

Procurement Policy

Applicable to:

All Transport for NSW (TfNSW) staff. The term “staff” is used in this Policy to cover all permanent, temporary or casual staff, staff seconded from another organisation, labour hire, professional services contractors and consultants.

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APPROVED BY THE DEPUTY SECRETARY, FINANCE AND INVESTMENT

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1. Purpose

Procurement is a core capability and a key contributor to the success of Transport for NSW (TfNSW). TfNSW is a significant procurer and is ultimately accountable to the taxpayers of New South Wales through its funding arrangements with The Treasury. Therefore, it is critical that all TfNSW procurement activities are undertaken in a clearly-defined, ethical and transparent manner, following what is considered good practice for spending public money whilst being consistent with its statutory obligations.

The fundamental outcome of the Procurement Policy is to ensure that TfNSW procurement activities achieve best value for money in supporting the delivery of TfNSW services.

Key outcomes underpinning the Policy are:

- value for money, being the benefits achieved compared to whole-of-life costs;
- efficiency and effectiveness;
- probity and fairness;
- promoting effective competition; and
- increasing opportunities for small and medium enterprises (SME) to gain TfNSW's business.

2. Mandatory Requirements

This document sets out the mandatory policy and operating framework for the procurement system.

All sections except section 5 of this policy apply to goods and services procurement.

All sections except section 4 of this policy apply to construction and infrastructure procurement.

Obligations which must be complied with, in all circumstances, are denoted by the use of the term 'must' at the beginning of each relevant section. The use of the term 'should' denotes matters of best practice.

3. Guiding Principles

The principles governing procurement are aligned to the NSW Government Procurement Policy Framework.

TfNSW specifically aims to make sound commercial decisions to provide value for money and ensure probity and fairness in all its procurement activities. TfNSW will conduct its business with Suppliers who comply with these principles.

3.1 Sound Commercial Decisions (Value for Money)

Impartial, competitive and transparent procurement processes are an important stepping stone in achieving value for money.

Achieving value for money is the core principle underpinning TfNSW procurement. Approvers must be satisfied, after reasonable enquires, that the procurement achieves a value for money outcome.

The price is not the sole determining factor in assessing value for money. A comparative analysis of RFX responses against price and non-price evaluation criteria will inform a value for money assessment. Examples of evaluation criteria include, without limitation:

- fitness for purpose;
- price including whole-of-life costs;
- timeliness;
- reliability;
- safety;
- environmental sustainability (such as energy efficiency and environmental impact);
- social sustainability benefits;
- flexibility (including innovation and adaptability over the lifecycle of the procurement);
- contractual and technical compliance;
- a potential supplier's capacity and capability (such as financial, managerial and technical);
- a potential supplier's demonstrated track record in performing services of comparable scale and complexity;
- a potential supplier's experience and performance history in relation to timeliness, reliability, quality, safety and environmental aspects;
- market competition;
- deliver benefits (such as commercial and e-commerce); and
- risks – incorporating the levels of risk commensurate with the scope and scale of the procurement.

Application of such pre-determined evaluation criteria provides evidence of our commitment to fair procurement practices.

Monitoring and evaluating supplier performance and assessing contractual claims throughout the procurement process is an important pre-requisite for determining whether value for money has been obtained.

3.2 Probity and Fairness

Staff must behave with a high degree of probity and fairness. Probity and fairness must be an integral part of the procurement process.

The principles that promote probity and fairness and maintain the integrity of the procurement process are:

1. Accountability.
2. Transparency.
3. Confidentiality.
4. Management of conflicts of interest.

5. Honesty.

3.2.1 Accountability

Staff must adhere to TfNSW's procurement policies and procedures.

Accountability in procurement is controlled, monitored and reviewed regularly by:

- delegating financial expenditure (including the approval process);
- procurement systems;
- documenting decisions and actions (both the decision and the decision criteria);
- communicating all decisions and actions taken to the relevant parties;
- auditing procurement practices;
- valuing a staff member's electronic or signed approval and understanding the responsibilities in using that approval;
- ensuring all approvals are in accordance with the delegations framework; and
- ensuring all procurement delegations, policies, procedures and templates are reviewed by the document owner within the timeframe detailed in the document.

3.2.2 Transparency

It is important that the procurement process is completely transparent so that all stakeholders have confidence in the outcomes. The procurement process enables participants to demonstrate the use of proper procurement practices for good management. A transparent process also minimises the opportunity for, and the risk of, fraud and corruption.

Transparency in procurement is achieved by ensuring that the following requirements are complied with:

- declaring any conflict of interest;
- establishing and documenting selection criteria prior to the opening of quotations and tenders;
- assessing quotations and tenders consistently using pre-determined evaluation methodologies and selection criteria;
- documenting the evaluation and selection processes;
- establishing an open, fair and defensible process for awarding contracts;
- segregating duties (i.e. the approval of procurement expenditure and the requesting/receiving must be undertaken by different TfNSW staff members);
- publishing the successful Proponents on the NSW Government e-Tendering website;
- notifying and debriefing (if requested) unsuccessful bidders.

3.2.3 Confidentiality

Staff must protect commercial or personal information. This includes ensuring that potential suppliers maintain the confidentiality of any information released to assist in the preparation of submissions.

TfNSW maintains confidentiality in procurement by:

- requiring staff to comply with the Code of Conduct;
- requiring that other parties comply with confidentiality agreements or contractual obligations;
- ensuring processes for tender receipt and distribution are secure;
- [controlling and labelling documents](#);
- [managing Government Information \(Public Access\) Act NSW 2009 \(GIPA\) requests](#); and
- managing Intellectual Property in TfNSW's control or custody in an effective, efficient and ethical manner.

3.2.4 Management of Conflicts of Interest

Conflicts of interest may arise where an individual associated with the procurement process has an interest (financial or non-financial) that may prejudice their impartiality. Such conflicts of interests may be real, perceived or potential and must be managed and documented accordingly during the procurement process.

TfNSW manages conflicts of interest in procurement by:

- requiring staff involved in procurement activities to comply with the [Code of Conduct and the Conflicts of Interest Policy](#);
- requiring staff involved in procurement activities to undergo appropriate procurement, probity and ethics training;
- obtaining formal declarations from staff involved in procurement activities to formally disclose any conflicts of interest or stating that they do not have a conflict of interest;
- maintaining organisational processes (e.g. reporting to management or the misconduct and corruption hotline on 1800 302 750) that allow the reporting of inappropriate conduct; and
- auditing procurement processes.

3.3 Procurement Risk

Risk management comprises the activities and actions taken by TfNSW to ensure that it is mindful of the risks it faces, that it makes informed decisions in managing these risks, and identifies and harnesses potential opportunities.

Staff must establish processes for the identification, assessment, allocation and treatment of risk in accordance with the [TfNSW Enterprise Risk Management \(TERM\) Framework](#). The effort directed to Risk Assessment and management must be commensurate with the scale, scope and risk of the procurement.

Staff must consider risks and their potential impacts when making decisions relating to value for money assessments, approvals of proposals to spend public money and the terms of the Contract.

As a general principle, risks should be borne by the party best placed to manage them; that is, TfNSW should generally not accept risks which another party is better placed to manage. Similarly, where TfNSW is best placed to manage a particular risk, it should not seek to inappropriately transfer that risk to the Supplier.

3.4 Keeping Records

Records of any procurement and disposal of goods, especially concerning decisions and reasons for supplier evaluation and selection, and contract variations are to be kept in a manner that facilitates auditing and other normal processes of accountability, in accordance with the [Transport Management Records Policy](#).

3.5 Use of External Probity Advisers/Auditors

The use of external probity advisers/auditors must be the exception rather than the rule. There are circumstances where it is appropriate to engage the services of an independent person to verify that the procurement processes followed by TfNSW are consistent with best practice principles and accords with Government regulations.

In-house resources independent of the procurement process must be considered first, before making a decision to engage an external provider.

