



POLICY P4.1.3 PROCUREMENT

ITEM	DESCRIPTION
Version Number	2.3
SOPs	> None
Owner	Executive Director Technology, Finance & Legal
Contact	Manager Procurement
Approved Date	22 July 2021
Effective Date	22 July 2021
Next Review Date	22 July 2026
Document Control	Electronic - Printed Copies are Uncontrolled

1 Purpose

- 1.1 The NSW Rural Fire Service (NSW RFS) values and upholds the ethical framework of the NSW Public Sector including its values of:
 - a. Integrity;
 - b. Trust;
 - c. Service; and
 - d. Accountability.
- 1.2 The use of public monies to purchase goods and services by the NSW RFS must be done with due care and diligence as well as in accordance with the *Government Sector Employment Act 2013*, the NSW State Government Procurement Framework and other government policies and guidelines.
- 1.3 NSW RFS is currently accredited under the NSW government agency accreditation scheme to undertake goods and services procurement. As a Level 1 accredited agency NSW RFS maximum contract value for low risk procurement events is \$50,000,000, \$35,000,000 for medium risk and \$20,000,000 for high risk. Risk assessment is undertaken via the decision tree in Appendix C of the [Accreditation Program Requirements](#).
- 1.4 NSW RFS is not accredited for construction procurement. As an unaccredited agency, NSW RFS construction procurement (excluding services in relation to facility maintenance) is limited to a maximum contract value of \$1,300,000.
- 1.5 Sound procurement processes ensure the NSW RFS:
 - a. Maintains high standards of transparency, probity, ethics and integrity;
 - b. Drives value for money, ensuring quality goods and services;
 - c. Ensures accountability and consistency in procurement practices across its various business units;
 - d. Commits to fair and effective competition, innovation and continuous improvement;

- e. Provides flexibility and support to the organisation and its suppliers; and
 - f. Aligns procurement with business needs.
- 1.6 This Policy and associated Procurement Manual apply to all staff, members and contractors who are:
- a. Approved to procure goods whilst employed by or contracted to the NSW RFS; and
 - b. Involved in the procurement process, including evaluation, purchasing and disposal of goods or services.

2 Policy

Procurement Manual

- 2.1 This Policy is supported by the NSW RFS Procurement Manual and the Quote to Contract User Guide as sources of further information relating to the policy and associated procurement procedures and should be referred to in the first instance for any procurement matters.
- 2.2 The Procurement Manual and the Quote to Contract User Guide will be updated regularly to incorporate changes in NSW RFS and Government policies.
- 2.3 To ensure currency of information, only the NSW RFS Procurement Manual available on the NSW RFS Intranet should be referred to.

General

- 2.4 All procurement of construction, goods and services by the NSW RFS shall be conducted in accordance with the overarching requirements set out in section 176 of the *Public Works and Procurement Act 1912*, the limits of the Agency Accreditation Scheme and NSW RFS delegations manual.
- 2.5 Procurement shall also be in accordance with any policy, direction or requirement issued by Government or the NSW Procurement Board, including free trade agreements entered into by the Federal Government. The current Board Directions are available on the Procure Point website at buy.nsw.gov.au.
- 2.6 For the purposes of this policy, the NSW RFS Manager, Procurement exercises the functions of a Chief Procurement Officer.
- 2.7 The NSW RFS shall apply the principles of the NSW Procurement Statement on Value for Money, so as to ensure that value for money is obtained in relation to the procurement of goods and services.
- 2.8 The NSW RFS shall test, on a regular basis, compliance with the NSW Government Goods and Services Procurement Policy Framework and Procurement Board Directions issued from time to time.
- 2.9 Goods and services, including information communications and technology (ICT), fleet assets, consultancies, labour hire and printing should be purchased on an “as needs” basis.
- 2.10 Strategic purchases or projects should be programmed as part of the business planning process.
- 2.11 Goods and services should represent value for money. Whilst cost (including initial price, maintenance and support costs, and whole-of-life costs) should be considered a major factor, factors such as quality, availability, delivery, service, innovation, work health and safety, and environmental performance should also be taken into consideration.
- 2.12 Purchases should be from suppliers who are reputable, reliable and provide sound warranty provisions.
- 2.13 Category Management Plans have been created for certain categories of goods and services purchased by the NSW RFS. These plans outline the best practice for procurement of those goods or services. Category Management Plans are accessible via the Procurement page on the intranet.
- 2.14 All staff engaged in procurement activities should ensure their actions can withstand public scrutiny and undertake procurement activities in accordance with:
 - a. P1.1.3 Conflicts of Interest;
 - b. P1.1.4 Gifts and Benefits;
 - c. Service Standard 1.1.32 Fraud and Corruption Prevention,

