

Purchasing

Policy Number 2.150

Policy Function Leadership and Management

Issue Date 11 April 2017

Summary Justice Health & Forensic Mental Health Network recognises the responsibility to ensure a standard is set for purchasing resources and/or services. This policy sets out guidelines for purchasing resources and/or services by an authorised employee, contractor or other authorised representatives.

Responsible Officer Executive Director Corporate Services

Applicable Sites

- Administration Centres
- Community Sites (e.g. Court Liaison Service, Community Integration Team, etc.)
- Health Centres (Adult Correctional Centres or Police Cells)
- Health Centres (Juvenile Justice Centres)
- Long Bay Hospital
- Forensic Hospital

Previous Issue(s) Policy 2.150 (March 2013; February 2010)

Change Summary Update changes in Finance Department structure and system.

TRIM Reference POLJH/2150

Authorised by Chief Executive, Justice Health and Forensic Mental Health Network

1. Preface

Justice Health and Forensic Mental Health Network (JH&FMHN) recognises its responsibility to ensure a standard is set and maintained for purchasing resources and services. This policy sets out guidelines for purchasing resources and services by an authorised employee, contractor or other authorised representative.

2. Policy Content

2.1 Mandatory Requirements

Requisition, purchase and supply guidelines have been established by JH&FMHN to ensure staff obtain goods and services in an appropriate and timely manner. JH&FMHN should not pay for goods and services unless they are obtained in accordance with this policy. Authority to purchase is governed by JH&FMHN policy [2.022 Delegations Authority](#).

Medication orders must be processed by JH&FMHN Pharmacy Department staff as per the Pharmacy ordering schedule of health centres/wards and are procured under government contract.

2.2 Implementation – Roles and Responsibilities

2.2.1 Finance Support Officer (FSO)

The Finance Support Officer is - responsible for:

- The administration of the requisitioning process using iProcurement.
- Maintaining the accuracy of staff and delegations in iProcurement based on staff advice.
- Assisting JH&FMHN staff with questions in relation to iProcurement.
- Performing the Oracle goods receipting process based on acknowledgement of goods receipted by ordering staff.
- Guiding and supporting relevant JH&FMHN staff across sites to clear invoices on hold and liaising with HealthShare where necessary.

2.2.2 Finance Officer (FO)

The Finance Officer is responsible for:

- Checking all invoices to ensure - receipt acknowledgement is completed and accurately recorded in Stafflink.
- Forwarding invoices to HealthShare for payment to vendors, or arranging direct payment to vendors where goods or services were not ordered through HealthShare.
- Following up any outstanding invoices including invoices on hold and responding to queries from all parties, including HealthShare, vendors and staff, in relation to payment.
- Providing iProcurement training to JH&FMHN staff as per the Education and Training calendar.

2.2.3 Financial Accountant

The Financial Accountant is responsible for:

- Ensuring the adequacy of internal controls around purchasing processes.

- Resolving any escalated purchasing or payment issues.
- Management of approved PCard (see [3.7](#) Procurement Card) use in the Network.
- Monitoring appropriate usage of PCards in accordance with all the conditions and requirement under NSW Ministry of Health (MoH) [PD2016_005](#) *Application and Use of Procurement Cards (PCards) with NSW Health*.

2.2.4 Delegated Officer/Authority

The Delegated Officer/Authority is responsible for:

- Ensuring compliance with the JH&FMHN procurement process.
- Ensuring Procurement Checklist is completed for all purchases greater than \$30,000
- Ensuring Employment Review Committee (ERC) approval is obtained prior to engagement of temporary/agency staff.
- Ensuring requisitions are appropriate for the needs of the organisation and are value for money.
- Approving PCard holders and setting expenditure limits.
- Ensuring effective contract management plan, including regular performance meeting with the supplier and total tenure of the contract would not be more than five (5) years.
- Ensuring all contracts are updated in the centralised contract register.
- Ensuring all contracts are renewed in a timely timeframe and market tested as appropriate.

