



## Procurement Board

Type:  
NSW Procurement Board Direction

Identifier:  
PBD 2021-04

Status:  
Active

# PBD 2021-04 Approved procurement arrangements

### Description

Approved procurement arrangement for NSW Government agencies. these arrangements apply to procurement of any kind, including goods, services and construction, except as noted. PBD 2021-04 adds the requirement for agencies to obtain approval from their responsible Minister before entering into whole-of-government contracts, and adds the Exceptions Framework for agencies not to use mandatory whole of government procurement arrangements.

### Attachments

[PBD 2021 04 Decision tree concurrence for unaccredited agencies](#)

## Detailed Outline

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This Direction applies to the procurement of **goods and services of any kind, including construction**, by a government agency within the meaning of the *Public Works and Procurement Act 1912* (the Act) except as noted. All values are exclusive of GST.

## Requirements for goods, services and construction procurement

### Order splitting

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

### Use of whole of government contracts and prequalification schemes

A government agency **must** use whole-of-government contracts for obtaining the goods or services to which those contracts apply, except where specific exemptions are provided by Procurement Board **policies** (<https://buy.nsw.gov.au/policy-library>), **directions** ([https://buy.nsw.gov.au/policy-library/policy-library-search?form=wrapper&f.Policy+Type%7CPolicyType=board+directions&query=&profile=\\_default&show=trnsw-library-web&collection=procurement-nsw-meta&sort=](https://buy.nsw.gov.au/policy-library/policy-library-search?form=wrapper&f.Policy+Type%7CPolicyType=board+directions&query=&profile=_default&show=trnsw-library-web&collection=procurement-nsw-meta&sort=)) or the **Public Works and Procurement Regulation 2019** (<https://www.legislation.nsw.gov.au/#/view/regulation/2019/433>). View the list of **whole of government contracts** (<https://buy.nsw.gov.au/contracts>).

A government agency **must** also use the following whole of government prequalification schemes to obtain the goods or services to which those schemes apply:

- **Contingent Workforce** ([https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw-meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Fcontingent-workforce-scheme&auth=p15yhvJG4PHwHBXudz%2BRjw&profile=\\_default&rank=5&query=%21pad](https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw-meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Fcontingent-workforce-scheme&auth=p15yhvJG4PHwHBXudz%2BRjw&profile=_default&rank=5&query=%21pad))
- **Financial Services Prequalification Scheme** ([https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw-meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Ffinancial-assessment-services-scheme&auth=P9kV9h1fgBBc1LLtG6YCHQ&profile=\\_default&rank=9&query=%21padrenu](https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw-meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Ffinancial-assessment-services-scheme&auth=P9kV9h1fgBBc1LLtG6YCHQ&profile=_default&rank=9&query=%21padrenu)) (as required by **PBD-2013-01C Financial assessments** (<https://arp.nsw.gov.au/pbd-2013-01c-financial-assessments>)), unless the agency undertakes its own financial assessments of suppliers
- **ICT Services** ([https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw-meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Fict-services-scheme&auth=nbIZHLBSJ7qzx1c6FtEtDQ&profile=\\_default&rank=12&query=%21padrenu](https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw-meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Fict-services-scheme&auth=nbIZHLBSJ7qzx1c6FtEtDQ&profile=_default&rank=12&query=%21padrenu))
- **Motor Vehicle Acquisition** ([https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw-meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Fmotor-vehicles-scheme&auth=aEL8JrjtWU3kZOElueKSCA&profile=\\_default&rank=14&query=%21padrenu](https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw-meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Fmotor-vehicles-scheme&auth=aEL8JrjtWU3kZOElueKSCA&profile=_default&rank=14&query=%21padrenu))
- **Office Furniture Prequalification Scheme** (<https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw->

[meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Foffice-furniture-scheme&auth=1Wpf%2BhR3wU2EP8t%2Ft6zpeg&profile= default&rank=17&query=%21t](https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw-meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Foffice-furniture-scheme&auth=1Wpf%2BhR3wU2EP8t%2Ft6zpeg&profile= default&rank=17&query=%21t)

- **Operational Telecommunications Equipment, Infrastructure and Services** (<https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw-meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Foperational-telecommunications-equipment-infrastructure-and-services-scheme&auth=tp1lM4f6Mfda5WrBD48Ag&profile= default&rank=18&query=%21padren>) (as required by **DFSI-2019-01 NSW Government Operational Communications Strategy**) (<https://arp.nsw.gov.au/dfsi-2019-01-nsw-government-operational-communications-strategy/>).
- **Prequalification Scheme for General Construction Works** (<https://nswdfsi-search.squiz.cloud/s/redirect?collection=procurement-nsw-meta&url=https%3A%2F%2Fbuy.nsw.gov.au%2Fschemes%2Fgeneral-construction-works-up-to-%241-million&auth=03h7FtdHIQJSbWjVoEsclA&profile= default&rank=10&query=%21padrenul>) when procuring construction work valued up to \$1 million covered by the categories in the scheme (as required by **PBD-2014-04C** (<https://arp.nsw.gov.au/pbd-2014-04c-construction-procurement-prequalification-schemes-work-valued-1million>)), **except:**
  - if the agency issues an open tender, **or**
  - if the agency engages a local contractor for a one-off contract valued under \$30,000 and formally invites the contractor to become prequalified.

Limited exceptions to the use of applicable mandatory whole-of-government procurement arrangements (contracts and prequalification schemes) are permitted where no other exemptions apply and the conditions set out below are met. Exceptions are permitted when an existing mandatory whole-of-Government procurement arrangement meet an agency's requirement but the agency believes it will not meet their requirement optimally, and where existing exemptions do not apply. Where exemptions processes exist for mandatory whole of government procurement arrangements e.g. exemption process for the whole of government ICT Services Scheme, those processes take precedence over these conditions.