Consideration must be given to the following matters when determining whether to engage an external probity adviser/auditor:

- where the integrity of the process (or part of it) may be called into question;
- where the project is politically sensitive and/or potentially controversial;
- to avoid a perception of bias/favouritism;
- where the process is extremely complex; and
- where there are substantial costs involved in preparing submissions or there is substantial Government funding involved.

3.6 Market Engagement

In determining how to approach the market, staff must ensure that the method selected will achieve value for money and is fair and transparent.

Additionally, staff are required to ensure:

- selection of the sourcing strategy is made with regard to the market conditions and demand;
- the conditions of participation in the procurement process are clear and concise;
- potential suppliers have time and capacity to respond to requests to the market;
- that the conditions of participation do not directly preclude potential suppliers on the basis that they have not had prior experience supplying to government; and
- material submitted by Proponents can be managed confidentially.

3.6.1 Complex Market Engagement Methods

At times TfNSW may wish to use a market engagement method that has typically been characterised as 'complex' or higher risk than traditional methods of government procurement. These may include, without limitation - reverse auctions, direct negotiations, sole sourcing and managed services contracts.

Prior to adopting a complex market procurement method, staff must:

- ensure that the procurement planning addresses in detail the justification and suitability of the selected procurement method. In the case of direct negotiations and sole sourcing arrangements, this must include a comprehensive analysis of the market and all relevant factors sufficient to demonstrate that a competitive process need not be conducted; and
- conduct a Risk Assessment for the procurement, including an assessment and treatment of procurement process risk arising from the use of the procurement method.

As a basis for approval to ensure compliance with these mandatory requirements, the approving officer/s must be satisfied that TfNSW will satisfy its legislative and policy obligations in relation to the procurement.

3.6.2 Consideration of Unsolicited Proposals

The NSW Government often seeks to engage with the private sector in the development and delivery of new infrastructure and services. It encourages the best ideas and solutions from the private sector and a greater level of private sector investment and participation in projects, with rigorous planning and costing to deliver the highest standards of public value as well as confidence to investors and the community.

TfNSW may receive unsolicited proposals from industry that exhibits a high degree of innovation and uniqueness that could benefit TfNSW. The [NSW government unsolicited proposals guidelines](#) provide guidance on how to deal with such proposals.

3.6.3 Supporting Businesses That Employ People with a Disability

TfNSW supports and promotes purchasing opportunities for businesses that employ people with a disability. The Public Works and Procurement Regulation 2014 simplifies the purchasing of goods and services from approved Australian Disability Enterprises (ADE).

This means that TfNSW may purchase goods and services directly from approved ADEs on the basis of a single written quote. It must be noted that key procurement principles such as probity, value for money, and principles regarding direct negotiation, must continue to be observed.

3.6.4 Supporting Aboriginal Businesses

TfNSW supports and promotes purchasing opportunities from Aboriginal businesses. Procurement Board Direction 2013-04 allows agencies to purchase goods and services valued up to \$150K (inc. GST) on a basis of a single written quote from a recognised Aboriginal business provided the supplier's rates are reasonable and consistent with normal market rates.

3.6.5 Procurement, Engagement and Use of Consultancy Services

The NSW Government expects that the professional expertise of public employees will be used in preference to engaging external Suppliers. External consultancy services can only be engaged when the required professional expertise is not available internally or cannot be provided in a cost effective manner.

When TfNSW can justify the engagement and use of external expertise under relevant delegations, preference must be given to prequalified Suppliers for whom a capability assessment has been conducted and who have agreed to a standard set of Government terms and conditions. Staff must refer to www.procurepoint.nsw.gov.au for available schemes and detailed guidance.

3.6.6 SME Access to Government Contracting Opportunities

The NSW Procurement Board requires agencies to improve SME access to government contracting opportunities by making all reasonable efforts to obtain at least one written quotation from a prequalified SME supplier for procurement valued up to \$1 million on certain prequalification schemes.

Staff undertaking procurement activities for or on behalf of TfNSW must refer to [Small and Medium Enterprises Policy Framework](#), which outlines further policy requirements on maximising opportunities for SME participation in government procurement.

3.7 Disposal of Goods

The disposal of goods must be aimed at achieving value for money, and the process used must be efficient and effective so as to meet transparency and probity requirements. Therefore any policy that refers to procurement also applies to the conduct of disposals.

3.8 Standards of Behaviour

Staff must always behave in a professional and ethical manner. This includes, without limitation:

- complying with the standards of integrity, probity, professional conduct, and ethical behaviour to deal fairly, impartially and consistently with all suppliers;
- ensuring that their behaviour in the procurement process complies with the ethical and probity principles outlined in this Policy and contained in the Code of Conduct, the Conflicts of Interest Policy and the NSW Procurement Policy Framework.
- complying with the TfNSW Gifts and Benefits Procedure;
- providing justification for supplier selection must be well documented, based on fact and reflects the true reason for the specific supplier identification;
- ensuring the quantity of goods and services requested be restricted to those required for business use only;

Procurement of goods and services requires the mandatory segregation of responsibility. The same TfNSW staff member, who is undertaking procurement activities, must not:

- approve their own procurement requests; and
- both approve and certify receipt of goods and services.

4. Procurement of Goods and Services

Goods and services at TfNSW are procured by using:

- a Purchasing Card, or
- Transport Equip (i.e. catalogue or non-catalogue) using the following methods:
 - [Strategic Sourcing \(procurements valued \\$250K and above\).](#)
 - [Operational Sourcing/Spot Buy \(procurements valued below \\$250K\).](#)
 - [Labour Hire \(procurement of contractors from Suppliers on a temporary basis\).](#)

To ensure consistency and compliance, the procurement of goods and services must meet the following rules:

- a.** Procurement of goods and services must meet a valid business need and use a purchase order or a purchasing card.
- b.** Prior to sourcing of goods and services, funds must be available within an approved budget or be approved in accordance with the Financial Delegations Framework.
- c.** Procurement project strategies must be developed in partnership with TSS Procurement Services and approved in accordance with the Procurement Governance Framework for all procurements valued \$250K and above.
- d.** Negotiations with Suppliers in respect of any Contract with any potential commercial or legal consequence or any procurement must only be undertaken with the direct engagement of TSS Procurement Services and strictly in accordance with a Negotiation Strategy that has been approved in accordance with the Procurement Governance Framework.
- e.** The value of procurements for which there is a recurring need must be estimated on the basis of at least twelve months projected expenditure.
- f.** The estimated Contract value must include the anticipated total value of the goods and services over the term of the Contract.
- g.** Order splitting is prohibited. It is inconsistent with the objectives of the procurement system and staff must not intentionally split purchase requirements into either components or a succession of orders for the same or similar goods/services.
- h.** Commitment to any expenditure on behalf of TfNSW may only be made by an employee with the appropriate level of financial delegation.
- i.** Existing TfNSW or whole of government arrangements for obtaining goods/services must be used, where applicable.
- j.** When entering into an arrangement with a Supplier for the procurement of information and communications technology (ICT) related goods and services, the Procure IT Framework must be used.

4.1 Emergency Events

- a.** Emergency requests are subject to confirmatory approval by an employee with the appropriate level of financial delegation (this can be verbal or in writing).
- b.** Emergency requests may only be made to:
 - protect life and property;
 - prevent the interruption of essential services;
 - prevent substantial economic loss;
 - meet an unusual deadline that cannot be resolved using Transport Equip and the designated process; and
 - allow the purchase of goods and services when notified that Transport Equip will be unavailable for an extended period (e.g. over 48 hours).

4.1.1 Emergency Requisitions

- a.** Emergency items requisitioned must be raised in Transport Equip the next business day unless the purchase was made using a purchasing card.

4.1.2 Emergency Contract Variations

- a.** All emergency contract variations must be initiated in Transport Equip within two (2) business days following an emergency variation.

4.2 Purchasing Cards

Purchasing cards are a procurement tool and are intended to meet TfNSW's business requirements for the purchase of approved low value goods and services. The cards must only be used for business related expenditure.

Under the Financial Delegations Framework:

- Cardholders hold the pre-approved expenditure delegation and are primarily responsible for card security.
- Authorising officers hold the delegation for authorising expenditure.
- All transactions are monitored and cardholder statements are audited for compliance.