2.2.5 Responsible Officer

A Responsible Officer is someone nominated by the Delegated Officer/Authority to be responsible for the procurement of goods or services:

- Ensuring the following six (6) step/stage process mandated by the NSW MoH [PD2014_005](#) Goods and Services Procurement Policy is completed, with assistance from HealthShare Procurement Service Desk:
 - Need analysis;
 - Funding approval;
 - Procurement planning;
 - Supplier selection;
 - Contract management;
 - Procurement evaluation.
- Ensuring the completion of a Procurement Checklist for all purchases greater than \$30,000.
- Ensuring all documentations are stored in HPRM for audit purposes.
- Update all contracts in a centralised contract register.
- Ensuring regular performance meetings with the supplier and total tenure of the contract would not be more than five (5) years.
- Complete the relevant Government Information (Public Access) Act 2009 disclosure form.

2.2.6 Nurse Manager, Clinical Resources

The Nurse Manager, Clinical Resources is responsible for:

- Chairing the Equipment Products and Imprest Committee (EPIC).
- Ensuring compliance with the JH&FMHN approved catalogue in clinical products procurement.
- Ensuring value-for-money in developing the catalogue and sourcing of catalogue items.
- Maintaining working relationship with HealthShare to ensure the currency of JH&FMHN clinical products catalogue.
- Liaising with HealthShare to maximise purchasing capacity via the Onelink Warehouse (OLW).
- Ensuring approved pathways are followed when introducing new clinical products and equipment into JH&FMHN health centres and hospitals.

2.2.7 PCard holders

PCard holders are responsible for:

- Safe keeping of the PCard.
- Ensuring the pin is not disclosed to any other party.
- Ensuring no other person utilises the PCard.
- Ensuring that goods and services are procured from reputable merchants.
- Using the PCard in accordance with all the statutory and policy requirements in NSW MoH [PD2016 005 Application and Use of Procurement Cards \(PCards\) with NSW Health](#).

2.2.8 Internal Auditor

The Internal Auditor is responsible for performing audit of procurement processes in accordance with the approved audit plan, and un-scheduled audits or reviews as requested by the Executive Director, Performance & Planning.

2.2.9 Executive Director, Corporate Services

- Ensuring an effective and efficient procurement and contract management framework.
- Maintenance and review of a centralised contracts register.
- Undertake negotiation with vendors as needed.

2.2.10 Chief Financial Officer

- Ensuring compliance with the NSW MoH Procurement Policy.
- Ensuring compliance with the JH&FMHN procurement processes.
- Ensuring compliance with Part 3 Division 5 of the *Government Information (Public Access) Act 2009*.
- Provide expertise advice in relation to procurement and contract activities.
- Periodic review of disclosure contracts register published on NSW eTendering website against JH&FMHN contract register to ensure appropriate GIPA disclosure.
- Liaison with internal and external audit in relation to procurement and contract matters.

3. Procedure Content

3.1 Staff Purchasing Goods or Services

3.1.1 Sourcing

Whole of Government or Health Contracts are arranged so as to provide the best value for money on a statewide basis and in this context; Not purchasing from the Contract because better prices or conditions exist locally, is not a valid justification for deviation from the Contract.

Although there is no requirement to conduct a tender as the open market has already been used in establishing the Contracts, wherever practicable, the Responsible Officer is to seek a minimum of three (3) quotes from panel members, for the purchase of goods and services valued over \$30,000, if prices are not fixed, to achieve value for money. There may be rare instances where exemptions are required for reasons attributed to a specific technical/clinical need, unsuitable conditions of contract, level of performance or as a result of an unresolved dispute. Such exemptions can only be approved by the Chief Procurement Officer at the Ministry of Health.

Purchasing of goods or services, not available under an existing Whole of Government or Health Contract:

- Less than \$3,000: No quotation required;
- Over \$3,000 and up to \$30,000: A minimum of one (1) written quote is to be obtained; and
- Over \$30,000 and up to \$250,000: A minimum of three (3) written quotes are to be sought from credible suppliers.
- Over \$250,000: Tender.

