Planning for significant procurement guide

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Version	Date	Comments
v1.5	July 2018	Published
v2.0	July 2026	Updates made – highlights: • Improved alignment with *Queensland Procurement Policy 2026* and relevant whole-of-government policies and processes. • Corporate branding, formatting and edits.

Contact us

We are committed to continuous improvement. If you have any suggestions about how we can improve this document, or if you have any questions, contact us at betterprocurement@hpw.qld.gov.au.

Administration

Version 2.0 replaces previous versions of this document and takes effect immediately.

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Purpose

This guide aims to support Queensland Government buyers involved in planning significant procurement to deliver value for money outcomes in line with the *Queensland Procurement Policy 2026* (QPP 2026).

How to use this guide?

Please read this guide in conjunction with, and apply subject to:

- your agency's procurement policies, procedures, plans, delivery and/or assurance frameworks
- category-specific procurement policies, strategies, plans, guidance and templates
- whole-of-government procurement guidance material
- QPP 2026 and relevant policies impacting procurement.

Important
This guide provides general guidance that is applicable to all categories of goods and/or services, acknowledging there may be procedural nuances specific to categories and agencies. It will flag key steps and considerations related to significant procurement planning activities and reference other relevant policies (e.g. *Building Policy Framework*) and guidance materials for further information. This guide has been developed with the assistance of generative artificial intelligence (AI).

Significant procurement planning

For any procurement, all agencies subject to the QPP 2026 must undertake procurement planning commensurate with the procurement's value, risk and complexity. This applies to procurement for goods and/or services undertaken in any procurement category, whether at the category management or individual procurement level. This planning will form your 'business case' to obtain approval to approach the market.

Given the increased value, risk and complexity involved with significant procurement, more effort and detail are expected in documenting how you would achieve your desired outcomes, when compared to a routine procurement. Documenting robust and defensible decisions will support confidence/clarity of the procurement process, improving efficiency and effectiveness, leading to better value for money outcomes.

Important
Within the spectrum of significant procurements (refer to 1. Determine if the procurement is 'significant' section below), tailor your plan so it is commensurate with the **complexity, nature, objective, value and risk** of the procurement. Consider also your understanding of the business need, supply market, timeframes, capability of your agency's procurement function, your agency's governance and approval processes, and supplement with your professional judgement and specialist advice as necessary.

Tips
• **Allocate time and resources to plan:** Planning a significant procurement is time-intensive and technical. Allocate appropriate time and resources (including project management) accordingly. • **Consider appropriate use of agency-approved AI tools:** AI tools may assist with identifying patterns, summarising information, testing assumptions and comparing options, but they do not replace procurement judgement or accountability for decisions. These tools should be used subject to whole-of-government and agency-specific AI policies, and all outputs should be verified for accuracy, currency, relevance and any bias. • **Remember that planning helps to demonstrate transparency and rigour:** Do not over-aggregate procurements to minimise the number of significant procurement plans to be prepared, nor over-state the urgency of the procurement to limit the level of detail in a plan. • **Consult, consult, consult:** Consult with relevant internal and/or external stakeholders throughout the planning process. Consider establishing a Procurement Reference Group (PRG) comprised of members from your agency or across agencies to provide subject matter expertise in relation to the planning process – this group

often becomes the team to subsequently undertake the evaluation and may also provide feedback throughout the contract management phase.

Refer to the *Procuring in the Queensland Government guide* for general guidance on stakeholder consultation when planning procurements.

Process summary

Table 1 below summarises the key steps in planning for significant procurement. Further detail on each step can be found in the following pages.

Important
While each step is important and informs the next, the pathway to seeking approval to approach the market may not be a linear process, and Steps 1-8 may be conducted in parallel or at different points in time.

Table 1: Planning for significant procurement process summary.

No.	Step	QPP 2026 Reference
1	**Determine if the procurement is 'significant'** • Refer to your agency's procurement policies and/or procedures and the definition of 'significant procurement' in the QPP 2026. • Consider using the *Value/risk matrix tool* to inform your decision. • Undertake a risk assessment. If the procurement is 'significant', proceed to Step 2. If not, follow your agency's policies and/or procedures, and QPP 2026 requirements related to planning routine procurement.	Principle 1 Rules 1, 3 Glossary
2	**Establish probity controls** Establish systems, policies and procedures that preserve public confidence in the significant procurement. This should involve the development of a probity plan, engagement of a probity advisor and/or other initiatives as relevant.	Principle 2 Rule 40, 41
3	**Conduct research and analysis** • Conduct demand analysis by developing a detailed, data-driven demand profile and relevant demand management strategies. • Conduct supply market analysis, including relevant industry impact assessments. • Evaluate results of your demand and supply market analyses.	Principle 3 Rules 1, 3, 38, 39
4	**Identify procurement objectives** Specify your procurement objectives and how they: • align with your agency's procurement objectives • pursue relevant government objectives, targets and/or commitments from Part 1 of the QPP 2026, noting this will inform the selection of purposeful public procurement (PPP) outcomes as part of applying Rule 20 of the QPP 2026 • align with applicable category strategy targets and/or actions • are specific, measurable, achievable, relevant and time-bound (SMART).	Rules 1, 20, 38, 39, Glossary
5	**Complete and submit the Consultant and Contractor online form** Where consultants and contractors for professional and non-professional services are to be procured, complete the Consultant and Contractor online form on the Queensland Government Arrangements Directory (QGAD) website.	Principle 1
6	**Develop and evaluate procurement strategy options** • Consider key sourcing strategy issues impacting on ability to achieve procurement objectives, informed by a risk assessment.	Rules 1, 2, 3, 4, 18, 20

No.	Step	QPP 2026 Reference
	○ Consider the best procurement method to achieve procurement objectives. ○ Evaluate procurement strategy options. ○ Document and seek approval of recommended procurement strategy.	
7	**Specify contract management arrangements and performance measures** • Document contract management arrangements. • Ensure any supplier commitments made in their responses, including any PPP outcomes to be delivered, are expressed in specific detail to enable assessment under the Procurement Assurance Model Framework. • Specify relevant strategic and operational performance measures, including monitoring and assessment approach, and include in specifications then build into the contract.	Rules 15, 23, 24, 25, 26, 31
8	**Develop implementation plan** Prepare a plan to successfully implement the preferred procurement strategy, covering: • Resources and approvals. • Roles and responsibilities. • Implementation schedule. • Key stakeholders. • Communication. • Risk management.	Principle 4
9	**Obtain approval to approach the market** Seek approval of your significant procurement plan in accordance with your agency's procurement policies and/or procedures. Store all documents created for auditability and transparency, with consideration of cyber security risks and management of personal information.	Principle 4 Rule 1

1. Determine if the procurement is 'significant'

As each agency sets their own significant procurement threshold in line with the definition of 'significant procurement' in the QPP 2026, first refer to your agency's procurement policies and/or procedures to determine if the procurement is significant.

You may also use the *Value/risk matrix tool*, along with insights from past similar procurements, research and analysis, stakeholder input, professional judgement and other relevant considerations, to inform your decision.

Significant procurements include those that are:

- leveraged – where the procurement is high value but low risk
- focused – where the procurement is low value but high risk
- strategic – where the procurement is high value and high risk.

A risk assessment should be undertaken for the significant procurement. The level of detail in the assessment should be commensurate with the nature, complexity, value and risk of the procurement, and may include supply chain mapping and risk analysis. Information gathered will inform the risk management approach for the procurement, as well as for the implementation of the selected procurement strategy as outlined in 8.6 Risk management below.

