

GRNSW Procurement Policy

1 Executive Summary

Purpose

This document details the minimum standards required of Greyhound Racing NSW (**GRNSW**) staff and contractors involved in procuring goods and services on behalf of GRNSW. The objective of the policy is to ensure that the community, suppliers and other stakeholders can have confidence that GRNSW's procurement will achieve best value for money and is undertaken in an ethical, fair and transparent way.

Procurement Defined

For purposes of this document procurement is defined as:

- a) the acquisition of goods and services – from the identification of the requirement through to purchase approval; or
- b) the disposal, lease or sale of GRNSW's assets – from the identification of the requirement through to contract creation.

Intent

To ensure that GRNSW's procurement is:

- a) compliant with all legal requirements;
- b) consistent with best practice procurement policies and objectives;
- c) ethical, cost-effective and compliant with procurement practices; and
- d) aligned to GRNSW's objectives.

Scope

This policy applies to all procurement regardless of value, monetary or otherwise. It includes procurement undertaken on behalf of GRNSW by external parties.

Exclusions

This policy does not apply to expenditure related to:

- a) staff remuneration;
- b) taxes or government levies;
- c) legislated charges; and
- d) prizemoney.

General Principles

Procurement by GRNSW is guided by the following general principles:

- a) value for money;
- e) promotion of competition;
- f) fairness and honesty;
- g) confidentiality and probity;
- h) transparency and accountability;
- i) effective management of risk;
- j) intention to proceed;
- k) safety of GRNSW employees;
- l) ethical behaviour, sustainability and social responsibility;
- m) compliance with applicable laws and regulations; and
- n) service improvement.

2 Procurement Approval

Prior to soliciting quotes or engaging in any procurement activity or method, GRNSW employees must prove:

- a) a demonstrably justified need for the goods or services; and
- b) the availability of, or commitment to secure, funding for the intended acquisition.

3 Procurement Methods

The following procurement methods are to be used, in order of precedence.

GRNSW Contracts

GRNSW has contracts for ongoing requirements. GRNSW contracts must be used if consistent with the requirement.

Single Quote (up to \$30,000 incl. GST)

If there is not a suitable GRNSW contract and the estimated total value of the requirement is less than \$30,000 (incl. GST) then a single written quotation is to be obtained from a suitably qualified supplier. Prior to requesting a quotation the Buyer is to obtain the relevant approval under the GRNSW Delegations of Authority Policy.

Request for Quotation (\$30,001 to \$349,999 incl. GST)

If there is not a suitable GRNSW contract and the estimated total value of the requirement is between \$30,001 and \$349,999 (incl. GST) then a Request for Quotation (**RFQ**) is to be released to a minimum of three suitably qualified Suppliers.

Request for Proposal (\$350,000 or more incl. GST)

If there is not a suitable GRNSW contract and the estimated total value of the procurement is \$350,000 or more (incl. GST) then a Request for Proposal (**RFP**) is to be released to the open market.

Prior to the RFP being released the evaluation criteria, evaluation team and RFP document must be endorsed by the relevant delegate and approved in accordance with GRNSW's Delegations of Authority

Policy. Proposals are to be evaluated in accordance with GRNSW's Evaluation of Proposals Procedure.

Emergency Procurement

If there is an imminent threat to safety, security or operational delivery and it is not possible to use one of the above Procurement Methods then a Supplier may be directly engaged. This is deemed to be Emergency Procurement.

If Emergency Procurement is used then the relevant delegate under GRNSW's Delegations of Authority Policy must be advised via email within 24 hours.

Special Case

As a general rule Special Case Procurement should be avoided.

If none of the above Procurement Methods are determined to be appropriate and an alternate method is to be used (e.g. direct negotiation, selective tender, single select, unsolicited proposals, etc), then the Procurement Method is deemed to be Special Case.

Use of Special Case Procurement exposes GRNSW to additional risks, such as accusations of unfair advantage, conflict of interest, excluding competition and not being able to demonstrate value for money. Due to these risks all requests to undertake Special Case procurement must be endorsed by the relevant delegate and approved in writing by the:

- a) Chief Financial Officer – if the estimated total value of the requirement is \$250,000 or less (incl. GST); or
- b) Chief Executive Officer – if the estimated total value of the requirement is less than \$500,000 (incl. GST).

Requests to undertake Special Case Procurement will not be approved if there is not sufficient time to undertake a competitive procurement process or Unauthorised Negotiations have been initiated.

Unauthorised Negotiations are deemed to have been initiated if a potential Supplier is requested to:

- confirm availability; or
- provide pricing (e.g. proposal, quote, estimate, etc)

or otherwise made aware of the potential procurement.

Expenditure Review Committee

Regardless of the method of procurement selected, any proposed expenditure where the total amount will be \$250,000 (incl. GST) or greater must be approved by the GRNSW Expenditure Review Committee (**ERC**) before any procurement process is commenced.

Function: the ERC will work cooperatively and assist all business units in reviewing proposed procurements to ensure GRNSW is achieving best value in all contracts and procurement. To any extent considered desirable, the ERC can assist in negotiations, or will conduct tender processes for procurement.