The use of purchasing cards is outlined in the [Purchasing Card Policy](#) and [Procedure](#).

4.3 Strategic Sourcing

The strategic sourcing process is undertaken when:

- a.** A Business Unit or Transport Shared Services project identifies a need for goods and/or services that is not available in the online catalogue.
- b.** A Business Unit or Transport Shared Services project identifies a need for goods and/or services that contains incomplete purchasing data in the online catalogue.

- c.** A Business Unit or Transport Shared Services identifies an opportunity to consolidate or aggregate like - requirements for goods and services, which have been requested on an ongoing basis by individual or multiple user groups, over a period of time.
- d.** An opportunity to streamline the procurement process for nominated ongoing ad-hoc services over a period of time arises, whilst leveraging our influence in the marketplace for the specified services.
- e.** An existing Supply Agreement or Panel (Priced or Unpriced) expires.

4.3.1 Planning

To initiate a strategic sourcing process, a Procurement Project Strategy must be developed in partnership with TSS Procurement Services and approved in accordance with the Procurement Governance Framework. The Procurement Project Strategy must, as a minimum, address and detail:

- a.** procurement project details;
- b.** demand management considerations;
- c.** market considerations;
- d.** sourcing strategy;
- e.** evaluation criteria and tender evaluation committee composition;
- f.** type of arrangements that will be established as a consequence;
- g.** type of contract;
- h.** basis on which supplier will be engaged;
- i.** probity auditor and/or adviser (if applicable);
- j.** proposed benefits;
- k.** timeline; and
- l.** procurement risk profile/assessment.

4.3.2 Sourcing

a. Establish Tender Evaluation Committee (TEC) and Develop Tender Evaluation Plan

- TEC must be established and comprised of a minimum of three (3) staff members capable of evaluating tenders including at least one (1) permanent staff member, one (1) subject matter expert and one (1) TSS Procurement Services representative who may or may not participate in an advisory only capacity.
- All TEC members including staff acting in a capacity of a TEC Probity Officer/Advisor must complete the mandatory training course Ethics and Probity in Procurement (BSC24).

- All TEC members and staff who provide any advice to Tender Evaluation Committees must complete and sign a confidentiality agreement and a conflict of interest identification form.
- Evaluation criteria must be consistent with the approved Procurement Project Strategy and RFx documents.
- Weighting criteria must be developed to support the RFx.

b. Develop RFx Documentation

- All Proponents must be dealt with fairly and in a non-discriminatory manner when providing information leading to, or following, an approach to the market.
- Scope of Requirements and terms and conditions must be built into the standard RFx template.
- The relevant Principal Manager, Strategic Category Management must approve the RFx for release and publishing to the market.
- Approval from the Secretary must be obtained for any Contract with a term greater than five (5) years, including optional extensions.

c. Issue RFx to the Market

- All RFxs valued \$250K and above must be advertised electronically on the NSW Government eTenders website as well as Transport Equip.
- RFx engagement with Suppliers must be completed electronically. Exception to electronic engagement may apply subject to approval by the relevant Portfolio Category Manager.
- All Proponents must be provided with the same specification information, including evaluation criteria.
- Any extensions to the Closing Time must be agreed by the Tender Evaluation Committee, approved by the relevant Principal Manager, Strategic Category Management and communicated to the market.
- One single point of contact at TSS Procurement Services independent of the Tender Evaluation Committee must be established for handling RFx queries from the market and any information that is provided to the market.
- Uploading Tender responses (surrogate bids) on behalf of a Supplier can only be performed by the RFx contact person independent of the Tender Evaluation Committee. Any exceptions to this rule must carry an approval from the relevant Principal Manager, Strategic Category Management.
- Any reasonable request from any Proponent for relevant information about an RFx must promptly be reply to.
- Individual Proponent clarifications useful to other Proponents must be issued to those responding to the RFx.
- Any revisions to RFx documentation must be issued to all registered Proponents simultaneously.

- Any attempt to lodge a Tender response after a Closing Time will not be permitted by Transport Equip, however in exceptional circumstances may be delivered by other electronic or physical means. Such a Tender response will be deemed to be a Late Tender.

Late Tenders or incomplete Tender responses; including those with electronic files that cannot be read or decrypted, Tender responses which TfNSW believes to potentially contain any virus, malicious code or anything else that might compromise the integrity or security of Transport Equip, may be excluded from the evaluation process.

All Late Tenders must be supported by documentation justifying why they should or should not be accepted and carry the endorsement of the relevant Principal Manager, Strategic Category Management, prior to being considered.

d. Evaluate RFx Responses

- Tender Evaluation Plan must be finalised and signed by all members of the Tender Evaluation Committee prior to opening RFx responses.
- A conflict of interest identification form must be completed and signed by all members of the Tender Evaluation Committee after an electronic or where relevant physical tender box has been opened and prior to commencement of reviewing Tender responses.
- All RFx responses must be receipted via the electronic tender box and where previously approved by the relevant Principal Manager, Strategic Category Management via a physical tender box.
- Tender responses must be evaluated using the approved evaluation criteria only. The TEC cannot modify selection criteria and/or weightings that were approved in the RFx package.
- The most appropriate technical and commercially evaluated Tender response that satisfies all requirements should be accepted. Any exceptions must be considered in consultation with the relevant Principal Manager, Strategic Category Management for final determination.
- A consensus outcome must be signed off by the Tender Evaluation Committee. If consensus cannot be reached the evaluation must be referred to the General Manager, Procurement Services and the relevant Sponsor.

e. Develop Negotiation Strategy

- A Negotiation Strategy must be developed in partnership with TSS Procurement Services for all procurement activities that will require negotiation as part of the process and must be approved in accordance with the Procurement Governance Framework, prior to the negotiation commencing.

f. Negotiate with Proponent/s

- The negotiation process cannot commence without an approved Negotiation Strategy.
- All formal negotiations must be conducted by a minimum of two (2) staff members.
- All negotiations must be conducted in accordance with the Negotiation Strategy.
- All negotiations must be documented and the relevant documentation must be uploaded to Transport Equip.

g. Approval to Award Contract

- A detailed due diligence (financial, ACN, insurance checks etc.) must be conducted on the recommended Supplier/s prior to final award of a Contract.
- An approval to award a Contract must follow the Financial Delegations Framework and incorporate any separate procurement contingencies.
- Any contingency must be nominated and approved appropriately in accordance with the Financial Delegations Framework.
- Any contingency that is exceeded will necessitate the re-approval of the total sum of the Contract and the contingency in accordance with the Financial Delegations Framework.
- An Approver must not be a member of the Tender Evaluation Committee.
- All confidentiality agreements and conflict of interest identifications and declarations must be signed and attached to the approval task.
- Variations to standard contract terms for all new Contracts and extensions to expiring Contracts must be reviewed and approved by the TfNSW Legal prior to award.

h. Award Contract

- If a Letter of Intent is to be issued, approval must be given by the General Manager, Procurement Services and TfNSW Legal, and can only be issued following relevant approvals in writing for the total budget in accordance with the Delegations Framework.
- Relevant approvals in accordance with the Delegations Framework must be obtained before execution and issue of the Contract.
- Where a bank guarantee is required from a Supplier, it is to be obtained before execution of the Contract.
- Both successful and unsuccessful Proponents must be notified in writing.
- Unsuccessful Proponents who seek feedback are entitled to a debriefing only after the Contract has been executed.
- Award of Contract must be communicated to all stakeholders by the appropriate staff member.
- On awarding the Contract it must be correctly built and published in Transport Equip. The contract build must:
 - ensure the upload of all contractual documentation; and
 - include all negotiated unit rates and prices (if priced).
- Every Supplier on a Panel must have a Contract.
- Contract details must be handed over to the relevant Business Contract Manager once the Contract has been awarded.

4.3.3 Managing

This process determines how TfNSW will manage the arrangement, including supplier

performance, issues, any variations and contract closure.

