

CROWN RESERVES IMPROVEMENT FUND PROGRAM

Procurement guidelines

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More information

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Overview

This document provides guidance on acceptable procurement practices for projects that are funded through the Crown Reserves Improvement Fund Program (CRIFP).

CRIFP funding recipients from state and local government agencies must apply the procurement practices detailed within their respective agency policies.

General principles

CRIFP funds are public money, so it is important that procurement processes are even-handed, transparent, accountable and documented. **Annex A—Procurement Code of Conduct** details the principles and behaviours that must be followed.

The aim of your procurement process is to engage a supplier that offers the best value for money. This is not necessarily the same as selecting the cheapest supplier. When making procurement decisions you should take into account such things as: the price; the degree to which the goods or services being provided match your needs; whether the supplier has the skills to do the work; their availability to do the work when needed; and any trade references they provide or their experience in completing similar work.

Important: You will need to sufficiently document your procurement process so that you can demonstrate why you selected a particular supplier. You will need to include this information in your final project report, and it will be used if your project is selected for audit.

Procurement methodology

The procurement methods you use will depend on the value of each CRIFP activity element within your approved project (as detailed in your original application, subject to any adjustments or direction in the letter of offer from the Minister).

Note that **activities** are discrete elements of your application for funding. Some applications will only have one activity while others may have multiple activities. Project activities will generally align with the different types of quotes you are receiving.

For example, a hall upgrade may require the services of both an electrician and a plumber. If the applicant is engaging the two professionals directly (receiving quotes from both), then these project components would be two different activity elements. If the applicant is engaging a builder to project manage the above project and the electrician and the plumber are subcontracted by the builder, then the builders quote for the whole project will be just one activity element.

Activities \$30,000 or less: at least one quote

For activities valued \$30,000 or less, you would have obtained at least one written quote for each CRIFP funded activity element as part of your application for funding. While it is usual to engage the supplier who provided the quote for your application, you may get an additional quote if you subsequently believe that another supplier could offer better value for money. Note that this may delay the commencement of your project and you will not get additional CRIFP funding if you choose a higher value quote.

Activities greater than \$30,000, but less than or equal to \$150,000: at least 3 quotes

For activities valued over \$30,000 and up to \$150,000, you would have obtained at least three written quotes for each of these high-value project activity elements unless granted a waiver by the department. As above, you do not necessarily need to engage the supplier who provided the quote/s used in your application.

Over \$150,000: public tender process

For each activity element over \$150,000 you are required to put the work out to public tender. Agreeing to do so was a condition of applying for funding. As a minimum, the public tender process must include the following steps:

1. Form a tender evaluation committee (TEC). The TEC, comprising at least two people (preferably 3), is responsible for managing the tender process, assessing the received quotes, and selecting the successful supplier. Each TEC member must sign the *Declaration of Interest* form at **Annex A**.
2. Publish an advertisement notifying the public that you're seeking quotes for the work. The publication should be sufficiently broad to reach a reasonable number of potential suppliers, for example a local newspaper. You may also wish to place a notification on your website if you have one. See **Annex B** for suggested advertisement wording.
3. Allow an adequate amount of time for potential suppliers to respond—at least two weeks from the date of publication. Quotes should be sent to a designated person (for example, the Crown land manager secretary). This person should not review any of the quotes until they are assessed by all TEC members (see below).
 - a. Each potential supplier must be given the same information about the project.
 - b. You should not accept late quotes. In exceptional circumstances the TEC may grant a short extension as long as the reasons are documented and permission is given in writing prior to the original deadline.
4. (This step only applies if insufficient responses are received to your advertisement) If you receive less than three quotes in response to your advertisement, the TEC should authorise a designated person to contact a number of potential suppliers directly for quotes (with a new shared deadline).
 - a. The process must be managed equitably as per the sub points at step 3.
5. Assess all the received quotes (there must be at least three). The TEC should meet on an agreed date, review their respective *Declaration of Interest* forms and then determine their criteria for what will constitute 'best value for money' (see above). Members may then review the quotes and select the one that represents the best value for money.
 - a. Typically, each quote will be given a score (out of 10, for instance) for each criteria, with the highest overall score normally being the one chosen.
 - b. The criteria, scores and other factors relevant to the TEC's assessments must be documented and signed by all members.
6. A person designated by the TEC should notify the successful and unsuccessful suppliers in writing of the outcome.

Important: The decision about which supplier to use on your project should be made by more than one person. All decision makers must apply the guidance at **Annex A**, including signing the *Declaration of Interest* form, and document their processes and the reasons for selecting their preferred supplier.

Documentation

The types of records you must retain, and be able to present for audit, include:

- communications with potential suppliers, e.g. emails, records of phone conversations
- quotes (and any advice from suppliers not wanting to quote)
- signed *Declaration of Interest* forms
- copies of advertisements and/or web page notices (including date of publication)
- justification for directly approaching a supplier for an additional quote
- the methodology and criteria used and how it led to choosing the preferred supplier
- communications with the successful and unsuccessful suppliers.