Refer to the following for general guidance:

- *Managing Cyber Security in Procurement Guideline* regarding effectively managing risk by leveraging cyber security controls.
- *Building Policy Framework* regarding key risk management decisions related to building construction and maintenance activities.
- *Procuring in the Queensland Government guide* regarding foundational risk management concepts in procurement.
- Your agency's risk management frameworks, policies and/or procedures.

2. Establish probity controls

Establish appropriate systems, policies and procedures that support transparency, accountability, and can withstand public scrutiny and preserve public confidence in the procurement. This should include protocols for documenting procurement decisions and contract disclosure, development of a probity plan, engagement of a probity advisor and/or other initiatives as relevant.

Refer to the following for general guidance:

- *Contract disclosure guide and publishing template* regarding disclosing details of awarded contracts.
- *Probity and integrity in procurement guide* regarding addressing probity risks in procurement.
- *Use of probity auditors and advisors guide* regarding engaging independent probity auditors and advisors.

3. Conduct research and analysis

3.1 Demand analysis

Demand analysis is about developing a detailed understanding of current and predicted agency demand for the goods and/or services. It involves developing a demand profile and relevant demand management strategies.

Develop demand profile

Develop a detailed demand profile by addressing the following topics and questions as outlined in **Table 2** below.

Table 2: Demand profile - topics and questions.

Topic	Questions
Alignment with relevant government objectives, targets and/or commitments of QPP 2026 (Part 1), category strategies and/or agency procurement plans	• Which of the five pillars can this procurement support? • How does this procurement align with the relevant procurement category strategy? • How does this procurement align with the agency's procurement plan? • Are there any diverse supplier opportunities this procurement can support? • Are there opportunities for innovative solutions?
Business need and Goods and/or services definition	• What does the end-user require? • How does the requirement for this good and/or service arise – how is it used to support the agency? • How important is the good/service in supporting the agency's business (i.e. low, medium, high importance)? What is the basis for this rating? • How is the good/service defined? • Is it a pure product or service or a 'bundle' (e.g. products with services attached)? • What are the key characteristics of this category? • Are there other more sustainable options for satisfying demand? How have waste reduction and disposal been addressed? • Has in-house provision (as opposed to buying/leasing) been considered? • What are current and anticipated demand volumes? • Is the demand fluctuating, seasonal, one-off, critical, non-critical or stable? • Have alternative goods/services been considered? • What are the options for reducing demand?
Timing of requirement	• When does the end-user require the good and/or service?
Budget	• What budget is available and committed to for this procurement? • Can the procurement contract be aggregated or bundled to achieve greater value for Queensland?
Spend analysis	• What is the total annual current spend and forecast spend on the good and/or service (e.g. by whole-of-government (if applicable), by agency, by business unit/function, by region)? • What is the current spend on the good and/or service by key supplier – e.g.

Topic	Questions
	○ by whole-of-government (if applicable), by agency, by business unit/function, by region? ○ per month, per year?
Current category/supply arrangement issues	• What are the key cost drivers in the good/service category? • What are the historical high, average and low prices charged by suppliers for the good/service category? • How are the costs occurring over the life of the good/service determined, e.g. purchase cost, holding costs, maintenance costs, and disposal costs? • How are sustainability impacts across the life cycle addressed? • Is there/has there been an existing supply arrangement? • How are price changes negotiated: what is the basis for price changes? • What price variation formulae are used, if any? • Are volume discounts applied by suppliers? • Are any other price incentive mechanisms applied? • How have existing/previous supply arrangements performed? • What are the attitudes of buyers/suppliers towards previous arrangements? • Is this a new procurement or a repeat exercise? • What are the current procurement processes/workflows, and their strengths and weaknesses?
Key internal stakeholders	• Who are the major internal users and what are their priority needs? • What are key business needs/concerns? • Who will be impacted by this procurement? • What are key stakeholder expectations about the category? • Do other agencies currently or have planned procurements for the same or similar goods and/or services? • If establishment of a new common-use supply arrangement is being considered, what feedback do agencies have about this?

Information sources

Consider the following information sources to support a data-driven approach to developing your demand profile:

- Information from agency procurement planning processes.
- Agency finance systems (e.g. accounts payable).
- Surveys.
- Consultation with relevant stakeholders.
- Supply market analysis, including market sounding.
- Information from developing specifications – for example, using outcome-based specifications to pursue innovative supply solutions, and which do not limit opportunities for local suppliers or small and family businesses, and medium enterprises, often opens the market to a wider range of goods and/or services and suppliers. This may help with reducing certain risks (e.g. over-dependency) and create opportunities (e.g. better cost savings, economic, social and environmental outcomes).
- Queensland Government budget priorities, whole-of-government procurement spend and general statistics.

Refer to the *Developing specifications guide* for general guidance on developing specifications, and how this is informed by the procurement planning process.

Demand management strategies

Developing a demand profile helps with identifying an appropriate demand management strategy. Different demand management strategies will be suited to different types of significant procurement – examples of these strategies are detailed in **Table 3** below.

Table 3: Example demand management strategies by significant procurement type.

Significant procurement type	Example demand management strategies
Leveraged	• Reduce the amount of the goods and/or services used. • Reduce the number of purchases through aggregation of orders. • Where practical, time the purchase to coincide with off-peak periods. • Use alternative goods and/or services.
Focused	• Focus on ensuring the goods and/or services are available when required. • Holding extra stocks where possible reduces risks. Often, the costs of storage are offset against the benefit of ensuring supply is available.
Strategic	Demand management in this category is linked to the overall corporate strategy of the agency and includes ongoing evaluation of the 'make/buy' decision as well as assessing the implications for client service relating to various forms of supply.

3.2 Supply market analysis

Supply market analysis is a technique used to identify market characteristics for specific goods and/or services. It can provide a strategic understanding of:

- how a market works
- market trends
- market competitiveness
- the existence of adequate capacity and capability
- who the key suppliers are
- the value that suppliers place on the agency as a customer
- market opportunities and risks.

It can help to develop procurement strategies that shape the market in a way that will increase the supply base; potentially increasing competition and facilitating innovative responses to constraints or opportunities.

Supply market analysis is usually undertaken in parallel with, and is informed by, market sounding, which is a technique used to assess the reaction of the market to the proposed procurement. Market sounding should not be used as a substitute for supply market analysis.

Refer to the *Supply market analysis guide* for general guidance on undertaking supply market analysis and market sounding.

Industry impact assessments

You should undertake industry impact assessments, especially where the impact of the agency may be significant to a particular industry or supply market. This involves having a detailed understanding of relevant industries and supply markets, which help to assess the impact of potential procurement strategies.

Table 4 below illustrates an example of assessing industry impacts from the use of aggregation, bundling and unbundling strategies.

Table 4: Example industry impact assessment – use of aggregation, bundling and unbundling strategies.

Strategy	Example	Potential impacts
Aggregating or consolidating supply with one supplier	Several common-use supply arrangements for the provision of various foodstuff items may be consolidated into one centrally-managed common-use supply arrangement with a single nationally-based supplier.	• May deliver significant economies of scale, leading to lower overall prices and lower transaction costs. • May deliver improved sustainability outcomes. • May reduce supply base in regional locations that specialise in high quality or sustainable goods and responsive service, particularly in the supply of fresh produce. • Alternative strategy may be to consolidate non-perishable grocery lines centrally, while providing opportunities for regionally-based suppliers to compete for fresh/perishable foodstuff lines, where responsiveness and quality is important.

