



# POLICY – COMMERCIAL AND PROCUREMENT

SEPTEMBER 2023

# ACKNOWLEDGEMENT OF COUNTRY

Hunter Water acknowledges the Traditional Countries of the Awabakal, Darkinjung, Geawegal, Wonnarua and Worimi peoples and the Countries on which we operate and beyond where our water flows.

We recognise and respect the cultural heritage, beliefs and continuing connection to the lands and waters of our Traditional Custodians and pay respect to their Elders past, present and emerging.





## 1. Overview

### 1.1. Purpose of the Policy

This Commercial and Procurement Policy (Policy) articulates Hunter Water's approach to management of commercial and procurement activities. Its overarching purpose is to ensure consistent and commercially sound procurement and contract management practices to safeguard probity and achieve value for money, while maintaining alignment with our values and strategic priorities.

### 1.2. Scope of the Policy

This Policy applies to procurement and contract management across all Hunter Water spend, which might include works, goods, services, leasing, consulting or labour hire.

This Policy outlines the guiding principles and obligations of all our people responsible for procuring and managing contracts to ensure these activities are undertaken in accordance with:

- Hunter Water's values and strategic priorities;
- Hunter Water's Procurement Procedure;
- NSW Government procurement; and
- All relevant laws.

## 2. Policy Statement

As a State-Owned Corporation, Hunter Water is not bound by the NSW Procurement Policy Framework; however, this Policy aligns with its five key Principles.

The five Principles underpin this Policy and give effect to Hunter Water's Procurement Procedure. The Procurement Procedure provides the mandatory requirements that must be undertaken in all procurement activities at Hunter Water. Consistent, transparent and effective practices are key to managing commercial and procurement risks and achieving outcomes that support our strategic priorities.



This Policy aligns with Hunter Water's value of 'Trust'.

Our customers and community trust us to act honestly and ethically. We proactively plan for and engage the market to ensure we obtain goods and services that are fit for their intended purposes. We understand our obligations when conducting procurement and contract activities, and ensure our suppliers also understand their obligations. Without this mutual trust and collaboration, we cannot achieve our objectives.



This Policy aligns with Hunter Water's value of 'Inclusion'.

At Hunter Water we value inclusion and recognise our ability to effectively leverage commercial and procurement activities that contribute to sustainability, encourage economic growth and improve social outcomes. Through efficient procurement practices, Hunter Water seeks to establish and maintain a diverse supply base, contribute to the development of skills at a local level, and create employment opportunities in our community.



### 3. Application of Policy

Hunter Water undertakes commercial and procurement activities in accordance with the following five Principles:

- Value for Money;
- Fair and Open Competition, safeguarding probity;
- Economic Development, Social Outcomes and Sustainable Procurement Practices;
- Innovation; and
- Easy to do Business.

### 4. Achieving Value for Money

The overarching consideration for commercial and procurement activities at Hunter Water is the achievement and management of value for money across the procurement and contract management lifecycle. Value for money underpins our values of wellbeing, trust, inclusion, learning and leading, and are at the heart of all of our decision-making.

Value for money is not restricted to price alone. It requires a balanced assessment of financial and non-financial factors such as:

- Fitness for purpose, quality, service and support, safety standards, capability and capacity, risk and opportunity, and aligns with our strategic priorities; and
- Cost-related factors including whole-of-life and transaction costs associated with acquisition, use, holding, maintenance and disposal.

Hunter Water achieves value for money by conducting procurement activities in accordance with this Policy and the Procurement Procedure. Value for money is maintained and can be improved through the management of supplier contractual performance, delivery and beyond. Value for money is not a static consideration. It must be adaptive to the scale and scope of the relevant business requirement, as well as the changing strategic needs of Hunter Water.

### 5. Ensuring Fair and Open Competition

Hunter Water has transparent and competitive processes that safeguard against probity and drive fair, ethical and accountable decision-making.

Competition enables tangible value for money outcomes including cost savings, quality, innovative solutions and market sustainability. Openness and fairness in procurement practices and commercial dealings is fostered by probity-rich decisions, supporting relationships of trust with Hunter Water's customers, our community and industry partners.

### 6. Driving Economic Development, Social Outcomes and Sustainable Procurement Practices

Hunter Water's sustainable procurement focus is to procure efficiently, economically and ethically to deliver value for money on a whole-of-life basis that considers the benefits, risks and opportunities to Hunter Water, the community, the economy and the environment. Our Supplier Partnership Principles are integrated within our procurement practices. We seek safe, innovative and environmentally advanced solutions while actively identifying, assessing, allocating or eradicating risk, including modern slavery, within our operations and supply chain.

Sustainable Procurement considers all costs and benefits to society, the environment and the economy, and provides a platform that encourages full and fair opportunities to complete.



## 7. Encouraging Innovation

Fostering innovation through our supply chain supports Hunter Water's thirst for collaboration and learning and enables us to deliver more efficient and effective services to our customers and the community.

At Hunter Water, we encourage innovation through flexible, adaptive and collaborative commercial frameworks and effective management of performance and delivery of innovation value in outcomes and beyond.

## 8. Partnering for Easy to do Business

Hunter Water is committed to continuously improving procurement processes in order to better support participation and expand opportunities for suppliers and service providers.

Improving accessibility and lowering barriers in Hunter Water's procurement processes promotes productivity, efficiency and effectiveness. It facilitates a greater level of trust and engagement for both Hunter Water and industry and further advances value for money outcomes.



## 9. Associated Regulations and Standards

Document ID	Document Title
Policy	Probity
Policy	Conflict of Interest
Policy	Fraud and Corruption Control
Policy	Gifts and Benefits
Policy	Delegations (MD Approval)
Manual	Delegated Authorities
Framework	Asset Creation
Manual	Enterprise Risk Management
Procedure	Procurement
Government Framework	NSW Government Procurement Policy Framework
Act	Government Sector Finance Act 2018
Act	Public Works and Procurement Act 1912

Signed:

**Darren Cleary**  
Managing Director

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