

## Procurement and Disposal of Goods and Services

**Document Number** PD2009\_021

**Publication date** 27-Apr-2009

**Functional Sub group** Corporate Administration - Purchasing

**Summary** As from 1 April 2009 the State Contracts Control Board updated delegations for the procurement of goods and services, printing and disposal of surplus or unserviceable goods (excluding motor vehicles). This policy details the requirements for obtaining quotes for the purchasing of not-in-contract goods and services and the disposal of surplus or unserviceable goods. Note: The link to additional information under Printing on page 2 of the policy was removed on 17/6/09.

**Replaces Doc. No.** Goods and Services - Procurement of [PD2005\_595]  
Procurement of stationery, office products, printing and forms management service [PD2006\_031]  
Disposal of Surplus Goods, Obsolete/Unserviceable Stores (Excluding Motor Vehicles) [PD2006\_110]

**Author Branch** Strategic Procurement & Business Development

**Branch contact** Rod Lambert 9391 9215

**Applies to** Area Health Services/Chief Executive Governed Statutory Health Corporation, Board Governed Statutory Health Corporations, Affiliated Health Organisations - Non Declared, Affiliated Health Organisations - Declared, Public Health System Support Division, Community Health Centres, Dental Schools and Clinics, NSW Ambulance Service, NSW Dept of Health, Public Health Units, Public Hospitals

**Audience** All staff

**Distributed to** Public Health System, NSW Ambulance Service, NSW Department of Health, Public Health Units

**Review date** 27-Apr-2014

**File No.** 05/7252

**Status** Active

### Director-General

This Policy Directive may be varied, withdrawn or replaced at any time. Compliance with this directive is **mandatory** for NSW Health and is a condition of subsidy for public health organisations.

---

## PROCUREMENT AND DISPOSAL OF GOODS AND SERVICES

### Introduction

The Department of Health herewith advises that the limits for the procurement of not-in-contract goods and services (other than consultancies) and disposal of surplus and unserviceable goods have been amended effective from April 1 2009. See part 5 for specific provisions relating to printing.

#### **1. GOODS AND SERVICES UP TO \$3,000 IN VALUE incl GST**

Not required to obtain quotations for not-in-contract goods and services subject to the following conditions:

- a) rates being considered reasonable and consistent with normal market rates for items of a like nature; and
- b) requirements not being split into components nor succession of orders for the same goods or services for the purpose of enabling the goods/service to be obtained under the \$3,000 limit.

#### **2. GOODS AND SERVICES OVER \$3,001 AND UP TO \$30,000 IN VALUE incl GST**

Required to obtain one written quotation for not-in-contract goods and services subject to the following conditions:

- a) rates being considered reasonable and consistent with normal market rates for items of a like nature; and
- b) requirements not being split into components nor succession of orders for the same goods or services for the purpose of enabling the goods/service to be obtained under the \$30,000 limit.

#### **3. GOODS AND SERVICES OVER \$30,001 AND UP TO \$250,000 IN VALUE incl GST**

Required to obtain three written quotations for not-in-contract goods and services subject to the following conditions:

- a) rates being considered reasonable and consistent with normal market rates for items of a like nature; and
- b) requirements not being split into components nor succession of orders for the same goods or services for the purpose of enabling the goods/service to be obtained under the \$250,000 limit.

#### **4. GOODS AND SERVICES OVER \$250,001 IN VALUE**

Required to submit full details and specifications to the Department of Commerce (NSW Procurement - Contracting Services) for the invitation of

---

*Title: Procurement and Disposal of Goods and Services*

tenders. Area Health Services, Children's Hospital Westmead and Ambulance Service of NSW have been granted interim accreditation and may undertake procurement activities up to a value of \$100 million without reference to Department of Commerce. Affiliated health organisations can tender themselves.

## **5. PRINTING**

The delegations for printing have been aligned with the delegations for procuring goods and services.

NSW Health has an Agreement with its preferred supplier to provide a print management service. Procurement of printing under this Agreement precludes the need for staff to obtain additional quotations as the service provider will undertake this task on behalf of the Health System.

## **6. DISPOSAL OF SURPLUS OR UNSERVICEABLE GOODS (excluding motor vehicles)**

### **Transfer**

Transfer to another Public Service agency as set out in the Public Sector Employment and Management Act 2002.

### **Destruction**

Destruction where items are of no value.

### **Goods valued up to \$3,000**

Goods valued up to \$3,000 may be disposed of by negotiated sales and verbal quotes.

### **Goods valued over \$3,001 but not exceeding \$250,000**

Goods valued over \$3,001 but not exceeding \$250,000 may be disposed of by auction, written quotes or tenders.

### **Goods valued over \$250,001**

If the estimated value of the goods exceeds \$250,001, the disposal must be referred to Department of Commerce (NSW Procurement Contracting Services) for the invitation of tenders/auction approval action. Area Health Services, Children's Hospital Westmead and Ambulance Service of NSW have been granted interim accreditation and may undertake disposal activities of goods (excluding real property such as land and buildings) up to a value of \$100 million without reference to Department of Commerce. Affiliated health

---

*Title: Procurement and Disposal of Goods and Services*

organisations can tender to dispose of surplus or unserviceable goods themselves.

## **Disposal by a Third Party**

NSW Health has an Agreement with its preferred supplier to provide a disposal service. Disposals arranged under this Agreement preclude the need for staff to obtain additional quotations as the service provider will undertake that task on behalf of the Health System.

While it is expected that all disposals will be arranged through the service provider there may be circumstances where disposals are undertaken directly. In these cases the delegations detailed above apply.

The Supply Procedures Manual, Purchasing and Supply Manual for Public Health Organisations and other procurement resources will be updated in due course.

Any enquiries on procurement related matters can be made by contacting the Procurement Advisory Service, [pas@doh.health.nsw.gov.au](mailto:pas@doh.health.nsw.gov.au) or telephone (02) 9391 9215.

Professor Debora Picone AM  
**Director-General**