Please note all values listed are inclusive of GST.

The Responsible Officer is to contact HealthShare Procurement Service Desk on 130 883 965 and complete a [Request to Source Item/Service Form](#) if unsure if a particular item or service to be sourced is currently available on the Whole of Government or Health Contract. The Responsibility Matrix with HealthShare is listed below ([Process Flow Diagram](#)):

| RM # | Description | Responsibility Matrix | |
|------|---|-----------------------|----------|
| | | HealthShare | Customer |
| 1 | Forward request for sourcing information to HealthShare | | x |
| 2 | Assign ticket to HealthShare Sourcing team | x | |
| 3 | Seek further information from Customer and request completion of Sourcing Request Form where required | x | |
| 4 | Complete Sourcing Request Form and return to HealthShare | | x |
| 5 | Research current contracts and open market and e-mail relevant information to Customer | x | |
| 6 | Complete Oracle requisition form and forward to HealthShare | | x |

3.1.2 Ordering

A requisition, covering the preferred quote, or a signed contract if awarded, is required to raise a Purchase Order.

Staff must prepare a requisition using iProcurement which must be approved by the relevant Delegated Officer as per JH&FMHN policy [2.022 Delegations Authority](#). All requisitions should be prepared in timely manner; Avoiding urgent orders wherever possible. Staff must follow the procurement guidelines contained in the NSW MoH [PD2014 005](#) Goods and Services Procurement Policy.

JH&FMHN has implemented iProcurement which provides an online ordering facility for all goods and services. iProcurement is interfaced with Oracle online catalogues including supplies from Onelink warehouse. Ordering of all goods or services (except for travel which is organised through Flight Centre, uniform, stationery and other goods purchased with the Procurement Card) must be submitted via iProcurement. iProcurement also provides an automated workflow to obtain approval from the relevant line managers - in accordance with the JH&FMHN delegation policy. Therefore, it is important that changes in staff's roles and responsibilities be communicated on a timely basis to Finance using form [FIN411 Oracle Financial & Procurement Access Request Form](#).

To mitigate the risk of poor procurement process and assist staff to follow the correct procurement process, NSW MoH has developed easy guides to procurement available via the [Procurement Portal](#), including the [Procurement Checklist](#). A copy of the checklist is also available on the JH&FMHN intranet ([FIN405 Checklist – Steps in the Procurement Process for Goods and Services including ICT](#)). The checklist must be completed for all procurement of goods and services not on State Government Contract where the value of goods and services to be procured exceeds \$30,000 (exclude GST). The checklist must be attached to the requisition and brief and recorded in HPRM in the event of an audit.

A brief to the Chief Executive is required for procurement where the value of goods and services exceeds \$50,000. The brief should reference the iProcurement requisition number and supported by a completed [Procurement Checklist](#).

HealthShare will conduct conformance checks on requisitions for goods/services >\$30K and request further detail from the Responsible Officer if there is insufficient evidence of compliance with the [PD2014 005](#) Goods and Services Procurement Policy. This is prescribed in the Responsibility Matrix with HealthShare below ([Process Flow Diagram](#))

| RM# | Description | Responsibility Matrix | |
|-----|--|-----------------------|----------|
| | | HealthShare | Customer |
| 1 | Raise and authorise purchase requisition and submit to HealthShare | | x |
| 2 | For goods/services >\$30K, review for compliance with procurement thresholds and request additional information from Customer where required | x | |
| 3 | Provide evidence of compliance with procurement thresholds | | x |
| 4 | Set up Vendor in Oracle | | x |
| 5 | For any price variance check price with Vendor | x | |

| RM# | Description | Responsibility Matrix | |
|-----|--|-----------------------|----------|
| | | HealthShare | Customer |
| 6 | Confirm agreement of new price if required | | x |
| 7 | Generate and approve Purchase Order | x | |
| 8 | Distribute Purchase Order to supplier unless otherwise advised | x | |

3.1.3 Agency Staff

The process for procurement of agency staff - is the same as the procurement of goods and services. However approval from the Employment Review Committee (ERC) is required before a requisition can be raised. It is the responsibility of the authorised approving delegate to ensure compliance.