- Risk Assessment must be carried out based on the TfNSW Enterprise Risk Management Framework.
- The Contract Management Plan must be approved before being initiated.
- Security guarantees and insurance associated with the Contract must be controlled centrally by TSS Procurement Services. Expiry dates must be included in the Contract Management Plan and monitored by the Business Contract Manager.
- Once a Contract has been executed a Contract Management Plan must be finalised for the ongoing compliance to the agreed terms and conditions of the Contract.
- The Contract Management Plan must be agreed with the all stakeholders prior to Contract implementation.
- Contracts must be implemented and managed in accordance with the approved Contract Management Plan.
- All changes of the Business Contract Manager must be approved by the General Manager of the Business Unit in which the Business Contract Manager resides.
- All nominations and changes of the Principal's Representative must be approved by a Sponsor.
- An independent compliance check must be performed on each contract build (including variation).

a. Manage Supplier Performance

- Monitoring and reporting of supplier performance must be completed in accordance with the relevant schedule within the Contract Management Plan.
- Supplier feedback must be factually based.
- Stakeholders must be engaged when assessing contract performance.
- Relevant KPIs and objectives must be included in all contracts.

b. Manage Issues and Disputes

- All relevant contract stakeholders must be notified when an issue is identified.
- All issues and disputes must be documented, managed and escalated (where appropriate) until resolution is achieved.
- TfNSW Legal must be notified for all claims that are outside of the terms and conditions of the Contract.
- TfNSW Legal must review all dispute and breach notices.
- TfNSW Legal must approve all 'for cause' or 'for convenience' terminations.

c. Manage Contract Variations

- All contract variations are classified as either minor or major:

- Minor variations include all administrative matters such as contact numbers, supplier addresses, folders ect.
- Major variations include any changes to Scope of Requirements, terms and conditions, contract value, expiry dates ect. If major changes are required, it must also be determined whether negotiation is required.
- When contract negotiation is required; TSS Procurement Services must be engaged, all relevant stakeholders must be notified, and a Negotiation Strategy must be developed, reviewed and approved prior to commencing the negotiation.
- When contract negotiation is not required; the vendor must be engaged to discuss the contract variation and seek agreement by all parties.
- To submit the contract variation for approval, a contract variation request form must be completed as required.
- After contract variations have been agreed and approved, all variations and associated documentation must be uploaded into Transport Equip and sent to the Supplier (where applicable).
- All changes to sub-contracted parties must be dealt with in accordance to the terms and conditions of the Contract.
- All variation requests must be received in writing.
- All variations must be consistent with the terms and conditions of the Contract.
- Legal review and approval is required if the terms and conditions of the Contract will change as a result of the variation.
- Relevant stakeholders must be notified when a contract variation has occurred.
- All variations that are outside the intent of the Scope of Requirements must be approved by the relevant Principal Manager, Strategic Category Management.

d. Transition-Out and Post Contract Reviews

- Relevant stakeholders must be consulted prior to closing a Contract.
- Contract close-out must be performed in accordance with the Contract Management Plan.
- Contract performance must be reviewed prior to contract extension, renewal or close-out.
- Suppliers and all relevant stakeholders must be notified in writing when a Contract is closed.
- At the conclusion of the contract a review must be conducted to evaluate contract performance and document any outcomes and lessons learnt.
- Contracts must be archived in accordance with TfNSW's Records Management Policies and Procedures and relevant State Legislation.

4.4 Operational Sourcing (Spot Buy)

Operational sourcing process involves requesting, approving and payment of goods and services from Transport Equip. The items can be categorised as:

- Catalogue items – this involves selecting an item from an online catalogue (where the item exists in a catalogue). These items are supplied under terms of conditions established by TSS Procurement Services and the NSW Procurement Board specific to each agreement. These can be categorised as:
 - Full catalogue items – contains full description and price, requires approval and usually applies to standard goods and services.
 - Partial catalogue items – contains a partial description of goods or service in Transport Equip and requires confirmation of price and availability through collaboration, a tender evaluation and applicable rules.
- Non-Catalogue items – this involves sourcing from Suppliers when an item is not available in the online catalogue. Non-Catalogue requisitions and the sourcing of quotes from Suppliers are only undertaken by TSS Procurement Services.

4.4.1 Raising a Shopping Cart

This process involves requesting goods and services for purchase:

- a.** A Shopping Cart must be created for all items intended to be procured using Transport Equip.
- b.** For all purchases the Business (i.e. Requestor) must provide detailed Scope of Requirements at the time of raising a Shopping Cart and submitting for approval (or delegate this task to a nominee within the business i.e. Creator).
- c.** The Creator of a Shopping Cart is authorised to close or cancel that Shopping Cart.
- d.** Minimum order quantities may apply and will be specified in the Catalogue.
- e.** Shopping Carts can be amended prior to submission for approval.
- f.** Supplier prices cannot exceed the price(s) stated in the Contract or purchase order unless approved within the appropriate Financial Delegation.
- g.** Shopping Carts must include all costs, including delivery costs and other relevant expenses.
- h.** Shopping Carts must not be split for ordering same goods and/or services.
- i.** A Business Justification must be approved by the relevant Principal Manager, Strategic Category Management where the value of the Shopping Cart is less than \$250K and is not covered by a Catalogue and the Requestor seeks to solicit less than the required number of quotes.
- j.** The total cost of the Shopping Cart will be approved by the relevant Approver, regardless of whether the cost of the Shopping Cart is split between various cost centres.

4.4.2 Evaluation Committee (EC)

- a.** An EC must be made up of a minimum of two (2) staff members capable of evaluating quotations/tenders.
- b.** All EC members including staff acting in a capacity of an EC Probity Officer/Advisor must complete the mandatory training course Ethics and Probity in Procurement (BSC24).
- c.** All EC members and staff who provide any advice to Evaluation Committees must complete and sign a confidentiality agreement and a conflict of interest identification form.

4.4.3 Evaluation Scoring

- a.** Any Proponent who fails any of the mandatory criteria must not be considered further.
- b.** Evaluation scoring must be transparent and fully substantiated in the Evaluation Report and demonstrate equal consideration of all Suppliers.
- c.** The final technical score must represent a consensus of the Evaluation Committee. In instances where a consensus cannot be reached it must be escalated to the relevant Principal Manager, Strategic Category Management.
- d.** All Suppliers nominated will be subject to relevant compliance, competency and qualification checks.

4.4.4 Price/Commercial Adjustments

- a.** Any price/commercial adjustments must be fully justified, substantiated and agreed between the relevant Principal Manager, Strategic Category Management and the Sponsor.

4.4.5 Evaluation Report

- a.** All Conflicts of Interest must be identified, declared and attached to the Evaluation Report.
- b.** Confidentiality agreements must be signed and attached to the Evaluation Report by all members of the Evaluation Committee.
- c.** An Evaluation Report must be signed by all relevant parties and attached prior to the completion of Collaboration.
- d.** The Evaluation Spreadsheet must be attached to Transport Equip as part of the Evaluation Report.
- e.** Any Advisor used in the evaluation must provide their details and sign the Evaluation Report. Any report provided by an Advisor must be attached to the Evaluation Report.

4.4.6 Approving a Shopping Cart

- a.** A Shopping Cart must be approved by an appropriate staff member who has the authority under the Financial Delegation Framework.
- b.** Approvers (which could be supervisory, commodity or financial) must be satisfied that:
 - Expenditure is necessary and meets a valid TfNSW business need.
 - Funds are available to meet the commitment within budget allocation.
 - Expenditure is charged to the correct work order/cost centre/expense elements.
 - There is compliance with procurement policies.
 - On awarding a Contract, the Contract must be built correctly and published in Transport Equip.
- c.** Expenditure may only be approved within the Approver's area of responsibility and budget.

4.4.6.1 Delegating Approval Authority in Transport Equip

The following business rules apply when a person is appointed to act in another person's position and it is anticipated Shopping Carts will require approval.