Strategy	Example	Potential impacts
One large 'bundled' contract	An all-encompassing 'bundled' contract is arranged for the supply and support of a group of related products across the state, which can involve single or multiple suppliers.	• May deliver lower prices, transaction costs. • May deliver better (more centralised) management oversight. • May lock out smaller suppliers who specialise in particular technologies and are adept at bringing new products to market quickly. • May exclude regionally-based SMEs specialising in providing customised after-sales service and support or sustainable practices. • Consider implications under the *Competition and Consumer Act 2010* (Cth).
Unbundling large contracts	Breaking down a large construction contract into more manageable bundles matched to the capabilities and capacities of relevant supply markets.	• May encourage local small and family business, and medium enterprise to compete on a regional basis. • Consider implications of increased coordination required to manage multiple suppliers, along with any exposures to supply chain and integration risks.

3.3 Evaluate results

Once you have conducted demand and supply market analyses, evaluate your findings to help develop your procurement objectives and strategy.

Consider conducting a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis to inform your evaluation. Strengths and weaknesses are typically internal factors to the agency, which will be largely generated from the demand analysis. Opportunities and threats are typically external factors which will be identified from the supply market analysis, for example, whether suppliers perceive the agency as a valued customer in that particular market.

Table 5 below presents an example of a SWOT analysis of a business critical software requirement for an agency.

Table 5: Example SWOT analysis.

Strengths	Weaknesses
• Level of in-house technical capabilities. • Good, reliable historical spend data. • Well-established information technology (IT) project management processes. • Clearly defined customers and authorities for decision-making. • Experience in managing similar projects. • IT strategies map to whole-of-government governance frameworks.	• Burdensome procurement/tendering procedures. • Low level contract management expertise. • Multiple touch points for suppliers, especially for post-sales support/upgrades. • Lack of coordination with other agencies with similar requirements. • Requirements that are overtly technical given likely changes in need and the market. • Existing sourcing approaches have not encouraged innovation. • Lack of procurement marketing expertise.
Opportunities	**Threats**
• Aggregate demand for similar requirements within the agency (and potentially with other agencies) to improve economies of scale. • Potential to break up requirement into modules to encourage innovative small and family business, and medium enterprise, participation. • Conduct supplier development activities to promote competition, especially from small and family business, and medium enterprises.	• Market is dominated by a few large national suppliers based interstate. • Competition has been reducing, especially in the government market. • Supplier power is disproportionately high when supply is aggregated or bundled to an all-encompassing solution. • Current suppliers lack responsiveness especially regarding after-sales support and upgrades.

• Potential to develop the market for improved sustainability outcomes.	• Supplier perceptions of agency as an 'exploitable' customer. • Perception by small and family businesses, and medium enterprises, of favouritism towards major, 'embedded' suppliers. • Potential supply chain vulnerabilities due to over-reliance on interstate support.

4. Identify procurement objectives

Consider and document the following in identifying your procurement objectives:

- How they align with your agency's procurement objectives.
- How they pursue relevant government objectives, targets and/or commitments from Part 1 of the QPP 2026, noting this will inform the selection of PPP outcomes as part of applying Rule 20 of the QPP 2026.
- How they align with any applicable category strategy targets and/or actions.
- Ensure objectives are SMART.

Table 6 below presents examples of generic procurement objectives against each significant procurement type.

Table 6: Example generic procurement objectives.

Significant procurement type	Example procurement objective
Leveraged	• Aim to ensure that total costs, including costs of processing large numbers of low value transactions, are reduced; and sustainability opportunities harnessed. • Demand management strategies often have more potential than supply market management strategies.
Focused	• Aim to ensure a secure and ongoing supply by reducing the exposure of the agency to limited sources.
Strategic	• Aim to achieve value for money through effective supplier relationship management. • Suppliers in this category are often those that supply complex goods and/or services and rely on innovative solutions, high creativity and high intellectual property content.

4.1 Alignment with agency procurement objectives

Check alignment of your procurement objectives with agency procurement objectives by referring to information gathered from your agency's procurement planning processes (e.g. agency procurement plan, savings and benefits opportunities, measures and targets, approach to risk management).

Contact your agency's procurement team for more information about your agency's procurement planning process.

4.2 Pursuing relevant government objectives, targets and/or commitments from Part 1 of the QPP 2026

Be strategic in how you identify relevant government objectives, targets and/or commitments from Part 1 of the QPP 2026. Refer to the intent statements, key actions and progress measures supporting each QPP 2026 strategic pillar, and how this is linked to what you are seeking to achieve for the procurement considering the nature, value and risk of the goods and/or services sought, and the results of 3. Conduct research and analysis above.

Rule 20 of the QPP 2026 requires the application of a PPP evaluation criterion to significant procurement, leveraging government procurement to maximise value for Queensland. Note the following when applying this criterion:

- Between two and four (i.e. two, three or four) of the 12 PPP outcomes outlined in Rule 20 must be selected for consideration in the criterion to support achieving Part 1 of the QPP 2026, depending on the outcomes pursued as part of the procurement strategy.
- A maximum weighting of between 10 and 20% of the total must be applied. For each selected outcome, each individual criterion weighting must be between 5 and 10%.

For example, if the criterion is weighted at 20%, and if three PPP outcomes are selected for consideration as part of the criterion, each of the three outcomes may be assigned a weighting that falls within the range of 5 and 10% - e.g. 8%, 8% and 4%, 7%, 7% and 6%, or 5%, 5% and 10%.

- Each of the 12 PPP outcomes outlined in Rule 20 are exclusive and cannot be combined (e.g. including a PPP outcome as a subset of another PPP outcome).

If the PPP evaluation criterion is not applied, you must document the reason why. In assessing the PPP evaluation criterion, you must only consider how the supplier's response contributes to achieving the specified outcomes.

Refer to:

- the QPP 2026 for more information on procurement objectives, targets and/or commitments.
- Appendix 1 for examples on criteria wording, evidence and scoring for the PPP outcomes under Rule 20 of the QPP 2026.

4.3 Alignment with applicable category strategy targets and/or actions

Check alignment of your procurement objectives with applicable category strategy targets and/or actions by referring to the category strategy that governs the category in which you are procuring.

Access category strategies via the ForGov website (access for Queensland Government employees only). Alternatively, contact the category lead agency to seek a copy of their respective category strategy.

4.4 Ensure objectives are SMART

Having SMART objectives enable development and evaluation of the procurement strategy options.

Refer to the *Contract management guide* for further information on establishing SMART objectives.

Table 7 below presents example objectives with measurable benefit targets in the example of a business critical software procurement project for an agency.

Table 7: Example objectives.

No.	Example objective
1	Target total cost of ownership (TCO) savings of 8–12% p.a.
2	Reduce the level of greenhouse gas emissions produced from the manufacture, whole-of-life operation and disposal of the product/service by 30%.
3	Target an increase in the level of small and family business, and medium enterprise, participation in provision of local support and service by at least 30%.
4	Target an improvement in cycle times for introduction of new upgrades by at least 15% through greater supplier innovation.
5	Improve supplier service delivery performance—in terms of response, restore and resolve times—by 20% or more.

Complete and submit the Consultant and Contractor online form

Where consultants and contractors for professional and non-professional services are to be procured, complete the Consultant and Contractor online form on the Queensland Government Arrangements Directory (QGAD) website.

The form includes questions about scope, timing, intent and alignment to government policy. Depending on the nature of service sought from the consultant or contractor, approval may be required from an oversight committee prior to commencing a sourcing process.

Refer to the *Engaging and managing consultants, contractors and labour-hire workers* guidance for further information about this process.

5. Develop and evaluate procurement strategy options

The approach to developing and evaluating procurement strategy options will depend on the outcomes of the preceding steps, particularly your findings from research and analysis and desired procurement objectives.