3.1.4 Receiving Items and Confirming Delivery

Upon receipt of the goods or services ordered, staff must acknowledge receipt of goods or services on the tax invoice. A copy of the invoice may be delivered with the goods, or may be accessible via iProcurement if the supplier chooses to send the invoice copy directly to HealthShare. For goods and services, other than pharmaceuticals, staff should indicate the purchase order number on the invoice if it is not already identified on the invoice. For all pharmaceutical goods the delivery confirmation stamp must be used to confirm that all goods were received. All confirmed tax invoices must be forwarded to the Pharmacy Data Coordinator for processing within seven (7) days.

The total invoice value must be clearly visible. All invoices should be forwarded to the Finance Support Officer located at the Justice Health Administration Centre (JHAC) on a weekly basis. Where receipting is performed by the ordering staff, staff may choose to forward invoices directly to HealthShare for processing, or alternatively, to the Finance Support Officer for forwarding to HealthShare.

3.1.5 Return of Purchased Goods

The Responsible Officer is to contact HealthShare Procurement Service Desk on 1300 883 965 and complete a [Non Stock – Goods Return Advice form](#) in accordance with the Responsibility Matrix with HealthShare below ([Process Flow Diagram](#)):

| RM# | Description | Responsibility Matrix | |
|-----|--|-----------------------|----------|
| | | HealthShare | Customer |
| 1 | Submit completed Goods Return form (Section 1) to HealthShare | | x |
| 2 | Contact 3rd party supplier to request Goods Return Authorisation Number | x | |
| 3 | Advise Customer of any returns declined by the supplier | x | |
| 4 | For returns accepted by the supplier, complete section 2 of Goods return Authority and enter into Oracle | x | |
| 5 | Complete section 3 of Goods Return Authority | | x |
| 6 | Unreceipt goods in Oracle | | x |

| RM# | Description | Responsibility Matrix | |
|-----|--------------------------|-----------------------|----------|
| | | HealthShare | Customer |
| 7 | Return goods to supplier | | x |

3.1.6 Tender

NSW Health policy requires that procurements greater than \$250,000 including GST, that are not available on an existing state contract must go to tender. HealthShare and the Network share responsibility for ensuring that tendering processes comply with relevant NSW Government policy and probity principles. HealthShare Tenders and Contracts team is to assist the Network to achieve their procurement objectives through market engagement. This can take the form of open tender, quotation, expression of interest or accessing an existing contract or prequalified list of vendors.

The HealthShare Local Tenders and Contracts team, located at Parramatta, can provide:

- Expert procurement advice on all aspects of the tender process or other market engagement options
- Assistance with planning a procurement – business case, market research and procurement strategy
- End to end coordination of the tender process
- Advice and oversight of probity, including policy requirements
- Assistance in identifying and developing the specification or statement of requirements
- Preparation and administration of documents for market testing
- Assistance with preparation and administration of site visits or supplier forums
- Record keeping associated with the procurement process
- Communication with vendors during the procurement process, including providing a debriefing session with unsuccessful respondents
- Management of the NSW Government eTendering website – publishing a tender to market, downloading responses from the eTender box and publishing the outcome
- Coordination, administration and assistance with evaluation of response
- Preparation and administration of contract documentation
- Contract management assistance and escalation templates to assist planning, tendering and contract management
- Reporting on the status of tendering projects and active contracts
- Implementation of tendering related regulatory or policy changes

