must be used to procure specified good and services.

Circumstances arise where purchases will need to be made outside of NSW Government Contracts or the Prequalification Scheme, these will need to be justified and generally occur when the required products are not available on these contracts. In some instances, approval of the CEO may be required. It is not the responsibility of Authority staff to assist suppliers to make application to such contracts or schemes.

All purchases should be made in accordance with the steps set out in the Authority's Procurement Guidelines.

3.2.4 Supply by Government Entities

An agency may obtain goods or services directly from any government entity that provides those goods or services in the exercise of its principal functions.

In accordance with the NSW Procurement Policy Framework, NSW Government agencies are exempt from having to comply with NSW Government procurement policies, including Board Directions, when buying from other Government entities as stipulated on the NSW Government's Procurement website buy.nsw.gov.au – [Exemptions and preferences](#)

As a result of the exemption associated with procuring from another Government agency, the Authority's normal delegation for approving the procurement expenditure applies.

3.2.5 Sole Suppliers

Sole sourcing is a direct arrangement with a single supplier to provide goods or services without conducting a competitive process. It differs to the appointment of a single supplier following the conduct of a competitive process and does not include the engagement of a sole supplier where the value of the procurement is low, i.e.:

- P-Card payments under \$10k
- Purchases outside of whole of government procurement arrangements under \$30k

It also does not include direct negotiation with suppliers sourced through whole of government arrangements under prescribed scheme/contract thresholds.

Caution should be exercised in determining that a market consists of a single supplier. Further

guidance on planning and executing direct negotiations is available in the ICAC publication [Direct negotiations - guidelines for managing risks in direct negotiations](#) and [Direct Dealings Guidelines](#) on [buy.nsw](#).

3.2.6 Small and Medium Enterprises and Regional Procurement Policy

The [Small and Medium Enterprise \(SME\) and Regional Procurement Policy](#) is designed to increase participation of SMEs and regional businesses in government procurement of goods and services.

When a staff member is permitted to directly purchase goods or services from a supplier or directly negotiate with a supplier, they must first consider purchasing from an SME.

This initiative applies to all direct procurements, including from prequalification schemes and panels, up to a maximum value of \$250,000(GST excl).

3.2.7 Aboriginal Procurement Policy

The [Aboriginal Procurement Policy \(APP\)](#) aims to increase the participation of Aboriginal owned businesses in NSW Government procurement.

The APP specifies that agencies should give first consideration to Aboriginal owned businesses on prequalification schemes before going to market, where appropriate.

Agencies may purchase goods and services valued up to \$250,000 (GST excl) from an Aboriginal owned business after receiving a single quote provided that the supplier meets requirements of value for money and quality.

3.2.8 International Procurement Arrangements

Australia is party to several free trade agreements that include government procurement provisions that apply to NSW Government entities.

Procurement Board Direction [PBD 2019-05](#) Enforceable Procurement provisions and related guidelines provide guidance on agreements that currently apply.

Agencies listed on Schedule One of the Direction must comply with International Procurement Agreements (IPA) Guidelines for covered procurements where the value exceeds \$680,000. This will generally entail an open tender process. It should be noted that WPCA is one of the agencies not listed in Schedule 1 so at this point does not have to comply.

3.3 Simple procurements

3.3.1 What is classed as a simple procurement?

Simple procurements are purchasing services through prequalification scheme or government contracts. These procurements are low risk to the Authority's reputation or from non-delivery of a service. These will include:

- Low risk and non –prequalification schemes up to \$680k
- Prequalification scheme

3.4 Complex procurements

3.4.1 What is classed as a complex procurement?

Complex procurements are:

- Not under the prequalification or NSW Government contract
- High risk to the Authority's reputation or from non-delivery
- Procurements over \$680k and require an Accredited Agency's oversight.