Consider:

- key sourcing strategy issues that will impact on the ability of the strategy to satisfy the procurement objectives
- procurement methods outlining the best way to approach the supply market to achieve the objectives, and the best contract delivery model.

6.1 Key sourcing strategy considerations

Refer to your procurement risk assessment to identify risks and opportunities, including those within the supply chain, and mitigation options to inform your strategy development.

In developing the strategy, consider at a minimum:

- Applicable common-use supply arrangements.
- Supply market issues (e.g. over-dependency).
- Sustainability, including maintenance and disposal.
- Involvement of small and family business and medium enterprise and other diverse supplier groups.
- Key supply chain risks.
- Innovative supply solutions.
- Quality assurance requirements.
- Sourcing as-a-service options.
- Incorporating independent reviews.
- Use or re-use of common platforms and assets owned and/or maintained by the Queensland Government.

Applicable common-use supply arrangements

Common-use supply arrangements consolidate spending and deliver consistent terms and conditions for buyers and suppliers, increasing value, avoiding duplication and cut red-tape for suppliers. They play an important role in delivering real value, creating tangible opportunities for businesses of all types and sizes from across Queensland.

As a budget sector agency or statutory body, if a procurement need can be met using a common-use supply arrangement, the arrangement must be used unless one of the two exemption situations outlined in Rule 2 of the QPP 2026 applies. Exemptions from using an applicable common-use supply arrangement must be approved by the relevant agency delegate and reported annually to Queensland Government Procurement.

Supply market issues

Supply market analysis helps to identify whether:

- the procurement strategy will have an adverse impact on competition
- the agency is vulnerable to exploitation by a supplier
- whether there is a risk of over-dependency – that is, is the agency over-dependent on a supplier or is the supplier over-dependent on the agency?

Table 8 below outlines example strategies to address two situations of over-dependency. Both situations carry a risk of loss of competition in the market, higher prices, and failure to meet procurement objectives. Good supply market information can be used to inform the development of sound procurement strategies which can mitigate the risk to the agency of supply failure due to over-dependency.

Table 8: Example strategies addressing over-dependency.

Situation	Example strategies
A supplier is so dependent on an agency for its revenue that any change in the agency's procurement strategy that could result in switching to another supplier, would result in the incumbent supplier experiencing severe financial hardship or becoming bankrupt.	• To mitigate the agency's supply vulnerability, consider diversifying the supplier pool through, for example, undertaking supplier development activities to stimulate new entrants to the market.

If this supplier was a provider of specialist products critical to the agency's service delivery, the results of supply failure could severely impact the agency's ability to achieve its core business objectives. Conversely, this could also result in the agency being overdependent on the supplier.	• Ensure that the incumbent supplier is not led to believe that they will be supported via government business. Consider including a performance measure in the invitation and contract to require the supplier to demonstrate efforts to diversify their customer base beyond government. Ultimately the supplier's decision to be dependent on the agency's work is a commercial decision.
A supplier's share of the agency's business is so large, based on it winning a long-term bundled contract, that it has the potential to exploit its position, charge exorbitant prices, and use its dominance to deter other competitors. Strategies which entail bundling of related requirements and which favour single suppliers not only risk over-dependency but may introduce legal risks.	• Consider unbundling the requirement into smaller, more manageable packages which may be more attractive to a wider range of suppliers. • Use market sounding techniques to gauge the market's level of interest in the agency's business, and identify the agency's value to suppliers as a customer. • Based on supplier feedback, consider using market development initiatives to stimulate competition in the market for the agency's business. • Consider specifying non-proprietary equipment, to enable a broader market to respond to the opportunity and for ongoing requirements (e.g. maintenance).

Supplier development

Supplier development initiatives can be beneficial where there is a monopoly or distorted market, a lack of competitive tension, or an over-reliance on a single supplier. It also has a role when government seeks to harness an emerging technology or industry, in supporting start-ups to grow and form viable and competitive local markets, and to address supply chain vulnerabilities.

If you are considering a supplier development initiative:

- consult your agency's procurement team early
- seek advice from the Department of State Development, Infrastructure and Planning, and the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development to deliver market development initiatives to improve supplier performance and grow capable and competitive local small and family businesses and medium enterprises including manufacturers, that can meet government procurement needs.

This may take the form of encouraging major suppliers to source from local manufacturers, and small and family businesses and medium enterprises. This not only supports existing supply, but access to these extended supply chains can provide greater market and growth opportunities for these businesses than that offered by the Queensland Government alone. In addition, it helps to support key actions and progress measures under Pillar 2 of the QPP 2026.

Sustainability, including maintenance and disposal

Address sustainability considerations as part of your procurement strategy. These include:

- strategies to manage demand and avoid unnecessary consumption
- minimising environmental impacts of goods and/or services over their whole life, including maintenance and disposal of government-owned goods and/or services in an accountable, sustainable, cost effective and environmentally friendly manner
- understanding the level of commitment by potential suppliers to socially responsible practices, including compliance with legislative obligations to employees
- value for money as a whole-of-life consideration (encompassing sustainability benefits) rather than just initial cost.

Table 9 outlines example sustainable procurement objectives that may be considered as part of the development of procurement strategies.

Table 9: Example sustainable procurement objectives.

Objective	Strategy
Reduce adverse environmental impacts arising from government procurement	• Reduce waste and landfill, for example through purchasing recycled content products and products that create less waste. • Reduce the amount of resources used and the environmental effects of obtaining those resources (e.g. through use of durable or lightweight products, products made from less energy-intensive materials, and recycled content products, thus increasing energy efficiency). • Save water. • Eliminate or reduce toxic materials and pollutants entering the environment. • Reduce greenhouse gas emissions. • Preserve natural habitats and ecosystems.
Make more efficient use of public resources	• Reduce whole-of-life costs through greater energy and water efficiency, reduced waste disposal, re-using and recycling materials and products. • Increase productivity and wellbeing, through an improved work environment.
Improve social impacts associated with government procurement	• Promote ethical and socially responsible practices among suppliers. • Ensure supplier compliance with the *Queensland Government Supplier Code of Conduct*.
Stimulate the market to innovate and produce more sustainable options for government	• Increase the availability of sustainable products at cost-effective prices. • Expand the market for sustainable products, as well as for products with reduced packaging. • Improve the level of information available to buyers about the content and performance of products, making it easier to buy more sustainable products.

Involvement of small and family business and medium enterprise and other diverse supplier groups

Consider including small and family businesses and medium enterprises, as well as other diverse supplier groups such as Aboriginal and Torres Strait Islander businesses and social enterprises, as part of your procurement strategy. These suppliers often offer better quality service, potentially lower costs and are generally more innovative.

These include:

- seeking viewpoints from these diverse suppliers early as part of planning
- considering appropriateness of refining the specifications (e.g. dividing aggregated requirements into more manageable lots matched to the capabilities and capacities of the market)
- facilitating their participation in supply chain opportunities and reporting back to agencies
- ensuring tender documentation is as simple and jargon-free as possible
- focusing on outcomes rather than technical specifications
- matching evaluation criteria and weightings to mitigate the risks associated with the requirements and supply market.

  For example, weighting the criteria in favour of companies with a large revenue base and longstanding experience in large-scale projects may not be relevant to a requirement where an innovative solution is required, in an environment characterised by rapid technological change. In this instance, the flexibility of a smaller, more agile company may be less inherently risky than a large conglomerate.

Refer to the *Procuring in the Queensland Government guide* for additional ways to support small and family businesses and medium enterprises as part of a procurement strategy.