The Responsible Officer must contact the Procurement Service Desk on 1300 883 965 or email HSNW-SC-Tenders@health.nsw.gov.au to obtain further advice in accordance with the Responsibility Matrix with HealthShare below ([Process Flow Diagram](#)):

| RM# | Description | Responsibility Matrix | |
|-----|--|-----------------------|----------|
| | | HealthShare | Customer |
| 1 | Identify the need to tender for procurement of goods/services. | | X |

| RM# | Description | Responsibility Matrix | |
|-----|--|-----------------------|----------|
| | | HealthShare | Customer |
| 2 | Develop business case and procurement plan and co-ordinate approval of same | | X |
| 3 | Send tender information pack to the Customer | x | |
| 4 | Review existing contracts and provide contract information to the Customer | x | |
| 5 | Complete and approve standard Tender Request Form and submit to HealthShare | | x |
| 6 | Establish draft project plan | x | x |
| 7 | Allocate tender registration number | x | |
| 8 | Identify suitably skilled Tender Evaluation Committee membership and manage declarations of Conflicts of Interest | | x |
| 9 | Develop draft specification, draft pricing models and draft evaluation plan | x | x |
| 10 | Review draft specification, draft pricing models and draft evaluation plan and finalise tender documentation for release | x | |
| 11 | Coordinate supplier forum and/or site visit where required | x | |
| 12 | Sign off final tender documentation for release to the market | | x |
| 13 | Release tender to the market | x | |

The Responsibility Matrix for the management of tender as below ([Process Flow Diagram](#)):

| RM# | Description | Responsibility Matrix | |
|-----|--|-----------------------|----------|
| | | HealthShare | Customer |
| 1 | Release tender to the market | x | |
| 2 | Conduct and document site visits where required | | x |
| 3 | Seek clarification from Customer in response to enquiries from potential tenderers | x | |
| 4 | Provide further information to HealthShare as required to clarify queries | | x |
| 5 | Create and upload addenda to e-tender website as required (based on further information provided by the Customer in response to queries) | x | |
| 6 | Open e-tender box in accordance with policy | x | |
| 7 | Receive and securely store e-tender submissions | x | |

The Responsibility Matrix for the tender evaluation as below ([Process Flow Diagram](#)):

| RM# | Description | Responsibility Matrix | |
|-----|---|-----------------------|----------|
| | | HealthShare | Customer |
| 1 | Open tender box, review submissions for completeness and request any missing information from tenderers | x | |
| 2 | Commence tender evaluation according to plan and review submissions for contractual compliance | x | |
| 3 | Evaluate submissions for technical compliance and pricing | | x |
| 4 | Distribute and evaluate any product samples, documenting evaluation | | x |
| 5 | Notify HealthShare of any areas for clarification | | x |
| 6 | Seek clarification from suppliers where required and provide information to Customer | x | |
| 7 | Coordinate supplier presentations if required | x | |
| 8 | Perform reference checks | x | x |
| 9 | Review and agree to any contractual variations | | x |
| 10 | Provide report on tender process to the customer | x | |
| 11 | Prepare evaluation committee recommendation for CE approval | | x |
| 12 | Obtain Evaluation Committee and Chief Executive sign off on recommendation | | x |

3.1.7 Contract Management

The aim of contract management is to have supplies provided in a timely manner, which are fit for purpose and sufficient in quality and/or quantity to meet Network objectives at an affordable and sustainable cost. It is about developing a professional and proper relationship with the contractor, communicating issues, making decisions in a timely and consistent manner, acting reasonably and being proactive and responsible in resolving issues. A contract is generally required for purchases of higher value, ie, over \$150,000 or following award of tender. Goods or services purchased off State or Health contracts are covered under the commercial terms of the contract, local contract or agreement should contain various Key Performance Indicators (KPI) to monitor contract performance.

The Responsible Officer is responsible for:

- Contacting the Executive Director Corporate Services or Chief Financial Officer to ascertain if a contract is required for a particular good or service purchased;
- Record the contract details in the centralised contract register;
- Protecting the Network’s interest that its contractual obligations are met and fulfilled;
- Milestones are met, deliverables received and contract related processes are completed;
- Prompt payment occurs;

- Any variations, claims, issues, disputes, and/or any additional funding requirements are managed in a timely, professional manner;
- Meet with the contractor’s representative at least every six months to review the contract performance;
- A transition plan is prepared at least three months in advance of the contract expiry date, noting the total tenure of the contract must not be more than five (5) years.

