



## **PUBLIC SECTOR MANAGEMENT (GOODS AND SERVICES) REGULATION 2000**

### **CLAUSE 19 DIRECTION**

#### **DISPOSALS DELEGATION (EXCLUDING MOTOR VEHICLES)**

Under the *Public Sector Employment and Management Act 2002* and the *Public Sector Management (Goods and Services) Regulation 2000* (“Regulation”), the State Contracts Control Board (“Board”) is responsible for arranging the disposal of any goods by the public sector service that is either unserviceable or no longer required by the public sector service.

#### **DIRECTION**

The Board has issued this direction to public sector agencies to undertake their own disposals.

As required clause 17 (3) of the Regulation, if a period contract is arranged by the Board, public sector agencies must use that contract for disposing of good and services to which it applies.

#### **Transfer of goods**

A public sector agency (“agency”) can dispose of goods by means of transferring the goods to another agency.

#### **Goods with no value**

An agency can dispose of goods with no value by destroying them.

#### **Goods up to \$3,000 in value (including GST)**

An agency may dispose of goods valued up to \$3,000 by either entering into negotiated sales or by seeking oral quotations.

#### **Goods over \$3,000 and up to \$250,000 in value (including GST)**

An agency may dispose of goods valued over \$3,000 but not exceeding \$250,000 (including GST) by either selling the goods through auction or by seeking at least three written quotations or by open tender.

#### **Goods over \$250,000 in value (including GST)**

For all goods over \$250,000 (including GST), an agency must submit full details and specifications for disposal to NSW Procurement, Department of Services, Technology & Administration, for the Board to invite tenders.

#### **CONDITIONS APPLYING TO THE DIRECTION**

This direction does not make provisions for the disposal of motor vehicles.

Disposal of goods under this direction must be undertaken in accordance with *NSW Government Procurement Policy* and *NSW Government Code of Practice for Procurement*.

An agency must:

- ensure that the approved supplier's rates for the disposal of goods are reasonable and consistent with normal market rates for such services; and
- must not split its disposal requirements into either components or succession of orders for the same goods for the purpose of enabling them to be disposed of under this delegation provision.

When undertaking disposals through by quotation, an agency must:

- ensure disposal specifications and requirements are disclosed equally to all suppliers invited to quote;
- ensure the supplier selection evaluation criteria are established prior to receiving quotes; and
- ensure that it follows proper processes of closing, receipt and opening of quotes.

An agency must:

- disclose information on all its contracts with the private sector over \$150,000 in accordance with *Premier's Memorandum 2007-01, Public Disclosure of Information Arising from NSW Government Tenders and Contracts*;
- keep written records regarding disposal activities in accordance with the *State Records Act 1998*;
- ensure that it refers details of its repetitive disposals of the same goods to NSW Procurement, Department of Services, Technology & Administration, so that the Department can consider whether the arrangement of a Board contract is necessary.

An agency may impose their own disposal limits, at a lesser value than this Board direction, for its own internal management purposes.

Notwithstanding this direction and irrespective of monetary value, if an agency considers that its proposed disposal to be of such a nature as to warrant consideration of the Board, it can refer the matter to the Board.

Where an agency does not have the expertise to exercise this delegation, it can refer the proposed purchase to NSW Procurement, Department of Services, Technology & Administration, to take the appropriate action.

**Note**

In this direction, "value" must be the estimated value over the proposed term of the disposal and not a value per annum.

**Effective date: 1 June 2010**