Key supply chain risks

Consider key risks identified during the procurement risks assessment, including those related to modern slavery, foreign interference, information security and cyber security, and supply chain disruption.

Refer to the:

- *Eliminating modern slavery in government supply chains guide* for further information on actions to eliminate as far as possible or mitigate modern slavery risks in relation to agency supply chains.
- *Foreign Ownership, Control or Influence (FOCI) Risk Assessment Guidance* by the Australian Government Department of Home Affairs for further information on assessing and addressing foreign interference risks in the procurement of technology products or services.
- QPP 2026 for a definition of ‘modern slavery’ and ‘foreign interference’.
- QPP 2026 (Rules 3, 14 and 26) which outline requirements for agencies with regards to the management of information and cyber security risks during procurement strategy and specifications development, and contract formation
- *Managing Cyber Security in Procurement Guideline* for further practical information on effectively managing risk by leveraging cyber security controls.
- Managing risk in supply chains Business Queensland webpage which provides useful insight into preparing for supply chain disruptions which may be adapted to a government context.

Innovative supply solutions

Consider innovative supply solutions through, for example Queensland Government innovation challenges, risk-sharing, trials and/or pilots, and use of performance incentives.

Refer to the *Information sheet: Exemption from competitive processes for suppliers who have completed Queensland government innovation challenges Supporting delivery of the Queensland Procurement Policy 2026* for further information. Alternatively, contact the Department of the Environment, Tourism, Science and Innovation for more information on innovation in procurement.

Quality assurance requirements

Consider quality assurance requirements appropriate to the nature, complexity, value and risk of the good and/or service sought (refer Rules 16 and 24 of the QPP 2026). Note quality assurance cannot be used to manage market-related risks. It is useful for managing goods and/or services-related risks and to a lesser extent those related to the supplier.

For ‘high risk’ procurement (within the context of significant procurement), seek supplier responses to the Quality System Standard (e.g. AS/NZS ISO 9001).

Supplier responses need to prove their quality management systems meet quality management standards, through a quality management system audit performed by a Joint Accreditation System of Australia and New Zealand (JAS-ANZ) accredited independent quality system certification organisation (third party certification)

The JAS-ANZ website lists accredited bodies able to perform these audits and issue the only certificates acceptable to Queensland Government. The costs associated with a third-party audit will be the responsibility of the supplier.

The Queensland Government automatically recognises suppliers with certification from accredited third-party certification bodies.

For ‘moderate risk’ procurement (within the context of significant procurement), seek supplier responses to selected elements from a Quality System Standard (e.g. AS/NZS ISO 9001). The supplier needs to demonstrate how the selected elements are met and controlled. Agencies must seek evaluation of the supplier’s responses from:

- an International Register of Certificated Auditors or Exemplar Global registered quality management system auditor
- a competent auditor engaged by a JAS-ANZ accredited third party certification body.

Selected elements status does not equate to certification status to the standard.

Be clear on what is required from potential suppliers with respect to quality assurance. For example, if an agency requires a specific quality assurance standard this should be clearly specified as a mandatory criterion. This will clearly communicate to suppliers the government’s expectations and save some suppliers from submitting an offer when they do not (and do not intend to) hold certain quality assurance.

Sourcing as-a-service options

Consider strategically sourcing as-a-service options from the market, whilst divesting existing assets to decrease the overall cost of goods and/or services. Generally, this applies to ICT procurement.

Increasing adoption of as-a-service options improves cost efficiency, reduces the constraints and financial liability of owning and managing assets, avoiding supplier lock in through lengthy and expensive contracts and the life cycle of product upgrades, while improving service delivery efficiency, flexibility and enabling right-sizing of services.

Refer to the *ICT-as-a-service risk assessment – guideline* for further information on ICT-as-a-service considerations.

Incorporating independent reviews

Incorporate independent reviews at set points within the initiative's lifecycle, with the aim of deriving maximum value with a whole-of-government perspective. Generally, this applies to ICT procurement.

This ensures alignment with broader Queensland Government priorities, ensuring initiatives are fit-for-purpose, efficiently delivered, future focused, digitally safe and benefits realised and maximised.

Contact the Office of Assurance and Investment for further information on incorporating independent reviews at set points within an initiative's lifecycle.

Use or re-use of common platforms and assets owned and/or maintained by the Queensland Government

Consider use or re-use of common platforms and assets owned and/or maintained by the Queensland Government, and cross-government functionality. Generally, this applies to ICT procurement.

This aligns with the Queensland Government's Digital Investment Governance Framework which ensures appropriate assurance is being applied and strategic and policy alignment occurs. This helps to increase visibility of initiative outcomes, input requirements and potential multi-department synergies.

Information sources

Refer to findings from the supply market analysis, including market sounding and industry impact assessments, and consultation with relevant stakeholders. You may also refer to Example sourcing strategies below.

Example sourcing strategies

There are a range of sourcing strategies that can be applied depending on the type of significant procurement. These are outlined in **Table 10** below.

Table 10: Example sourcing strategies.

Significant procurement type	Example sourcing strategies
Leveraged	• Efficient interfaces with suppliers (such as electronic transaction ordering and processing) which can deliver considerable savings. • Effective use of management information, identifying opportunities to improve supplier arrangements for the benefit of government. • Negotiating for improved service levels from suppliers (e.g. inventory management services, extended warranties and sustainability outcomes). • Regionalising supply in this category under centralised arrangements, which may provide better access and service at the local level. • Focussing the development of procurement expertise on understanding the nature of demand patterns, the strategies of suppliers and tactics for getting the best deal from the market. • Aggregation and consolidation of demand, to enable leveraging of buyer power where the market for the product or services category is competitive.
Focused	• Modifying the demand requirements of the agency to permit the use of alternative or less specialised goods or services. • Using performance specifications (rather than specific technical specifications) that allow alternative goods or services to be considered. • Developing alternative sources of supply, usually from the local market. • Conducting market and supplier development activities to encourage more innovative and sustainable offerings. • Adopting managing contractor and other collaborative contract models.
Strategic	• Segmenting the supplier market into 'tiers'; customising strategies to match the market characteristics – particularly the value suppliers place on the agency as a customer.

	• Developing long-term relationships with suppliers based on strong project risk/value sharing structures (such as alliance contracting). • Consolidating volumes and carefully analysing the individual components of the 'bundles' or 'packages', in order to structure procurement methods that will encourage supplier investment in long-term relationships, and commitments to local industry development (e.g. supporting local and/or small and family businesses and medium enterprises) and sustainability improvements. • Alternatively, in some markets 'unbundling' may be required to stimulate competitive prices and/or sustainability outcomes for the different segments of the category/product grouping and to develop a competitive and more sustainable marketplace. This could include lead or principal suppliers facilitating local and/or small and family businesses and medium enterprises in supply chain opportunities and reporting back to agencies. • Considering supplier relationship and contract management requirements in the planning phase; value is secured over the longer term through effective supplier relationship management. • Adopting managing contractor and other collaborative contract models.

What is alliance contracting?
Alliance contracts are collaborative arrangements where parties jointly work together to deliver the outcomes of a project. They are characterised by risk sharing and a no-disputes/no-blame regime. Examples of contracts which are alliance contracts, or which share characteristics of alliance contracts, include the New Engineering Contracts NEC4 Alliance Contract and Sydney Water's Partnering for Success (P4S) model.

Aggregation and bundling

Aggregation and bundling are processes whereby the agency's demand for goods and/or services is grouped and packaged to the supply market.

Aggregation is the grouping together or coordination of common or similar requirements within an agency or across government.

Bundling entails the aggregation of diverse but related requirements (such as IT infrastructure, communications and application development) into one package.