Remember, you will also need to provide copies of receipts/invoices and 'before and after' photos of the work for your final project report.

Application assistance

Please contact the CRIFP team on 1300 886 235 (Option 4) or reservefunding@crowland.nsw.gov.au if you would like to discuss any aspect of the process.

Annex A: CRIFP procurement code of conduct

1. Introduction

Procurement and contracting are areas where, even with the best of intentions, significant ethical problems can arise unless those involved are aware of the potential pitfalls and take conscious action to avoid them. By providing guidance in these areas this code is intended to help recipients of CRIFP funds engage in appropriate practices when spending those funds.

Recipients who are unclear about any aspects of this code are urged to discuss it with the CRIFP team on 1300 886 235 (Option 4) or reservefunding@crowland.nsw.gov.au.

2. Accountability/transparency/impartiality

Funding recipients should seek to ensure that their procurement is at all times fair, ethical, transparent and even-handed. The decision about which supplier to use is to be based on information that:

- is correct and complete
- excludes irrelevant information or unsubstantiated opinions
- is fully and properly documented
- minimises the risk of personal bias.

3. Confidentiality

Quote details, and any other material provided to funding recipients, is to be treated commercial-in-confidence. The information must be kept secure and not disclosed to any other supplier or third party. The requirement for confidentiality does not cease with the award of the contract concerned.

4. Conflict of interest

Funding recipients must not use information obtained in the course of their decision-making duties to gain a direct or indirect advantage for themselves. Individuals who are responsible for deciding which supplier to use must disclose to the Crown land manager leadership (e.g. all members of the crown land manager executive) if they become aware of any interest that they, or any member of their family, or any close friends and relationships, hold or are offered, that might possibly be thought to conflict with their duty to make a fair and even-handed decision. For example, the individual or one of their relatives or close friends works for or has shares in a potential supplier.

In most cases, early and open disclosure of such an interest may allow the Crown land manager to prevent a conflict of interest occurring. If the conflict is not serious, no action beyond disclosure may be required. If the conflict is serious, it may be necessary for the individual to be excluded from the decision-making process.

All individuals involved in the decision-making process must complete the attached *Declaration of Interest* form to divulge any actual or perceived conflicts of interest or to declare no conflict of interest exists. This form must be updated and communicated to the Crown land manager leadership if the circumstances change during the course of the procurement.

5. Gifts, gratuities, hospitality

Gifts, gratuities and hospitality include such things as monies, credits, discounts, presents, food and drink, clothing, tickets to events, travel or hotel expenses and any other form of entertainment.

Individuals must not accept any gifts, gratuities or hospitality from a potential supplier during, or within a reasonable time following, the procurement process.

Declaration of Interest

I acknowledge that as an authorised decision-maker for a CRIFP procurement I am required to declare information or circumstances which are, or may be, perceived as a conflict of interest in relation to the following procurement process:

(Insert description of procurement)

Note: Potential conflicts of interest are anything that could inappropriately influence someone's participation in the decision making process. Examples include personal or financial involvement with a potential supplier or the actual (during the last three years) or implied provision of gifts, gratuities or other hospitality.

I hereby declare the following:

OR

I declare that; to the best of my knowledge, my current private and financial interests do not conflict with my duties as a decision maker in relation to the above procurement; and my independence and objectivity in dealing with the decision-making process has not been or is not likely to be compromised.

Name:

Position:

Organisation:

Signature:

Date

Annex B: CRIFP advertisement examples

Include the following key content in advertisements:

- name of the organisation seeking the quotes (e.g. the Crown land manager name)
- brief job description—if necessary, provide additional detail about the required work in a separate document that interested suppliers can obtain from you on request
- contact person and details (this person should handle all communication with potential suppliers)
- closing date for quotes, and details on how the quotes are to be provided.

Suggested wording

Following is some suggested wording and some examples which you can tailor to suit your particular needs.

Request for Quotes—[Job description]

[Crown land manager name] is seeking quotes from suitably experienced and qualified *[type of suppliers]* to *[job description]*. This may include *[job specifics]*.

For further information call *[name]* on *[number]*.

Please submit quotes by email to *[insert]*. Quotes must be received by 4pm on *[date]*.

Optional sentence if additional documentation to be made available (this may be included after or instead of the information about the job specifics): To obtain RFQ [Request for Quotation] documentation contact *[name/number/email]*.

Example 1

Request for Quotes—tennis court resurfacing

Central Parks Reserve land manager is seeking quotes from suitably experienced and qualified contractors to resurface 4 tennis courts with asphalt at the Central Park Reserve.

Further information can be obtained by calling John Smith on 6655 4433.

Please submit quotes by email to central@emailaddress.com.au. Quotes must be received by 4pm on 7 January 2019.

Example 2

Request for Quotes—demolition

Central Showground is seeking quotes from suitably experienced and qualified contractors to demolish the amenities block. Demolition includes removal of asbestos sheeting and preparation of site for new prefabricated amenities.

To obtain RFQ documentation, or for further information, contact John Smith at central@emailaddress.com.au. Quotes must be sent by email to this address, and must be received by 4pm on 7 January 2019.