3.4.2 Procurement arrangements > \$680k

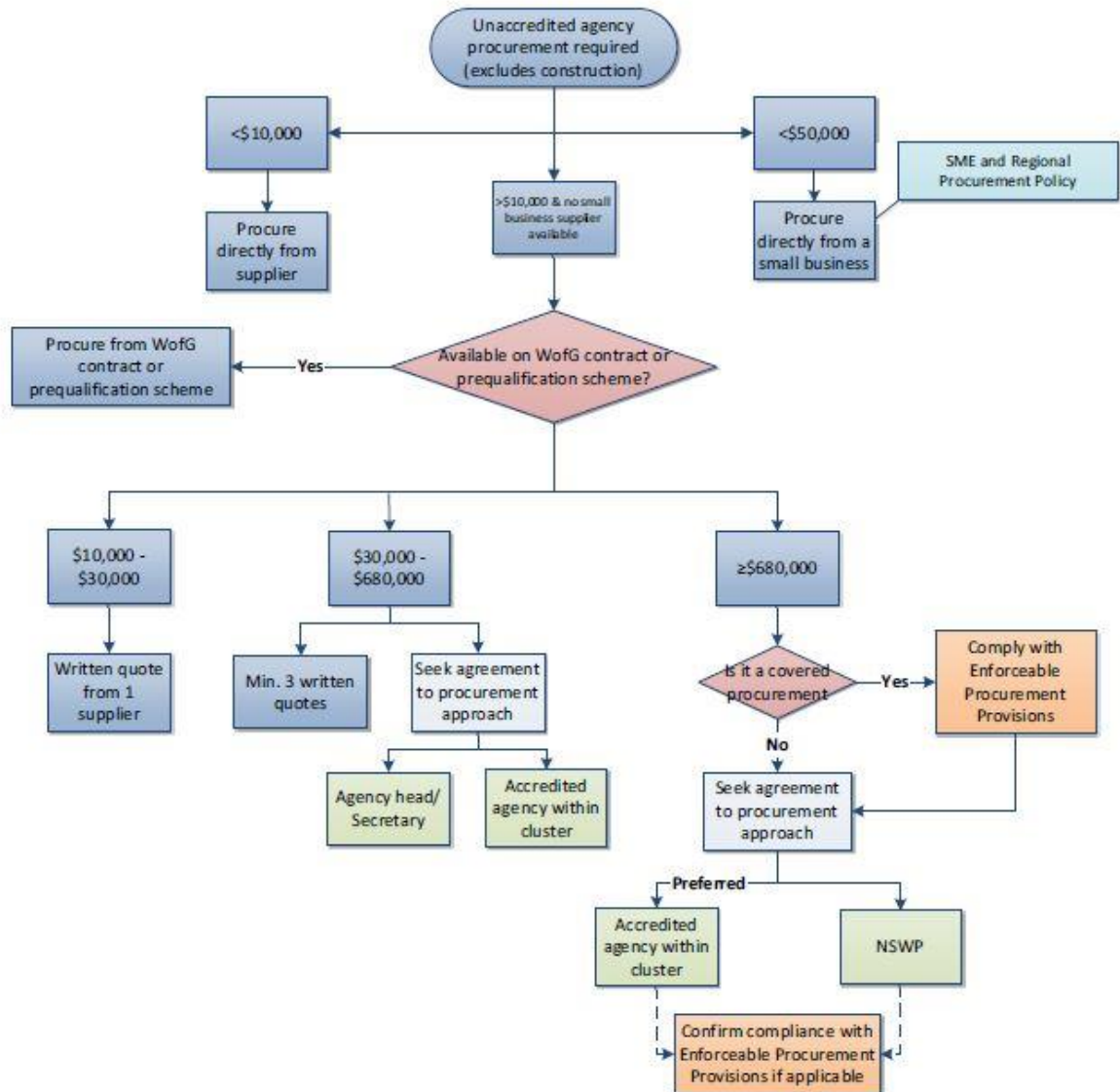
The Authority is currently classed as a non-accredited agency for procurement purposes. When conducting procurements valued over \$680k (ex. GST), as an unaccredited agency, we must now seek concurrence from an accredited agency within the Cluster or NSW Procurement.

This provision applies to any goods or services procurement valued over \$680k by an unaccredited agency, excluding construction, that is not available on a whole-of-government arrangement or when only some of the proponents approached are on a whole of government arrangement and others are not. Refer to [Appendix 1](#) for the flow diagram relating to a non-accredited agency.

Procurements over \$680k require an Accredited Agency's oversight and also require an internally approved procurement strategy. Refer to the procurement strategy template.

Appendix 1: Process for Non-accredited Agencies for procurements >\$680k

Note, if your procurement arrangement is forecasted to be over \$680k and not using a whole-of-government contract or prequalification scheme, then early consultation with our Procurement Team and NSW Procurement is required to ensure a timely process as a non-accredited agency.



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