Benefits include:

- Greater competition.
- Lower prices through reduced production costs.
- Improved management of supplier at a strategic level.
- Better management information, enabling price benchmarking.
- Lower transaction costs.
- Better management of the supply chain.
- Improvement in value of agency as a customer.

Risks include:

- Distortion of the market by developing a situation where too few suppliers are operating.
- Diminishing gains of economies of scale.
- Unintentional exclusion of suppliers due to large contracts.
- Lengthy 'lock-out' periods for potential new entrants.
- Difficulties in engaging with innovators.
- Challenges in supply chain visibility.
- Costs and risks for suppliers to meet bundled packages.
- Sub-optimal service delivery, where delivery of certain aspects is not a core business of the supplier.

6.2 Procurement method

Consider the best procurement method to achieve the procurement objectives. This involves identifying:

- the optimal method for approaching the market and the extent to which the method is competitive
- the type of contract or arrangement which will be most suitable for achieving the procurement objectives, including the optimal approach addressing risk.

Optimal method for approaching the market

Identify the optimal method for approaching the market, using information gathered from the preceding steps in this guide. Consider mechanisms provided by the QPP 2026 to deliver on the sourcing strategy such as competitive process exemptions (Rule 5) and flexible procurement techniques (Rule 18).

There is a significant difference between justifying a direct negotiation or sole source market approach on the grounds of there being one viable supplier in the market, and approaching one supplier on the grounds of genuine urgency. In the latter case, there may be a competitive market, but the real reason for the sole tender is because of genuine urgency, not the market situation. Repeated use of the ‘urgency’ justification may also be symptomatic of poor procurement planning.

Table 13 below outlines common ways of approaching the market and their key features.

Table 13: Common approaches to market.

Approach	Key features
Direct negotiation	• Used where there is a highly reduced supply base and the agency is vulnerable to supply failure, especially for requirements in the ‘Focused’ significant procurement type. • In conjunction with supplier development activities, the agency might directly negotiate an initial, ‘proof of concept’ contract to a supplier in order to establish a new viable source of supply in the market.
Request for Proposal (RFP)	• Used to encourage suppliers to propose solutions to achieve a desired outcome or resolve a specific problem, especially for larger, more complex requirements. • Should focus on the broad capabilities or capacities of suppliers to meet the need. • Generally more scope for suppliers to provide innovation or alternative options via an RFP than in other methods.
Expression of Interest (EOI)/Registration of Interest (ROI)	• Used for shortlisting suppliers that would be most capable of submitting a viable response to a Request for Tender. • Should not be used as an alternative to supply market analysis and market sounding, but rather as part of a staged approach to ensure that only competitive firms respond to the tender.
Request for Tender/Quote/Offer (RFT/Q/O)	• Used where there is a competitive market and market soundings have confirmed a viable level of interest and capacity amongst prospective suppliers. • Can entail multiple phases for more complex requirements. • Most visible and transparent method.
Open offer method	• Where all interested suppliers may submit an offer. • An open tender is an ‘open offer method’. • For example, common-use supply arrangements will usually be established via an open tender.
Limited offer method	• Where the agency invites a supplier(s) of its choice to offer, including direct sourcing strategies. • Usually only used in very specific circumstances, such as under states of emergency or if the goods and/or services can only genuinely be provided by one supplier (e.g. where a supplier holds exclusive rights/patents for an essential good, where accessing specific expertise is necessary). • Includes sole supply, sole source, single sourcing and direct supply.
Selective offer method	• Where suppliers that have met pre-established criteria are invited to offer.

	• Includes a process whereby only suppliers that meet a characteristic, and/or hold a certain qualification, accreditation, certification or licence that is relevant to the goods and/or services being procured are invited to offer. • Includes set-asides.

The market approaches listed in **Table 13** above are all traditional sealed-bid formats where competing suppliers are not aware of each other's prices. In contrast, reverse auctions involve an open-bid format and is a real time, online auction between a buyer and a group of shortlisted suppliers.

Refer to the *Reverse auctions guide* for more information about reverse auctions.

Type of contract or arrangement most suitable for achieving procurement objectives

Contracting for risk

To identify the most appropriate type of contract or arrangement for achieving procurement objectives, you need to not only understand the level and types of risk attributable to the supplier and the agency, but what the agency is really contracting for as outlined in **Table 11** below.

Generally, it is better practice to ensure that risk is allocated to the party that is best placed to manage it.

Table 11: Contracting aims.

Aim	When to use	Key considerations
Outcomes	• Where procurement objectives can be clearly matched to an agency's strategic goal, the fulfillment of which can be realistically transferred to a contractor. • Where contractors in the market are well placed to manage all the major risks.	• Risks of failure in government cannot ultimately be totally transferred to a contractor and often a partnership approach, such as via a Public Private Partnership, is used. • Informed by a detailed business analysis of costs and risks.
Outputs	• Where the contractor can be held responsible for a specific output which contributes to a clearly defined outcome. • Where the contractor is likely to be well placed to manage lower level – input to output – risks, but not the overall risk (that the outputs will not yield the required outcome).	• Clearly define risks and allocate to the entity (i.e. the agency or the contractor) best placed to manage them. • For example, the delivery of a fully serviced IT software solution to enable a critical agency finance outcome to be delivered, where a long-term partnering approach would be recommended. • Requires high-level capabilities in contract management.
Inputs	• Where the agency is responsible ultimately for nearly all risks, and the procurement is contributing to a prescribed output.	• For example, the procurement of a specific item of IT hardware or the engagement of a professional contractor on a time and materials basis to complete a specified series of tasks. • Requires strong project management skills.

Example contracts or arrangements

Table 12 below provides example contracts or arrangements which may be appropriate to the broad characteristics of each significant procurement type.

Table 12: Generic contract/arrangement approaches to match each significant procurement type.

Significant procurement type	Key features	Example contract/arrangement approach
Leveraged	• Provides flexibility for buyers to leverage demand to ensure total costs are reduced.	• Common-use supply arrangements, including prequalified panel arrangements,

	• As supply markets are competitive, generally an 'arm's length' approach is taken to supplier engagement.	standing offer arrangements (either a single supplier or multiple suppliers).
Focused	• Provides security and certainty. • Important to develop relationships with key suppliers, including specifying appropriate performance, standard and service levels.	• Long-term contracts. • Alliance contracts. • Incentive-based contracts.
Strategic	• Important to define performance outcomes and monitor milestones. • Regularly review and assess contract/arrangement performance. • Effective supplier relationship management is key since these types of procurement are critical to agency service delivery.	• Long-term contracts. • Bundled fully-serviced contracts (prime/principal contractor). • Alliance contracts. • Outsourcing contracts.

Information sources

Review performance of existing or previous contracts or arrangements for similar goods and/or services. This can be gathered from your demand and supply market analyses.

Consider input from consultation with relevant stakeholders, along with advice and resources from relevant procurement categories (e.g. the standard suite of contracts for the Building Construction and Maintenance procurement category).

6.3 Evaluate procurement strategy options

Evaluate your procurement strategy options to present a compelling recommendation to your agency's delegate as to which is most likely to achieve the procurement objectives.

Evaluation involves:

- Qualitative evaluation.
- Quantitative evaluation.

Qualitative evaluation

In conducting a qualitative evaluation:

- briefly describe each option, along with their advantages and disadvantages
- use a SWOT analysis, especially for more complex/higher risk requirements
- outline any significant assumptions
- summarise the overall suitability of each option.

Using the example of a business critical software requirement for an agency, the boxes below illustrate how to evaluate two different procurement strategy options using a SWOT analysis, including summarising the merit and suitability of the option.