- d. Service Standard 1.1.7 Code of Conduct and Ethics;
 - e. Statement of Business Ethics
 - f. Records Management;
 - g. Financial Management,
 - h. Quote to Contract User Guide; and
 - i. The expense management system (such as Concur).
- 2.15 Goods and services up to the value of \$3,000 (excluding GST) per transaction which are not on an SAP catalogue are to be purchased on corporate credit cards in accordance with the corporate credit card policy.
- 2.16 An official purchase order must be issued to a supplier for the purchase of goods and services before the goods and services have been supplied.
- 2.17 The NSW RFS operates a centralised purchasing system (currently utilising SAP and the Quote to Contract system). All requisitions and purchase orders, excluding emergency purchases, must be generated using the SAP system. Staff are not permitted to issue NSW RFS purchase orders or order any goods or services from any other source. Suppliers who supply goods or services without a valid SAP purchase order number will not be paid.
- 2.18 Order splitting, where a procurement is broken down in order to avoid correct process or delegation approval, is not permitted.
- 2.19 All tenders or requests for quotes, greater than \$10,000 (excluding GST) shall be undertaken using the Quote to Contract tool.
- 2.20 Purchases up to \$10,000 (excluding GST) may be made to best advantage by obtaining a verbal quotation from the supplier.
- 2.21 Staff engaged in procurement activities that require the issue of a tender or a request for a quote should first check to ascertain if there are any suitable NSW RFS, NSW Government, or Australasian Fire and Emergency Services Authorities Council (AFAC) partner agencies' contracts that may be used instead.
- 2.22 Any breach of this policy may be subject to action in relation to misconduct, in accordance with the Government Sector Employment Act 2013 and the NSW RFS Service Standard 1.1.2 Discipline and Service Standard 1.1.7 Code of Conduct and Ethics

Funding Sources

- 2.23 Staff shall ensure that appropriate funds have been approved through the budget process to cover the costs of any procurement.
- 2.24 Officers holding delegations under P4.1.1 Financial Delegations shall ensure that funds are available before approving any purchase.
- 2.25 Staff shall not utilise the Council, or any other, ordering system to circumvent the NSW RFS purchasing system or to procure items not approved by the NSW RFS.
- 2.26 For procurement of products and services irrespective of funding sources, all NSW RFS staff shall adhere to the requirements of this Policy and the NSW RFS Procurement Manual, as well as related financial management and accounting policies.

Staff and Contractors

- 2.27 Persons employed under temporary labour contracts are not permitted to procure or dispose of goods and services on behalf of the NSW RFS, or exercise financial delegations without written approval from the relevant Executive Director.
- 2.28 The relevant Executive Director must ensure that staff and contractors have undertaken an induction course and any other training considered necessary to undertake procurement activities.

Emergency Purchases – Declared Emergencies

- 2.29 During declared emergencies there will be occasions when it is necessary for NSW RFS officers to purchase goods and services urgently. Such purchasing requests shall follow the process outlined in the Procurement Manual.
- 2.30 In such circumstances the purchase of goods or provision of services must only be sufficient to meet that particular emergency. The quantity must not be in excess of that necessary to meet the immediate needs of the emergency, and the cost must be reasonable and proper.

