

Memo



Health

Financial Services and Asset Management H23/96746

TO	Chief Executives (LHDs, SHNs, Agencies, Pillars)
CC	Deputy Secretaries Office of the Secretary
FROM	Michael Gendy, Chief Procurement Officer
DATE	13/12/2023
SUBJECT	Procurement Opportunities for Small Business

Dear Chief Executives

Small and Medium Enterprise and Regional Procurement Policy Update

As a result of the NSW Procurement Board Direction *Procurement opportunities for small (and medium) businesses* (PBD 2023-03) dated 7 December 2023, the direct engagement threshold for Small and Medium Enterprises (**SME**) will increase from \$150,000 to \$250,000.

This will effect a change to the NSW Health Policy Directive *NSW Health Procurement (Goods and Services) Policy* (PD2023_028) (**Procurement Policy**) and the related Procurement Procedures.

The NSW Procurement Board direction has the following effects:

1. Agencies may negotiate directly with and engage SMEs to provide goods and services, excluding construction, valued up to and including \$250,000 (excluding GST);
2. Agencies must only require small (and medium) businesses to provide insurance details and/or a certificate of insurance at the time of contract award; and
3. Agencies must take reasonable steps to verify that SMEs meet the following definition:
 - A small and medium business is an Australian or New Zealand based enterprise with fewer than 200 full-time equivalent (FTE) employees.
 - A small business is defined as an enterprise with 1-19 FTEs including sole traders and start-ups.
 - A medium business is defined as an enterprise with 20-199 FTEs.
 - Subsidiaries, partnerships or joint enterprises connected to a large business are excluded from these provisions.

The Procurement Policy and the related Procurement Procedures document will be updated in due course to reflect this change.



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Please note that this change does not affect the Professional Services requirement to submit a brief to the Chief Procurement Officer for Professional Services engagements valued at or over \$30,000 (excluding GST) or variations of any value.

*NSW Health staff are **required** to use NSW Government and NSW Health contracts or prequalification schemes where these exist.*

Procurement Policy Update

Section 5.2 of the current Procurement Policy will also be updated to reflect the mandatory requirement for NSW Health agencies to use an existing contract or scheme, even where it is only recommended by the NSW Procurement Board.

Should you need additional support or have any questions, then please reach out to your Relationship Manager in the Strategic Procurement Branch or to the shared mailbox MOH-StrategicProcurement@health.nsw.gov.au.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'M. Gendy', with a stylized flourish at the end.

Michael Gendy
Chief Procurement Officer