Example option one: Aggregated/bundled prime contract

The key components of the software solution (design, development, supply, installation, implementation and ongoing support) are bundled into an all-encompassing prime contract. This procurement method entails a single prime (fixed price) contract via a single stage open tender process. The tender should be structured to encourage small and family business and medium enterprise participation at the sub-contractor level.

Strengths	Weaknesses
• Maximises economies of scale and the incentive for prime contractor to reduce the total cost of ownership throughout the term of the contract. • Lower transaction and contract management costs of dealing with one prime contractor.	• Large bundled contract is a barrier to local small and family businesses and medium enterprises tendering. • Will lock out potential innovative, agile suppliers for the period of the contract.

• Supports long-term supplier relationship/commitment. • High level of agency leverage and influence, translating to stronger negotiating position. • Can facilitate a more comprehensive and integrated approach to sustainability (e.g. cradle-to grave approach). • Prime contractor is responsible for supply chain and for quality of sub-contractors. • Size of contract gives prime contractor incentive to partner with regionally-based suppliers.	• Does not allow for a more managed risk-taking approach (e.g. pilots and proof of concepts for design phase). • The supply chain and the actual value being added by the prime contractor's lack of visibility. • Potential for sub-optimal quality of discrete offerings within the package, such as being offered a compromise solution rather than 'best of breed,' especially in relation to service.
Opportunities	**Threats**
• Strong incentive to invest in regional infrastructure to improve regional service standards. • Positions the agency as a major customer: moves agency towards being a 'core' customer. • Potential to collaborate with other agencies (with similar needs) to increase economies of scale.	• Perception that the approach favours large, interstate-based suppliers. • Significant levels of scrutiny and complaints over process from unsuccessful tenderers. • Significant potential for a reduction in the level of competition. • Potential for a loss of innovation capability in the supply market. • Potential for the prime contractor to use its incumbent position and size of contract to raise prices over time.

Summary of option
A key strength of this option is that it maximises the incentive for industry to offer a low-priced solution, and reduce total cost of ownership over time, as well as achieve whole-of-life sustainability outcomes, based on the economies of scale and the limitation of competition to one prime contractor. This 'maximisation of volume, economies of scale and prime contractor' approach could be leveraged by the agency to encourage the successful supplier to provide a high level of service delivery, particularly in regions. This option appears as the cheapest for both government and industry. However, there are significant weaknesses and risks which reduce this option's real benefit. The option may result in a sub-optimal solution and low level of visibility of the actual value being added in the supply chain. It sharply reduces the likely level of innovation and flexibility required; in a supply market characterised by rapid technology change and short product lifecycles. There is a risk of the prime contractor exploiting its market position.

Example option two: Unbundled work packages with targeted set-asides

The key components of the software solution (design, development, supply, installation, implementation and ongoing support) are split into separate work packages, with some set-aside for diverse suppliers (e.g. small and family business or medium enterprise, Aboriginal and Torres Strait Islander business, social enterprise) where practical.

Strengths	Weaknesses
• Gives diverse suppliers a better chance to compete for parts of the work, instead of only participating as subcontractors, creating more opportunities to grow and scale up.	• More packages mean more planning, more evaluation and more contracts to manage. • Can make accountability less clear is roles are not well defined.

• May improve flexibility and reduce dependence on a single contractor. • Gives the agency better visibility of supplier performance and value delivered across each package.	• Integration risk may increase if multiple suppliers are responsible for different parts of the solution.
Opportunities	**Threats**
• Build a more diverse supplier base for future ICT products/services. • Contributes to purposeful public procurement outcomes. • Encourages innovative approaches from smaller suppliers that may not be visible under a single bundled contract.	• If the market for some packages is limited, the agency may receive few suitable offers. • Poorly designed packages could create gaps, risks, duplication or disputes between suppliers. • Failure by one supplier could affect the wider project, especially where packages are closely linked.

Summary of option
A key strength of this option is that it gives the agency a practical way to pursue purposeful public procurement outcomes by creating direct opportunities for diverse suppliers. It offers improved flexibility, reduction of dependence risk on a single supplier, and potentially offer better value and more innovative approaches. A business-critical software project usually needs strong integration, clear accountability and reliable delivery. If the packages are not designed carefully, the agency may face delays, disputes, cyber security issues, unclear responsibilities or higher contract management effort. Overall, this option may be suitable where the agency has strong project governance, clear technical architecture, good market knowledge and the capability to manage multiple suppliers. It is less suitable where the agency needs single-point accountability, a fast delivery timeframe, or where the software components are too closely connected to be safely separated.

Quantitative evaluation

Building on the qualitative evaluation, a quantitative evaluation of each option can then be undertaken in terms of how well it contributes to the procurement objectives.

Use a simple evaluation matrix to evaluate each option, assigning weightings to each objective based on its importance and the level of complexity and accuracy required for decision-making purposes.

The box below provides a suggested template for a simple quantitative evaluation matrix.

Example: Simple quantitative evaluation matrix

Procurement objectives	**Options**						
	Option 1			**Option 2**			**Option …**
	Score	**Weighting**	**Weighted score** (Score x Weighting)	**Score**	**Weighting**	**Weighted score** (Score x Weighting)	**…**
Objective 1							

Objective 2							
Objective 3							
Objective …							
Total score							

Document and seek approval of recommended procurement strategy

Present the recommended procurement strategy as a defensible submission for approval in accordance with your agency's procurement policies and/or procedures. Ultimately, the recommended procurement strategy should be fit-for-purpose or 'right-sized' to achieve the desired procurement objectives.

The submission should include a summary of the evaluation and any qualitative and quantitative analyses undertaken. It should also refer to the specification of measures and supplier management arrangements, and key implementation issues, noting the detailed development of these may follow after receipt of approval.

The level of effort and detail in preparing the submission should be commensurate with the scope, scale, and risk/complexity of the requirement – this is a matter for professional judgement.

6. Specify contract management arrangements and performance measures

As part of planning, document how the contract or arrangement is to be managed. This should include, amongst other things, relevant performance measures (both strategic and operational measures) and how they are to be monitored and assessed.

Consider requesting suppliers to propose measures as part of their offer. Suppliers may have alternative but more suitable measures that can be used, and may be easier to monitor and report on.

Build these measures into the scope and specification, and then into the contract terms and conditions to enable tracking and reporting of performance against contracted commitments, particularly those related to the QPP 2026. This should be supported by enabling processes and technology.

Ensure any supplier commitments made in their responses, including any PPP outcomes to be delivered, are expressed in specific detail to enable assessment under the Procurement Assurance Model Framework.

Refer to the:

- *Contract management guide* for general guidance on managing contracts, including performance measurement and transitioning from one supplier to another.
- Queensland Procurement Policy Reporting Framework (QPPRF) which defines the data to be collected, the format in which it is collected and how the data will be used to generate insights to support better decision-making and reporting against the QPP 2026. To access the QPPRF, send a request to Queensland Government Procurement, Department of Housing and Public Works at betterprocurement@hpw.qld.gov.au.
- Relevant standard category templates (e.g. the standard suite of contracts for the Building Construction and Maintenance procurement category).

7.1 Strategic measures

These measures relate to the procurement objectives and must be tracked over time to assess whether the objectives have been realised (e.g. cost, performance and/or sustainability improvements). The tracking approach should be consistent in format (e.g. what to measure, when, what value, what report/source) and be as quantitative as possible. Refer to **Table 14** below for an example of a tracking template that may be used.

Table 14: Example objectives realisation tracking template.