- a.** Users must delegate their approval authority in Transport Equip before any planned absences.
- b.** All delegations in Transport Equip must be approved by the supervisor/manager for the user whose authority is delegated.
- c.** Human Resources (HR) requirements relating to the approval of leave, higher duties and secondments must be observed.
- d.** The person appointed as a delegate and satisfying the HR requirements must be the person appointed as the delegate in Transport Equip.

4.4.7 Purchase Orders

Upon the final Shopping Cart approval a Purchase Order will be automatically raised.

- a.** Prior to the provision of any goods and services by a Supplier an approved Purchase Order must be in place and any extensions require further approval before any further provision.
- b.** A Purchase Order may only be issued when TfNSW employee with appropriate financial delegation has approved the Shopping Cart.
- c.** Purchase Order amendments that increase the value of the Shopping Cart can only be approved by employees with the appropriate financial delegations in accordance with the Financial Delegations Framework.

- d.** Any unit pricing and/or quantity increase to a Purchase Order will be subject to re-approval within the appropriate Financial Delegations in accordance with the Financial Delegations Framework.
- e.** No re-approval is required when only the delivery date or commodity code is changed within the Purchase Order amendment process.
- f.** An existing purchase order can only be cancelled if the order has a status of 'ordered' or 'receiving'.

4.4.8 Ordering Catalogue Items

When ordering Catalogue items the business rules include:

- a.** Where a suitable catalogue exists it must be used to procure goods and services.
- b.** Only Suppliers on the relevant Panel can be asked to supply goods and services.
- c.** All quotes must be submitted by the Closing Time.
- d.** The minimum number of quotes requested must be in accordance with the specific panel rules.
- e.** Non-compliant behaviour must be reported through line management or if appropriate, to the Fraud and Corruption Unit.
- f.** The Closing Time can only be extended, if Transport Equip has been unavailable, no bids have been received or Suppliers have put forward a reasonable case to extend.
- g.** Other Suppliers from the Panel can be added prior to the Closing Time, provided no bids have been received from the invited Suppliers.
- h.** Pricing increases relating to catalogue items under Contract can be amended by approved employees, subject to approval in accordance with the Financial Delegations Framework.
- i.** Any request to solicit quotes from Suppliers that are not on a suitable Panel must be substantiated by a Business Justification which must be approved by the relevant Principal Manager, Strategic Category Management.

4.4.8.1 General Panel Procurement

TfNSW has established preferred supplier panels that list Suppliers who meet our criteria such as price, quality or location to supply specific goods and services.

Panels must operate in accordance with the panel rules that should be set out in the documentation that seeks approval to establish a panel of suppliers (unlike contracts that commit TfNSW to expend funds, the approval of a financial delegate is not required to establish a panel in which case panels may be approved by Level 3 Managers or above). Where panel rules are not set out in such a document, the following default rules apply:

- a.** Where the value of the procurement is up to \$150K, a minimum of one (1) panel supplier must be invited to participate in the sourcing event and must be selected on a rotational or “taxi rank” basis, i.e. panel suppliers are engaged as if they were in an alphabetical queue and return to the end of a queue after each engagement commences.
- b.** Where the value of the procurement exceeds \$150K and below \$250K, a minimum of three (3) panel suppliers must be invited to participate in the sourcing event on the basis that the outcome of the procurement does not affect the relevant position of a panel supplier in a queue.
- c.** Where the value of the procurement is \$250K and above, all panel suppliers must be invited to participate in the sourcing event unless the procurement project strategy provides otherwise on the basis that the outcome of the procurement does not affect the relevant position of a panel supplier in a queue.
- d.** Any exemptions or deviations to these rules must be substantiated by a Business Justification and approved by the relevant Principal Manager, Strategic Category Management.
- e.** All Contracts must be managed in accordance with the relevant terms and conditions.

4.4.8.2 Collaboration

This process involves the engagement of Suppliers in order for them to demonstrate availability and to tender commercials and capability for evaluation.

- a.** Only one (1) staff member who undertakes procurement activities is to be delegated as the key liaison with the Supplier(s).
- b.** When a Shopping Cart is raised by the Creator on behalf of the Requestor, the Creator of the Shopping Cart must co-ordinate the event. Where possible, the Creator (co-ordinator) must not be part of the Evaluation Committee.

4.4.9 Labour Hire Engagements

Labour Hire engagements involve the procurement of contractors from Suppliers on a temporary basis.

- a.** All engagements of, and changes to, Labour Hire must be undertaken in collaboration with TSS Procurement Services.
- b.** A valid position number must exist prior to submitting a Labour Hire request in a Shopping Cart.
- c.** Prior to soliciting resumes from Suppliers, the detailed evaluation criteria, along with any weighting or scoring information must be agreed and approved in writing.
- d.** Resumes from Suppliers can only be solicited by TSS Procurement Services as per the following:

- Up to \$150K, a minimum of one (1) Supplier must be approached. Suppliers should be given a minimum of two (2) working days to provide relevant candidate resumes.
- Above \$150K, a minimum of three (3) Suppliers must be approached. Suppliers should be given a minimum of (3) working days to provide relevant candidate resumes.

In exceptional circumstances where a minimum level of competition is not complied with as specified above, approval from a relevant Level 1 Manager must be sought.

- e.** Labour Hire contractors must be evaluated, scored and recommended by an Evaluation Committee. Preferred candidate should be interviewed prior to making a recommendation to engage.
- f.** An Evaluation Committee must be comprised of a minimum of two (2) staff members including at least one (1) permanent staff member.
- g.** All Evaluation Committee members including staff acting in a capacity of an Evaluation Committee Probing Officer/Advisor must complete the mandatory training course: Ethics and Probing in Procurement (BSC24).
- h.** All Evaluation Committee members and staff who provide any advice to Evaluation Committees must complete and sign a confidentiality agreement and a conflict of interest identification forms.
- i.** All Labour Hire contractor rates and amendments must only be negotiated by the nominated TSS Procurement Services staff members with Suppliers. The following rules must be followed during a negotiation:
 - Negotiations can only be conducted with the Supplier that is recommended by the Evaluation Committee in writing.
 - Benchmarks of published or known rates for comparable roles and/or business unit expectations can be used to guide negotiations.
 - Under no circumstances can any rates from other Suppliers that participated in the sourcing event be disclosed during negotiations.
 - Negotiations must be conducted in good faith and in keeping with the principles of equity, probity and fairness.
 - Negotiations must culminate in the solicitation of a best and final offer from the Supplier in writing.
 - Any variations that increase the value of the contract must be approved by the relevant financial delegate.
- j.** Labour Hire contractors cannot commence work at TfNSW until a Purchase Order is issued.
- k.** A customer order form and a rate calculator must be prepared for each Labour Hire engagement and executed by the relevant delegate in accordance with the General Delegation Schedule.
- l.** All Labour Hire contractors engaged are subject to a relevant satisfactory background check if required.

- m.** A new line item must be added for any change in rates and requires financial re-approval.
- n.** Requests for rate increases will not be considered within the first twelve (12) months of service with TfNSW.
- o.** Rate review requests will be considered only at the time of extension based on satisfactory performance and after an initial twelve (12) month period.
- p.** Rates should be fixed for the duration of the Contract but where it is necessary to vary them i.e. when extending the Contract, these must not exceed 2.5% of charge rate (in line with Wage Price Index Australia for last 2 years). This will be reviewed annually by TSS Procurement Services.
- q.** Labour Hire contractors cannot raise Shopping Carts or request variations relating to their own Labour Hire engagement.
- r.** Labour Hire contractors should be engaged based on a daily rate. A daily rate is based upon a minimum of an eight (8) hour working day (not including meal breaks). Where necessary Labour Hire contractors can be engaged based on an hourly rate and must be managed to the nearest half or full hour only.
- s.** Overtime and penalty rates must not be applied to daily rates unless otherwise provided for under the relevant award.
- t.** An individual Labour Hire contractor who changes their role and takes on additional responsibilities may receive an increase of up to 5% during any twelve (12) month period.
- u.** Timesheets for Labour Hire contractors must be approved weekly by the responsible nominated hiring manager and subsequently receipted in Transport Equip.
- v.** A Supplier who has initially provided a Labour Hire contractor may have their contract extended for further work provided the following criteria are met:
 - ✓ Satisfactory performance.
 - ✓ Demonstrated knowledge and expertise developed during the first engagement.
 - ✓ Value for money for additional related engagements.