The Responsibility Matrix with HealthShare is listed below ([Process Flow Diagram](#)):

| RM# | Description | Responsibility Matrix | |
|-----|--|-----------------------|----------|
| | | HealthShare | Customer |
| 1 | Advise nominated supplier/s of their preferred status and obtain agreement from the preferred supplier/s to stated terms, conditions and pricing | x | |
| 2 | Prepare draft contract based on standard template and forward to Customer | x | |
| 3 | Review draft contract (seeking legal advice if required) and return to HealthShare | | x |
| 4 | Forward contract documentation to preferred supplier/s | x | |
| 5 | Receive signed contract documentation and forward to Customer for CE signature | x | |
| 6 | Retain original signed contract documentation and forward copy to HealthShare | | x |
| 7 | Forward copy signed contract documentation to supplier/s | x | |
| 8 | Advise tender respondents and other stakeholders of tender outcome | x | |
| 9 | Publish award of contract on e-Tender website | x | |
| 10 | Coordinate supplier debrief (where debrief requested) | x | |
| 11 | Attend supplier debrief (where debrief requested) | | x |

3.1.8 Centralised Contract Register

A centralised contract register is available in HPRM. The Responsible Officer must register all contracts in the register and complete the following details:

- Name of supplier
- Brief description of good or service supplied
- Responsible Officer
- Approving Officer
- Commencement date
- Completion date

- Contract values
- Date of last meeting with supplier
- Option for extension
- Contract completed (Y/N)
- State/Health Contract reference number (if applicable)
- Contract HPRM reference number

This register will be reviewed at least six (6) monthly to ensure appropriate contract disclosure for GIPA compliance.

3.1.9 Procurement of the Arts

The Arts (whether visual, performance, craft, digital or literary) play a significant role in promoting the health and wellbeing of patients, staff, clients and visitors to our health services and within the broader community.

The incorporation of The Arts in the design of health facilities and delivery of health services creates a sense of 'place' and community, provides an opportunity to promote healthy living and illness prevention, provides support in the management of illness and chronic disease, aid rehabilitation and recovery, and provides comfort as part of end of life care.

All procurement of The Arts must follow the *Guidelines for Procurement of The Arts*. These guidelines have been developed and approved by the JH&FMHN Health and The Arts committee.

3.2 HealthShare

HealthShare Procurement and Logistics provides a range of services to the Network, including Product Management, Contracting and Purchase Order Processing and Strategic Sourcing. HealthShare process all requisitions entered by JH&FMHN staff in iProcurement and places the order with a vendor within two (2) **working** days. HealthShare serves as the contact point between JH&FMHN and the vendor.

HealthShare provides an extensive range of pre-approved products, including medical and clinical consumables, equipment and their spare parts as inventory items. These items are supplied by the Onelink Warehouse.

HealthShare is responsible for the overall operation and maintenance of the PCard program within NSW Health, and ensure best practices are engaged and optimum service levels are reached and maintained. These responsibilities include:

- Coordination of the overall PCard program and delivery of the PCard Training Program to ensure efficient and effective delivery of card services.
- Monitoring the compliance of the PCard program and initiating periodic reviews of card usage on behalf of the Health Agency.
- Acting upon instruction from the Network to revoke PCard privileges where inappropriate use has been proven or the PCard is no longer justified.
- Single point of contact for all escalated PCard matters for all Health Agencies.
- Liaison with Westpac regarding card administration, card activity and compliance assurance.

- Responsibility for the system administration of the operational EMS and for the issuance and maintenance of PCards to approved card holders on behalf of the Health Agency.
- Auditing - distribution of reports on behalf of each Health Agency to assist with the maintenance and integrity of the program.
- Audit reporting to assist with the enforcement of the Infraction policy.
- Ensuring all related documentation is maintained and all PCard details are securely stored.