Emergency Purchases – Other

- 2.31 There may be occasions where a staff member is required to make an emergency purchase in circumstances where the provisions of this Policy or accompanying guidelines cannot be met. For example, while travelling on NSW RFS business and the motor vehicle sustains damage and/or requires immediate repair.
- 2.32 Staff may utilise their corporate credit card for emergency vehicle repairs or emergency purchases, where authorised by their manager. Such procurement shall be in accordance with P4.1.5 Corporate Credit Cards.

3 Related documents

- > [Aboriginal Procurement Policy](#)
- > [ANZ Framework for Sustainable Procurement](#)
- > [Benefits Realisation Framework](#)
- > [Direct negotiations - Guidelines for managing risks in direct negotiations](#)
- > [Faster Payment Terms](#)
- > [Free Trade Agreements & the Trans Pacific Partnership](#)
- > [Government Sector Employment Act 2013](#)
- > [Government Information \(Public Access\) Act 2009](#)
- > [Guidelines for Unsolicited Proposals](#)
- > [ICAC Guidelines – Probity and Probity Advising](#)
- > [Market and Industry Engagement](#)
- > [Motor Vehicle Operational Guidelines for NSW Government Agencies](#)
- > [NSW Government Agency Accreditation Schemes](#)
- > [NSW Government Business Cases Guidelines](#)
- > [NSW Government Code of Practice for Procurement](#)
- > [NSW Government Procurement Policy Framework](#)
- > [NSW Government SME and Regional Procurement Policy](#)
- > [NSW Government Resource Efficiency Policy](#)
- > [NSW Procurement Board Directions](#)
- > [NSW RFS Procurement Manual](#)
- > [Policy on Use of Australian Disability Enterprises](#)
- > [Procure IT Framework](#)
- > [Procurement: Complaints Management Guidelines](#)
- > [Public Works and Procurement Act 1912](#)
- > [Public Works and Procurement Regulation 2014](#)
- > [Public Finance and Audit Act 1983](#)
- > [P1.1.3 Conflicts of Interest](#)
- > [P1.1.4 Gifts and Benefits](#)
- > [P2.1.1 NSW RFS Administrative Delegations](#)
- > [P4.1.1 Financial Delegations](#)
- > [P4.1.5 Corporate Credit Cards](#)
- > [Quote to Contract User Guides](#)
- > [Service Standard 1.1.2 Discipline](#)

- > [Service Standard 1.1.7 Code of Conduct and Ethics](#)
- > [Service Standard 1.1.32 Fraud and Corruption Prevention](#)
- > [Statement of Business Ethics](#)
- > [Statement on Value for Money](#)

4 Amendments

AMENDMENT DATE	VERSION NO	DESCRIPTION
19 December 2013	1.0	<ul style="list-style-type: none"> > Initial release – repeals policy 1.1.5 v2.0 > Reflects current Government Procurement Framework and organisation practice and alignment
2 May 2016	2.0	<ul style="list-style-type: none"> > Repeals and remakes P4.1.3 v1.0 > Updated to reflect current legislation and Government Procurement Framework > Updated to reflect current NSW RFS organisational alignment and practice, and revised Procurement Manual
19 July 2019	2.1	<ul style="list-style-type: none"> > Repeals and remakes P4.1.3 v2.0 > Updated to Accreditation requirements > Updated regarding implementation of Quote to Contract tool > Updated to current NSW government and RFS policy requirements
7 May 2020	2.2	<ul style="list-style-type: none"> > Repeals and remakes P4.1.3 v2.1 > Updated contact person to Manager, Procurement > Updated to include reference to NSW RFS staff and contractor training
22 July 2021	2.3	<ul style="list-style-type: none"> > Repeals and remakes P4.1.3 v2.2 > Updates transaction limits