The total value of the first and related flow-on engagements must not exceed \$500,000 (including GST) or three (3) times the original approved budget, whichever is the lesser.

Where flow-on engagements are likely to exceed \$500,000 (including GST) or need to be extended more than three (3) times the original budget; new candidate resumes must be solicited from a minimum of three (3) Suppliers unless exceptional circumstances can be demonstrated.

Where there are exceptional circumstances, these must be approved by the relevant level 1 manager

- w.** Any extension to the end date of a contract must be approved even if a value (budget) is still available.
- x.** Body swaps are performed “like for like” i.e. same Supplier, same rates and same contract end date against the original approved requisition.

4.4.10 Ordering Non-Catalogue Items

A Shopping Cart for a non-catalogue item is required where no catalogue item is available and the purchase is not being made using a Purchasing Card.

- a.** Refer to the [Procurement Easy Reference Guide](#) to work out the required procurement methods.
- b.** The most appropriate technical and commercially evaluated quote that satisfies all requirements will be accepted. Any exceptions must be considered by the Approver in consultation with the relevant Principal Manager, Strategic Category Management for final determination.
- c.** All approved tender evaluation plans must be attached to the Shopping Cart before supplier responses are received. Tender evaluation reports must be attached to the Shopping Cart before final approval.
- d.** All quotes must be recorded in Transport Equip.
- e.** Goods and services must not be incorrectly or differently described to justify use of the non-catalogue process.
- f.** A Business Justification must be approved by the relevant Principal Manager, Strategic Category Management and attached to the Shopping Cart if the Requestor seeks to approach Supplier/s that are not on a suitable Panel or for any other exemptions or deviations.
- g.** The relevant Principal Manager, Strategic Category Management must approve a Shopping Cart where it is amended and subsequently exceeds \$250K.

4.5 Receipting and Rejection of Goods and Services

- a.** The Certifier must check that:
 - Goods have been received as ordered and in good condition.
 - Services have been satisfactorily carried out as set out and determined in the Contract or agreement.
 - There is no conflict of interest in accordance with TfNSW policies and procedures.
- b.** All goods that were received as ordered and in good condition and services that were satisfactorily carried out must be expedited and receipted in a timely manner in Transport Equip. The exception to this is the B2B (business-to-business) Suppliers, which will utilise the auto-receipting functionality.

- c.** Where goods are found to be faulty, improperly performing, oversupplied or not as specified, the Supplier must be immediately contacted, details noted on the delivery docket (where possible), and goods return processed in Transport Equip.
- d.** Statements of claims are used for progress payments.
- e.** Any 'open' purchase orders, where no further goods or services will be provided, must be closed at the end of each month.
- f.** All Labour Hire contractors must submit timesheets for approval at least weekly.
- g.** All timesheets must be approved/certified by the supervisor/delegate.
- h.** All actual times (regardless of conditions) must be recorded on all dockets, paper-based or electronic timesheets.
- i.** All daily Labour Hire contractor times must be managed by their relevant supervisor and managed to either a half or a full day.
- j.** Where a daily Labour Hire contractor works less than six (6) hours, half a day must be receipted.
- k.** All hourly Labour Hire contractor times must be managed to the nearest half or full hour.
- l.** All expenses must be itemised and supported by original receipts.

4.6 Processing Invoices

- a.** A Recipient Created Tax Invoice (RCTI) can only be used when agreed to by Suppliers, as part of TfNSW's Terms and Conditions. An RCTI supplier cannot be an auto-receipted supplier.
- b.** All invoices must be checked for compliance to Australian Taxation Office (ATO) standards and returned to the Supplier, where not compliant.
- c.** Adjustment notes must be reconciled by Accounts Payable.
- d.** Supplier invoices must be matched against a Purchase Order prior to payment.
- e.** All electronic invoices will be received in accordance with the Electronic Transactions Act 1999.
- f.** All paper-based invoices received by Accounts Payable must be scanned.

4.7 Paying Suppliers

- a.** All Suppliers must be paid in accordance within the trading terms specified in the relevant Contract, agreement or purchase order. Unless specified in the Contract, the standard payment terms are 30 calendar days from receipting a correctly rendered invoice.

- b.** Authorising Officers are delegated to authorise payment and release funds to a Supplier.
- c.** Authorising Officers must ensure that approval and certification have been performed in accordance with Section 13, of the Public Finance and Audit Act, 1983 and in accordance with Treasurer's Directions.
- d.** Electronic Funds Transfer (EFT) will be used to pay all trade Suppliers.
- e.** Statement of Claims may be disputed. If the Business Contract Manager does not approve any part of the Statement of Claims, then this disputed section of the claim will be addressed with the Supplier within 10 days in terms of the Security of Payments Act.
- f.** Penalty interest payments for late payments to Suppliers must be authorised by approved delegated officers.

4.8 Managing Strategic Suppliers

- a.** Management of strategic supplier relationships must be carried out regularly to identify areas for continuous improvement, innovation and cost reduction opportunities.
- b.** Strategic Suppliers must be endorsed by the General Manager, Procurement Services.
- c.** Benefits tracking and reporting must be aligned with overall benefits tracking approaches and methodology employed at TfNSW.
- d.** A strategic supplier management plan must be completed for each Strategic Supplier.
- e.** All relevant TSS Procurement Services stakeholders must be engaged when sourcing involves a Strategic Supplier or a potential Strategic Supplier.
- f.** All relevant stakeholders must be engaged when managing the performance of a Strategic Supplier.

5. Procurement of Construction and Infrastructure

For the procurement of construction and infrastructure works and services policy requirements please refer to the:

- [Integrated Management System](#) (applies to Sydney Metro); and
- [Quality Management System](#) (applies to Infrastructure and Services).

6. Suppliers

- a.** Suppliers collaborating with TfNSW must be registered in Transport Equip.
- b.** Procurement can only occur from Suppliers who have met all the relevant safety standards and specifications, and complied with TfNSW's business ethics.

- c.** All new Suppliers must be subjected to compliance checks before they can be added to the vendor master list.
- d.** All Suppliers who conduct their business in Australia must supply an ABN.
- e.** (i). Except as provided in (e. (ii)), new Supplier engagements that are not from TfNSW or whole of government arrangements (for the supply of goods and services including for purchase of catalogue items) must only be entered into with corporate entities holding an Australian Company Number (ACN) which satisfy relevant compliance checks.

(ii). In exceptional circumstances TfNSW may contract with entities such as trustees of a trust, sole traders (individuals), partnerships and charitable bodies where a commercial decision is made by the appropriate delegate having regard to the particular risks associated with the proposed Supplier including:
 - Financial viability of the Supplier;
 - Certainty as to the Supplier's legal status;
 - Whether security should be obtained (a personal or bank guarantee); and
 - Whether additional conditions such as supplier-specific warranties, enhanced audit or access rights, or specialised insurance cover should be included in the contract.
- f.** All Suppliers must sign a Letter of Acknowledgement to confirm receipt and understanding of the Statement of Business Ethics.
- g.** All Suppliers and their contractors must acknowledge receipt and understanding of the Code of Conduct.
- h.** All Supplier modifications must be received in writing or email from the Supplier and checked for compliance.
- i.** All Suppliers must commit to supplying electronic invoices (where possible) to TfNSW.

7. Master Data Management

- a.** Creation of a new or maintenance of existing vendor master data records is a centralised function and can only be performed by the Supplier Enablement Team at Transport Shared Services.
- b.** Regular monitoring of vendor master data must be carried out by the Supplier Enablement Team at Transport Shared Services to identify dormant, duplicate or inactive records and flagged for deletion.
- c.** The vendor master file must be regularly reviewed for employees with access and deactivate those not used in the previous twelve (12) months. Employees who have moved into a role which no longer requires access must have their access removed.

- d. Creation of a new or maintenance of existing contract master data records is a centralised function and can only be performed by the Contract Administration Team at Transport Shared Services.