- **Maintaining probity and fairness, and value for money** All procurements that are exceptions must meet the probity and fairness requirements defined in s.176(1)(c) and s.176(2) of the *Public Works and Procurement Act 1912*, and ensure value for money is achieved (applying Section 1 of the Government Procurement Policy Framework as appropriate).
- **Appropriate authorisations** (1) The cluster Secretary or delegate must approve all exceptions, (2) An agency not intending to use a mandatory whole-of-government arrangement must notify the owners of the arrangement in advance.

- **Reporting to the PLG** All procurements that are exceptions to mandatory whole-of-government arrangements must be reported to the PLG at the next scheduled meeting.
- **Enforceable Procurement Provisions** Agencies should note that the transitional provision in clause 29 in the Enforceable Procurement Provisions Direction (PBD-2019-05) applying to existing contracts (in place before the commencement of the EPPD Direction) does not apply if an agency purchases outside of those existing contracts, and a covered government agency may need to comply with PBD 2019-05 for that transaction.

### Procurement approved by responsible Minister, Cabinet or any Cabinet Standing Committee

On 18 May 2021, the Minister for Finance and Small Business directed the NSW Procurement Board to require agencies to obtain approval from their responsible Minister, before entering into whole-of-government contracts, with the relevant Minister to make an assessment as to whether Cabinet consideration is necessary.

Where the procurement of goods and services by an agency has been considered and approved by Cabinet or a Cabinet Standing Committee, this board direction does not apply to the extent of any inconsistency. This includes where Cabinet or a Cabinet Standing Committee approves the undertaking of a procurement process to implement its decision.

In undertaking the procurement approved by Cabinet or a Cabinet Standing Committee, the agency is to have regard to the Procurement Policy Framework, Board Directions and other policies of the Board to the extent they are consistent with the Cabinet decision, including the need to achieve value for money.

If the procurement is covered by PBD-2019-05 Enforceable Procurement Provisions, the agency must comply with the enforceable procurement provisions.

### Supply by government entities

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

The government entity providing the goods and services (i.e. the supplier) should ensure its pricing and other terms and conditions are consistent with the competitive neutrality principles in the Treasury Policy and Guidelines Paper **[TPP02-1 Policy Statement on the Application of Competitive Neutrality](#)**.

[https://www.treasury.nsw.gov.au/sites/default/files/pdf/TPP02-1\\_Policy\\_Statement\\_on\\_the\\_Application\\_of\\_Competitive\\_Neutrality\\_Policy\\_and\\_Guidelines\\_Paper](https://www.treasury.nsw.gov.au/sites/default/files/pdf/TPP02-1_Policy_Statement_on_the_Application_of_Competitive_Neutrality_Policy_and_Guidelines_Paper).

### Procurement valued up to \$10,000

Unless an agency has specific requirements related to safety and infrastructure, any agency may enter into an arrangement with any supplier for the procurement of goods and services valued up to \$10,000 even if the goods or services are available on whole of government

procurement arrangements. The procuring agency should ensure the rates are reasonable and consistent with normal market rates.

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### Accredited agencies – goods, services and construction

An agency that is accredited under the NSW Procurement Board’s Accreditation Program for Goods and Services Procurement or Accreditation Program for Construction Procurement may enter into an arrangement with a supplier for the procurement of goods and services consistent with its terms of accreditation.

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### Requirements for goods and services procurement only

#### Unaccredited agencies - goods and services procurement

An agency that is **not** accredited under the NSW Procurement Board’s Accreditation Program for Goods and Services Procurement may procure goods and services that are **not** available on whole of government procurement arrangements using the following methods.

These requirements do not apply to construction procurement.

<b>Value</b>	<b>Process</b>
<b>&lt;\$10,000</b>	Purchase from any supplier, subject to agency safety and infrastructure requirements and provided the rates are reasonable and consistent with normal market rates.
<b>\$10,000 - \$30,000</b>	Obtain at least one written quotation.
<b>\$30,000 - \$680,000</b>	Obtain at least three written quotations <b>or</b> Conduct an appropriate procurement process approved by the agency head or an accredited agency within the cluster.
<b>≥\$680,000</b>	Determine if the procurement is a covered procurement under PBD-2019-05 Enforceable Procurement Provisions and comply if required <b>and</b> Conduct a procurement process endorsed by an accredited agency within the cluster (preferred) or NSW Procurement.

A process diagram is attached.

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## Requirements for construction procurement only

### Unaccredited agencies - construction procurement

The maximum value of construction work that can be undertaken by an agency that is **not** accredited under the Accreditation Program for Construction Procurement is \$1.3 million.

## Act

Public Works and Procurement Act 1912

<https://www.legislation.nsw.gov.au/#/view/act/1912/45>

(<https://www.legislation.nsw.gov.au/#/view/act/1912/45>).

## Overview

Who needs to know and/or comply with this?
Advisory Entities (including Boards and Committees)
Departments
Executive agencies related to Departments
Separate agencies
Statutory Authorities/Bodies

Compliance
Mandatory

AR Details	
Date Issued	Nov 23, 2021
Review Date	Nov 22, 2024
Replaces	<a href="https://arp.nsw.gov.au/pbd-2020-04-approved-procurement-arrangements/">PBD 2020-04: Approved procurement arrangements</a> ( <a href="https://arp.nsw.gov.au/pbd-2020-04-approved-procurement-arrangements/">https://arp.nsw.gov.au/pbd-2020-04-approved-procurement-arrangements/</a> ).
Replaced By	

Contacts	
Contact	
Phone	
Publishing Entity	The Treasury
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