Responsibility: the ERC will be responsible for the formal review and administrative approval of all contracts and procurements with a cumulative value greater than \$250,000 (incl. GST) which will happen prior to executive or Board approval (whichever level is relevant). Currently authorised managers will still have final sign-off at relevant delegation level.

Reporting: the ERC will report as required to the Chief Executive Office and will work with all managers to achieve best competitive outcomes in procurement.

Members: the ERC will be comprised of persons appointed by the Chief Executive Officer from time to time.

4 Contracted suppliers

GRNSW's Procurement Officer will identify and select qualified suppliers through a formal approval process which may include, amongst other things, a tender process.

GRNSW's employees should prioritise the use of contracted suppliers, whenever reasonably practicable, to ensure optimal outcomes.

5 Changes to Scope/Follow on Engagements

Contracts should include provisions for minor variations to the scope and hence the price. However, if it is proposed to materially change the scope or increase the value of the contract by more than 25 percent then a new procurement process is required. You must consult the relevant delegate before proceeding.

If it is foreseeable that a Supplier will be required to provide additional goods or services (follow on engagements) these must be detailed when seeking approval for the initial procurement.

6 Unsolicited Proposals

A Proposal is unsolicited if it is provided unprompted by a potential Supplier.

All Unsolicited Proposals must immediately be referred to the relevant delegate as they are a form of direct negotiation. All subsequent communications with the potential Supplier will be facilitated by the Procurement Manager until such time as Special Case Procurement has been approved.

7 Non-compliant Procurement

Procurement is non-compliant if goods or services:

- a) are requested without a Purchase Quote first being approved;
- b) continue to be provided after the approved funds have been exhausted;
- c) are not within the scope of the purchase order; or
- d) Unauthorised Negotiations have been initiated.

Non-compliant procurement must immediately be referred to the Procurement Manager who will report all instances to the Chief Financial Officer. The creation or variation of a purchase order to facilitate payment of invoices, for non-compliant procurement, must be approved by the Chief Financial Officer.

8 Paying Suppliers

Buyers are to ensure that Suppliers email their invoices to accountspayable@grnsw.com.au.

Supplier invoices must be paid within the respective payment terms of a correctly rendered invoice being received by GRNSW. The Buyer is responsible for ensuring that the invoice is correct and accurately reflects the goods and services provided and is in accordance with the contractual terms

The following methods are to be used to pay supplier invoices.

Accounts Payable

This is GRNSW's preferred method for paying Suppliers. If Emergency Procurement is utilised then the Buyer must ensure approval is obtained as soon as possible.

Buyers must ensure that:

- a) they use best endeavours when estimating the total value of the procurement;
- b) they include any foreseeable additional requirements that may result from engaging the supplier;

- c) there are sufficient approved budget funds available for the expenditure; and
- d) they monitor to ensure that approved funds are not exhausted before delivery of the goods and services is completed.

Corporate Credit Card

Corporate credit cards may be used for the payment for goods and services, subject to the following:

- a) use is approved by the relevant delegate under GRNSW's Corporate Credit Card Policy;
- a) payment cannot be facilitated via use of GRNSW's Accounts Payable process; and
- b) use is in compliance with GRNSW's policies relating to the use of Corporate Credit Cards;

9 Order Splitting

Requirements must not intentionally be split to avoid procurement method thresholds.

10 Specifications

It is the responsibility of the Buyer to provide a specification that clearly, accurately and completely defines the requirement. Specifications must be drafted so as to provide equal opportunity to all potential suppliers.

If any external organisation or individual is involved in drafting or defining a specification they are to be excluded from participating in any procurement activity related to the specification unless their participation is endorsed by the relevant delegate and approved by the Chief Financial Officer.

11 Conflict of Interest

In accordance with GRNSW's Code of Conduct, GRNSW employees must declare any direct or indirect personal relationship, affiliation or association with any party that would give rise to any actual or perceived conflict of interest.

If an actual, potential or perceived conflict of interest is related to a procurement activity you must also advise the relevant person under GRNSW's Conflict of Interest Policy.

12 Contract Execution

Contracts are to be executed in accordance with GRNSW's Delegations. The Buyer is responsible for the preparation of all required documents, obtaining all necessary approvals and ensuring that the contract is fully and correctly executed.

13 Amendments to, and operation of this Policy

GRNSW reserves the right to amend this policy at any time. This policy does not operate contractually and is not intended to be contractual in nature.

14 Consequences of a breach of this Policy

GRNSW reserves the right to take disciplinary action in the event of a breach of this Policy which may include termination of employment.

15 Information & Assistance

If you require more information or assistance with regards to this policy please refer to:

- a) GRNSW's intranet site under Procurement; or

b) the relevant delegate.

Policy Information:	
Date Policy Was Made	16 April 2021
Commencement Date Of This Version	15 January 2024
Policy Owner	Head of Procurement
Policy Reviewer	Chief Financial Officer
Date For Review	Annually

Revision History:		
Version	Date	Description
1.01	16 April 2021	Board approval
1.02	14 March 2022	Board approval - amendment to include referral to GRNSW's Expenditure Review Committee
1.03	15 January 2024	Amendments to value of procurement methods and other amendments to principles, procurement approval processes and contracted suppliers