8. Accountabilities

- The Principal Manager, Strategic Procurement (Chief Procurement Officer) is responsible for policy development, monitoring, and continues improvement.
- The General Manager, Procurement Services is responsible for the policy implementation and enablement.
- All staff members are responsible for ensuring that they comply with the requirements of this policy in respect of any procurement activities. This obligation includes ensuring compliance with any [TfNSW Strategic Procurement Framework](#) procedures, guidelines, factsheets and other government requirements as are relevant and/or necessary.
- Staff members who hold a financial and/or a non-financial delegation are responsible for ensuring that they comply with the conditions and limits associated with that delegation at all times.

9. Breaches of This Policy

TfNSW may commence applicable disciplinary action if a person to whom this Policy applies breaches this Policy (or any of its related Procedures), including and up to termination of employment.

10. Document History

Date & Policy No	Approved by	Amendment Notes
01 October 2014 CP14031	Chief Financial Officer	Approved
11 March 2015 CP14031.1	Chief Financial Officer	Simplified contract variation rule for minor contract variations below \$150K
01 July 2015 CP14031.2	Chief Financial Officer	Added sections 4,5,6,7 & 8 required to enable the implementation of Transport Equip for Wave 0
18 May 2016 CP14031.3	Deputy Secretary, Finance and Investment	Updated section 4.3.2a (Tender Evaluation Committee) Updated section 4.4.2 (Evaluation Committee) Updated section 4.4.8.1 (General Panel Procurement) Added section 4.4.9 (Labour Hire Engagements) Amended section 6e (Suppliers)

11. Attachments

Appendix A: Procurement Policies and Legislation

The following documents relating to this Policy can be found at the following links:

TfNSW Documents

- [Procurement Framework for Goods and Services](#)
- [Conduct and Ethics Policies and Forms](#)
- [Finance Policies and Forms](#)
- [Procurement Easy Reference Guide](#)
- [Probity Factsheet](#)
- [Purchasing Card Procedure](#)
- [Purchasing Policy](#)
- [Enterprise Risk Management](#)

NSW Whole of Government Legislation and Policies

- [Australian Disability Enterprises](#)
- [Gateway Review requirements](#)
- [Government Information \(Public Access\) Act 2009](#)
- [Government Sector Employment Act 2013](#)
- [Government Sector Employment Regulation 2014](#)
- [NSW Legislation](#)
- [NSW Procurement Policy Framework](#)
- [NSW Procurement Policies](#)
- [NSW Procurement Board Directions](#)
- [Procure IT framework](#)
- [Procurement Planning Guidelines](#)
- [Public Finance and Audit Act 1983](#)
- [Public Works and Procurement Act 1912](#)
- [Public Works and Procurement Regulation 2014](#)
- [Small and Medium Enterprises Policy Framework](#)
- [TC 10/13 Gateway Review System](#)
- [TC12-19 Submission of business case](#)
- [Unsolicited Proposals](#)

Agency Websites

- [Department of Finance Services and Innovation](#)
- [Department of Premier & Cabinet](#)
- [ICAC](#)
- [NSW eTendering](#)
- [NSW Government](#)
- [Procurepoint](#)
- [Transport for NSW](#)

Appendix B: Glossary of Terms

Term	Definition
Accounts Payable	The team responsible for processing supplier invoices and making payments to suppliers
Approval / Approver	<p><i>Commodity</i> – approval of individual items purchased via the Shopping Cart.</p> <p><i>Financial</i> – approval based on the monetary value of the Shopping Cart.</p> <p><i>Non-Financial</i> – approval based on organizational hierarchy.</p>
Arrangement	<p>A description of a contract, standing offer, scheme, or any other form of agreement between a government agency/s and a supplier/s, whether or not the arrangement creates legal relationships between the parties. There are various models of supplier arrangements in place, including contracts between an agency and a supplier, standing offer agreements between agencies and suppliers which establish the legal arrangements for contracts relating to the purchase of goods or services, and registration lists and prequalification schemes under which agencies then enter into contracts.</p> <p>Whilst these models create different legal relationships between agencies and suppliers, for simplicity this Policy refers to these as ‘arrangements’.</p>
Business Contract Manager or BCM	A staff member appointed by the Sponsor from a specific business unit to manage the Contract. The BCM engages with the Contractor on a regular basis to ensure that the contractor honors their contractual obligations and performs in accordance with the relevant service levels and/or standards or delivery milestones.
Business Justification	A reason, fact, exceptional circumstance, or explanation that justifies an exemption or a deviation to the Procurement Policy rule/s. Business Justifications must be provided in writing either by paper (briefing templates) or any electronic means such as e-Mail.
Certifier	The certifier checks the accuracy of the delivery or the claims against what was approved. The certifying officer should be in the best position to know that the claim is correct and also checks that goods have been received as ordered and in good condition or services have been satisfactorily carried out.
Closing Time	The time and date that the Tender responses must be lodged as detailed in the relevant RFx documentation.
Code of Conduct	The code of conduct outlines the minimum standards that are expected of TfNSW staff.
Commodity Approval	Refer ‘Approval’ (above).
Conflict of Interests	A conflict of interests may arise where an individual associated with the procurement process has an interest (financial or non-financial)

Term	Definition
	that may prejudice their impartiality. Such conflicts of interests may be real, perceived or potential and must be managed and documented accordingly during the procurement process.
Contract	<p>The generic term describing the contractual or legal relationship between two (2) parties. In the case of procurement, it specifically refers to the agreement between TfNSW and a supplier with regard to the supply of goods or services. Such contracts may take many forms including:</p> <ul style="list-style-type: none"> • Discrete contracts • Heads of agreement • Supply agreements • Period contract • Priced panel • Unpriced panel.
Contract Management Plan	A tool for managing risks to the success of contracts, and for ensuring that what is negotiated as value for money is actually delivered.
Contractor	An individual that provides goods and/or services to TfNSW in exchange for payment.
Creator	A person who creates a Shopping Cart in response to a business need.
Delegated Authority	A TfNSW employee who holds an appropriate financial delegation to approve a particular procurement activity.
Electronic Funds Transfer (EFT)	An electronic method of transferring money from one bank account to another.
Evaluation Committee	A team undertaking evaluations of RFx response/s for operational sourcing including labour hire engagements by identifying and recommending for approval the most suitable and best value for money offer/s, which meets the requirements of an RFx or a labour hire position/s.
Financial Approval	Refer 'Approval' (above).
Financial Delegations Framework	The rules which set out the respective financial expenditure and approval levels for each position/level in TfNSW.
Labour Hire	An individual engaged on a temporary basis to replace or augment the workforce in the core service delivery of the business unit. For further information please refer to the transport factsheet: Defining Labour Hire Personnel, Professional Services and Consultants.
Late Tender	A Tender Response that is lodged after the Closing Time
Legal	Legal refers to TfNSW Legal Services and Governance Branch.
Letter of Intent	A written statement of intention between two (2) or more legal entities

Term	Definition
	that outlines the parties' intention regarding a future contractual or business arrangement. The purpose of a letter of intent is for the parties to document a common understanding of how they see their legal or business relationship evolving. Letters of intent typically are used as a temporary measure to establish a set of ground rules for the parties to work together pending the finalisation of a formal contract.
Negotiation Strategy	A pre-determined approach or prepared plan of action to achieve a specific goal or objective to potentially find and make an agreement or contract in a negotiation with another party or parties.
Non-Financial Approval	Refer 'Approval' (above).
Panel	<p>A list of suppliers who have satisfied TfNSW's criteria and are included on a 'Priced' or 'Unpriced' Panel.</p> <p><i>Priced Panel</i> is a "standing offer" where listed suppliers have satisfied TfNSW's criteria, have agreed to hold prices constant for a period of time and comply with the terms and conditions of the Priced Panel agreement. Orders are placed directly with the required supplier. Contracts come into being at the time of placing the order and include the terms of the Priced Panel agreement. The Priced Panel is managed by a Panel Administration Instructions that states the appropriate supplier procedure.</p> <p><i>Panel (without prices)</i> is a list of "pre-qualified" suppliers who have satisfied TfNSW's criteria and are committed to comply with a standard head agreement modified by the individual order. Prices are obtained by inviting selective quotations/tenders for required Services from the Panel. Contracts come into being at the time of placing the order or awarding the contract. The Panel is managed by a Panel Administrative Instructions that states the appropriate supplier procedure.</p>
Principal Manager, Strategic Category Management	The TSS Procurement Services representative responsible for working with Transport cluster to develop category strategies and execute category sourcing.
Purchasing	A process of buying or purchasing from supplier arrangements.
Purchasing Card (PCard)	A Purchasing Card is a Westpac Visa card providing a cost effective method for specifically delegated employees to procure low value, low risk goods and services directly from Suppliers on behalf of TfNSW.
Principal's Representative	<p>A TfNSW's representative who is responsible for:</p> <ul style="list-style-type: none"> • Serving and receiving notices and claims. • Escalation of issue resolution. • Acting independently in a senior governance role of the contract. • Acting externally to the direct business relationship. • Approving a termination decision.