Please refer to [HealthShare Procurement and Logistic page](#) or [PCard page](#) for current information on key contacts, forms and processes.

Pharmaceuticals and vaccines are managed by the JH&FMHN Pharmacy Department on iPharmacy under the Government Contract and through the vaccine centre.

3.2.1 New Suppliers

HealthShare provides an extensive range of clinical products. However the range can be exhaustive, for example, there are hundreds of hand hygiene products and dozens of intravenous consumables. JH&FMHN - EPIC- oversees matters relating to clinical products and equipment, to ensure that clinical practice is supported by evidence of efficacy, safety, effective resource utilisation and assurance of an agreed process for monitoring outcomes. Staff should refer to the EPIC publications to determine the appropriateness of the new product before purchasing.

The following is the Responsibility Matrix with HealthShare for the creation of new supplier and maintenance of existing supplier. Please contact the Finance Officer for further information.

| RM# | Description | Responsibility Matrix | |
|-----|---|-----------------------|----------|
| | | HealthShare | Customer |
| 1 | Identify need for Vendor creation or update | | x |
| 2 | Complete Vendor Creation, Maintenance and Update From and submit to HealthShare | | x |
| 3 | Create or amend Vendor details in Oracle per Customer instruction | x | |
| 4 | Notify requestor of set up | x | |

3.3 Procurement for Goods and Services Supplied Outside of HealthShare Catalogue

All goods and services sourced outside of the Catalogue must be obtained at the lowest price consistent with customer specification and quality or national standards.

The following are examples of goods and services that may be obtained outside of the catalogue:

- Catering
- Travel which is organised through Flight Centre
- Consultants
- Speakers for Learning and Development Functions

- Forums and conferences
- Uniform
- Stationery (via Officemax portal)
- Vehicles
- Mobile phones
- Pagers
- Landlines
- Waste services

3.4 New Products / Services

The development and documentation of exact specifications for new products or services are the responsibility of HealthShare. HealthShare staff are available to provide assistance with specifications and negotiations via the JH&FMHN Nurse Manager, Clinical Resources. However, similar to [section 3.2.1](#) above – staff should check with the JH&FMHN EPIC - for appropriateness of a new product prior to purchasing or adding it to the JH&FMHN iProcurement catalogue.

3.4.1 Requesting the Introduction of New Clinical Products or Equipment

If a new product or equipment is required for clinical use, the following process must be followed:

- *Request for New Equipment/Products* online form to be completed by the requestor.
- The *Request for New Equipment/Products* is raised at the EPIC meeting by the Nurse Manager Clinical Resources.
- A consensus is reached by the EPIC on the viability of the product or equipment within JH&FMHN
- A decision is made by the EPIC as to whether the product is either approved, rejected or approved for evaluation or trial within selected JH&FMHN health centres and/or wards. Permanent introduction is dependent on the trial/evaluation outcome.
- The requestor is notified of the outcome via the Nurse Manager, Clinical Resources.

3.5 Standing Orders

Standing orders (blanket order) should only be issued for expenditure which is generally minor and repetitious in nature. Examples include utilities, external courier, medical gas-supply, etc. Standing orders must be raised in iProcurement for the estimated amount required during the financial year or based on the contractual arrangement. Approval of standing orders must be in accordance with the - Delegations Authority. All standing orders must be closed at the end of a financial year.

3.6 Invoices without Purchase Order

Payment of an invoice must be supported by a valid requisition. Staff must raise retrospective requisitions for any urgent procurement of goods and services where the invoice is received prior to issue of the requisition.

3.7 Procurement Card (PCard)

A PCard is a type of credit card with features that facilitate expenditure control and are a cost effective way of purchasing high volume, low value goods and services. The PCard replaces the need to create purchase orders for these types of transactions which are \$5,000 or less. PCards must only be used for business related expenses and in accordance with the Code of Conduct. All purchases of goods and services must comply with NSW MoH [PD2014 005 Goods and Services Procurement Policy](#). PCards must not be used to split purchases, in order to negate credit limits. The requirements for the use of PCards are prescribed under NSW MoH [PD2016 005 Application and Use of Procurement Cards \(PCards\) with NSW Health](#).