Term	Definition
Probity Officer/Advisor	A Probity Officer/Advisor is a staff member who is engaged to observe, review and report on the bidding and selection process in procurement projects and to provide advice on probity issues which may arise, to ensure that the process is equitable and that it is conducted with integrity.
Procurement	It's a process that begins with the basic 'make or buy' decision and then spans the 'whole life' of supplier/construction arrangements. It includes the definition of business needs, designing and implementing arrangements, monitoring and managing performance and reviewing outcomes to assess the effectiveness of the arrangements.
Procurement Project Strategy	A formal document created at the end of the planning phase of the Strategic Sourcing process that contains a summary of key spend and market data and major benefits and risks, as well as the sourcing and contracting approaches to be used when engaging the supply market.
Procurement Governance Framework	A collection of procurement management forums supported by a pre-defined set escalation rules which are intended to provide oversight and endorsement of certain procurement processes.
Proponent	A supplier that submits a proposal in response to an RFx and includes the Proponent's related bodies corporate, employees, agents and contractors.
Purchase Order	A Purchase Order is an official company document produced on approval of a Shopping Cart and communicated to a supplier that specifies the goods or services (including quantity and price) to be purchased.
Recipient Created Tax Invoice (RCTI)	The tax invoice is created by TfNSW on behalf of the supplier. (Suppliers must agree to the process prior).
Requestor	Any person who identifies a need and initiates a purchase request.
RFx	<p>A term used to refer to the collective acronyms of several go-to-market strategies i.e. request for something. These include, without limitation:</p> <ul style="list-style-type: none"> • Request for Information (RFI). • Request for Quote (RFQ). • Request for Tender (RFT). • Request for Proposal (RFP). <p>The complexity of the RFx process is determined by, among other factors, the completeness of the requirements, the number of suppliers that have been qualified, expected competition in the supplier base, inherent risk in the sourcing effort, and projected savings or cost avoidance opportunities.</p>
Risk Assessment	A tool used to record project critical success factors, identify potential risks and existing control gaps, analyse and rank risks, and document

Term	Definition
	high-level risk treatment plans.
Scope of Requirements	<p>Information required to raise a Shopping Cart to start a procurement project, including the features the goods or services would have that would meet the business and the stakeholder requirements. Other references to Scope of Requirements may include, without limitation:</p> <ul style="list-style-type: none"> • Scope of Works. • Scope of Service.
Shopping Cart	A request to procure goods or services which has not yet been approved. Once a Shopping Cart is approved it becomes a Purchase Order.
Sourcing Strategy	<p>A section of the Procurement Project Strategy document, which identifies and evaluates potential sourcing options and the method by which the supply market will be engaged by TfNSW. This may include, without limitation:</p> <ul style="list-style-type: none"> • Request for Information (RFI). • Request for Quote (RFQ). • Request for Tender (RFT). • Request for Proposal (RFP). • Reverse Auction (RA).
Sponsor	Refers to the Sponsor of a procurement project. The Sponsor will usually be a senior representative from the Business Unit impacted by the procurement project. The Sponsor's role is typically to champion the project and to provide a point of escalation for key risk and issues. The Sponsor also has a significant governance role in reviewing, endorsing and sign-off key project deliverables.
Spot Buy	A competitive sourcing process for all procurements below \$250K.
Stakeholders	An individual or entity that can influence or who has a direct or indirect interest in the procurement activity being undertaken.
Strategic Sourcing	<p>The nine-step supplier sourcing and contracting cycle including opportunity assessment, internal and external data analysis, procurement strategy development, RFx management, supplier negotiation and award of contract, contract implementation and execution, and ongoing supplier management.</p> <p>This process is undertaken for all procurements valued \$250K and above.</p>
Strategic Supplier	<p>A Strategic Supplier to TfNSW may be defined, generally, as:</p> <ul style="list-style-type: none"> • one who provides the greatest potential value to TfNSW and poses the highest potential risk of impacting delivery of services to customers; • suppliers involved in longer term, partnership contracts for high-

Term	Definition
	<p>supply risk strategic items; or</p> <ul style="list-style-type: none"> focusing on partnering opportunities.
Sub-Contractor	<p>An individual or in many cases a business that signs a Contract to perform part or all of the obligations of a Contractor.</p> <p>A Sub-Contractor is hired by a general Contractor (or prime Contractor) to perform a specific task as part of the overall project.</p>
Supplier	<p>A commercial entity that provides goods or services to TfNSW in exchange for payment.</p>
Supply Agreement	<p>A contractual agreement that once established allows TfNSW employees to periodically purchase specific goods or services from approved suppliers at a pre-arranged price and under the standing conditions negotiated in the Supply Agreement.</p>
Tender	<p>A generic term used to describe binding offer to provide goods and services submitted by a supplier to TfNSW. Also referred to as an offer or proposal or quotation as the context requires.</p>
Tender Box (Physical and Electronic)	<p><i>Physical</i> tender box refers to:</p> <ul style="list-style-type: none"> An actual locked receptacle into which suppliers place their paper tender documents (any requirement for hard copy documents will be specified in the RFx documentation). <p><i>Electronic</i> tender box refers to:</p> <ul style="list-style-type: none"> A secure, online repository to which suppliers responding to an RFx, submit their tenders electronically (any requirement for electronic lodgment will be specified in the RFx documentation).
Tender Evaluation Committee	<p>A team undertaking an evaluation of Tender response/s and identifying and recommending for approval the most suitable and best value for money offer/s, which meets the requirements of the RFx.</p>
Tender Evaluation Plan	<p>The Tender Evaluation Plan is established to document a fair, impartial, rational and transparent process for the assessment of all Tender responses received, in order to identify and recommend for approval the most suitable and best value for money offer, which meets the requirements of the RFx.</p>
Tender Evaluation Report	<p>The Tender Evaluation Report is used as a record of the activities and individuals associated with the evaluation conducted on offers received in response to a Shopping Cart.</p>
Transport Equip	<p>The name of the enterprise resource planning system used to manage the end-to-end procurement process. Transport Equip is also an online hub for employee self-services, people management tools, and where many day-to-day business processes are performed.</p>
TfNSW Enterprise Risk Management (TERM)	<p>A framework that enables TfNSW to make better decisions relating to the achievement of its objectives. It enables an integrated and holistic approach, which examines all aspects of risk, and which enables</p>

Term	Definition
	TfNSW to select and prioritise those management actions which will provide the greatest potential benefit to the organization.
Value/d	A genuine, estimated value over the proposed term of the acquisition (not a value per annum). Unless specified otherwise, value is inclusive of GST. If TfNSW undertakes more than one procurement with the same supplier for the same goods and services within a reasonable period of time, the value of all the procurements should be added together (that is, order splitting is prohibited).
Whole of Government Contract	An arrangement under which an agency/s provides for the purchase of goods or services by that agency and all other agencies. An arrangement where an agency/s allows one or more other agencies to piggy-back is referred to as a cooperative contract or multi-agency access contract.