The following is the Responsibility Matrix with HealthShare in relation to the management of PCard ([Process Flow Diagram](#)):

| RM# | Description | Responsibility Matrix | |
|-----|--|-----------------------|----------|
| | | HealthShare | Customer |
| 1 | Order goods/services from supplier using PCard | | x |
| 2 | Receipt goods/services in Expense Management System | | x |
| 3 | Automatic upload to General Ledger | x | |
| 4 | Automatic payment to supplier within 3 business days of goods receipt in EMS | x | |
| 5 | Automatic settlement of PCard account within 15 days of statement end date | x | |

3.8 Procurement Advisory Board

The role of the Procurement Advisory Board (required under NSW MoH [PD2014 005 Goods and Services Procurement Policy](#)) is to provide governance and assurance for all procurement projects valued over \$250,000. The function of the Procurement Advisory Board is incorporated into the Network's monthly meeting of Executive Directors, as a regular agenda item, and all decisions provided to the JH&FMHN Board meeting for information.

3.9 GIPA Regulation

The [Government Information \(Public Access\) Regulation 2009](#) requires government agencies to publish on their websites a range of open access information, including procurement activities with private sector bodies, estimated amount payable to the contractor greater than \$150,000 (excluding GST), from the date on which the contract became effective and the duration of the contract, within 60 days. Additional disclosure is required for class 2 and 3 contracts, which involve direct negotiation with supplier and no tender process. To facilitate the disclosure of the procurement information, the relevant HealthShare Sourcing Department may make contact with the requesting staff for additional details required. Disclosure of this information is mandatory and non-compliance can incur a range of penalties. (For any additional information on the [Government Information \(Public Access\) Act 2009](#) refer to the NSW MoH website <http://www.health.nsw.gov.au/gipaa/index.asp> or contact HealthShare Procurement Service Desk (1300 883 965). Alternatively [Contract Disclosure form](#) can be completed.

3.10 30 Day Small Business Policy

From 14 July 2011, the NSW Government implemented a new payment of accounts terms associated with Small Business. From that date, all Small Businesses may be eligible to be paid within 30 days where certain conditions are met.

A Small Business is defined as a supplier that has an annual turnover of less than \$2 million per annum.

Further details of this policy can be found on the [Treasury Circular NSW TC 11/12](#).

3.11 Registration of New Equipment

All new medical and dental equipment must be registered with the Nurse Manager, Clinical Resources and the Manager of Facilities and Logistics. This ensures adequate servicing and maintenance is performed on all medical equipment. The *New Product Registration* online form must be completed within 7 days of clinical equipment acquisition.

4. Contact Details

Generic email: finance@justicehealth.nsw.gov.au

| | |
|--|----------------|
| Finance Support Officer (FSO) | (02) 9700 3080 |
| Finance Officer (FO) | (02) 9700 3032 |
| Nurse Manager, Clinical Resources | (02) 9700 3026 |
| Financial Accountant (FA) | (02) 9700 3033 |
| HealthShare Procurement Service Desk | 1300 883 965 |
| Chief Financial Officer | (02) 9700 3031 |
| Executive Director, Corporate Services | (02) 9700 3335 |

5. Definitions

Must

Indicates a mandatory action to be complied with.

Should

Indicates a recommended action to be complied with unless there are sound reasons for taking a different course of action.

6. Legislation and Related Documents

Legislation [Government Information \(Public Access\) Regulation 2009](#) Section 27

Ministry of Health [PD2014 005](#) Goods and Services Procurement Policy

[PD2016 005](#) Application and Use of Procurement Cards (PCards) with NSW Health

JH&FMHN Forms [2.022](#) Delegations Authority

and Policies

[FIN411](#) *Oracle Financial & Procurement Access Request Form*

[FIN405](#) *Checklist – Steps in the Procurement Process for Goods and Services including ICT*