Objective	Example: Objective one	<insert data>
Target	40% decrease in system failures	
Measure	% system failures per month	
Source	Supplier-generated system failure reports	
Measure frequency	Monthly	
Measure data (actual)	September 20XX	
Target value at measure date	25%	
Gap	15%	
Corrective action	Meeting with supplier to address reasons for poor performance and identify/agree supplier action to address	
Action entity	Contract manager	

7.2 Operational measures

These measures relate to supplier performance and should be within the control of the supplier. They will focus on Key Performance Indicators (KPIs) established within contracts or arrangements. KPIs are often set as percentages, for example:

- 98 per cent of product components were delivered in full on time and without fault.
- 100 per cent of complaints responded to by the supplier within 24 hours.
- 100 per cent of packaging is recycled.

7. Develop implementation plan

The implementation plan sets out the steps that need to be taken to successfully implement the preferred procurement strategy. The level of detail in an implementation plan will depend on the scale and complexity of the procurement.

The plan should address:

- Resources and approvals.
- Roles and responsibilities.
- Implementation schedule.
- Key stakeholders.
- Communication.
- Risk management.

8.1 Resources and approvals

Identify the human, physical and financial resources, along with time commitments and relevant approvals, required to implement the strategy. This will usually comprise a project manager, other project team members, part-time resources and cost of oversight by governance bodies.

Consider:

- Salaries.
- Accommodation.

- Consultants and contractors, noting the requirement to complete Step 5 above.
- Evaluation software.
- Printing.
- Approvals, for example seeking relevant Category Council endorsement prior to establishing, varying or extending any common-use supply arrangements.

As part of the significant procurement plan approval process, you may need to fully cost the implementation plan to obtain budget approval.

8.2 Roles and responsibilities

Summarise the roles and responsibilities of the following key stakeholders involved with implementation. This should include:

- Governance body.
- Program/project director.
- Project manager.
- Project team members.

The accountabilities of the PRG and other relevant stakeholders (e.g. specialist advisors) may need to be defined.

8.3 Implementation schedule

The schedule should outline key activities, target dates and action officers. This should cover the key activities presented in **Table 15** below.

Table 15: Basic implementation schedule.

Key activity	Target date	Action officer
Significant procurement plan approval		
Specifications completed and endorsed		
Request documentation completed and endorsed		
Request advertised		
Request clarification period closes		
Request closes		
Offer evaluation (incl. offer clarification if required) and recommendation		
Evaluation report completed and endorsed		
Contract negotiations		
Contract awarded		
Contract commencement date		

For more complex and uncertain procurements, additional steps may include:

- Draft request documentation advertised for industry comment.
- Briefings of a tender review committee, or equivalent, at key steps in the process.
- Industry/tender briefings.

- Multi-round negotiations.

Consider using specialised project management software to manage key tasks, timings, resource allocations and track task dependencies.

8.4 Key stakeholders

The key stakeholders will be a broader group than those stakeholders with direct accountabilities for elements of the implementation plan. Identify the internal and external parties, including contact names of key individuals and their linkages/interests pertaining to the activity. **Table 16** below provides an example of key stakeholder mapping:

Table 16: Example key stakeholder mapping.

Stakeholder	Interests
Budget sector agencies	• New contract or arrangement to be established on schedule. • Agencies to be consulted through key phases of the project. • New contract or arrangement to be value for money/easy to use. • Smooth transition from current to new contract or arrangement.
Industry	• Tendering process to be streamlined and not onerous. • Opportunity for suppliers with relevant capabilities to be able to tender. • To be consulted prior to release of request documents. • Sufficient time allowed for tender.
End-users	Good quality, reliable goods/services with guaranteed levels of support.
Executive management	• The implementation of the procurement strategy in the scheduled timeframes. • The ongoing realisation of benefits targets through effective ongoing category management.

8.5 Communication

Prepare a communication plan to ensure those that are responsible for implementation, and those with a vested interest, understand the basis for decisions. The plan should address the following:

- Target audience/stakeholder group.
- Aim/objective of communication.
- Method of communication (e.g. written, briefings, face-to-face meetings).
- Responsibility.
- Frequency.
- Costs.

8.6 Risk management

The implementation plan should be informed by the risk assessment conducted at 1. Determine if the procurement is ‘significant’ section above.

8. Obtain approval to approach the market

Seeking approval to approach the market will involve submitting the finalised significant procurement plan (documenting Steps 1 to 8 in the Process summary above) as part of a submission in accordance with your agency’s procurement policies and/or procedures.

Store all documents created in the course of developing the significant procurement plan according to your agency’s record-keeping policies and procedures with consideration of cyber security risks and management of personal information.

References

The Office of Government Commerce (OGC), 'Smaller supplier… better value? The value for money that small firms can offer', pp. 8–16.

OGC, 'Aggregation: Is Bigger Always Better?', p. 2.

Risk Management – A Refresher | ACA - Association of Consulting Architects Australia

OGC, 'Risk Allocation Model for Project Strategy and Procurement', ver. 1.0, 2006.

Appendix 1: Purposeful public procurement outcomes – example criteria wording, evidence and scoring

The following content is provided as an example only for general guidance, and has been developed with the assistance of generative AI and informed by targeted agency consultation.

The selection of PPP outcomes, drafting of criteria wording, level of evidence sought and scoring ratings will need to be assessed by agencies on a case-by-case basis as part of a considered evaluation methodology that is tailored to a procurement activity, and consistent with agency-specific procurement policies and/or procedures.

PPP outcome	Criterion wording	Types of evidence	Scoring rating
Local benefits, including local workforces and use of local suppliers in the supply chain	Demonstrate how your offer maximises local benefits through a local workforce and local suppliers, including sub-contractors, with measurable commitments for the contract term.	• Plan for local benefits. • Percentage of local suppliers by spend. • Workforce full-time equivalents (FTEs) by location. • Subcontractor list (incl. Australian Business Number and postcode).	• High: Strong and verifiable commitments (e.g. detailed percentage spend, named suppliers, sustainable workforce growth). • Medium: Percentage local workforce and supplier targets with some supporting evidence. • Low: Minimal local benefits; no targets; no specific suppliers identified.
Support for local manufacturing	Explain how you will use or expand Queensland manufacturing capability, including locally produced inputs or components.	• Locally manufactured content details. • Plant locations. • Percentage manufactured in Queensland. • Supply-chain resilience details.	• High: Significant Queensland manufacturing share, documented facilities and resilience plans. • Medium: Some Queensland manufacturing with evidence of capability. • Low: No Queensland manufacturing component.
Regional and community benefits, and impacts on communities	Describe your approach to deliver benefits to regional Queensland communities (e.g. jobs, procurement from regional small and	• Regional participation plan. • Community investment initiatives.	• High: Strong, measurable regional benefits with comprehensive plan.

	medium enterprises, community initiatives) and how they will be measured.	• Regional FTE commitments.	• Medium: Specific regional commitments supported by a basic plan. • Low: General statements with minimal to no planning.
Increase in spend with small and family businesses and medium enterprises	Outline spending commitments and targets for engaging small and family businesses, and small and medium enterprises.	• Plan to engage small and family businesses, and small and medium enterprises. • Proposed spend percentages with small and family businesses. • Proposed spend percentages with small and medium enterprises.	• High: Strong percentage commitment with a comprehensive plan. • Medium: Adequate spend targets with a basic plan. • Low: Minimal spend targets with minimal to no planning.
Increase in spend with Aboriginal and Torres Strait Islander businesses	Outline spending commitments and targets for engaging Aboriginal and Torres Strait Islander businesses.	• Plan to engage Aboriginal and Torres Strait Islander businesses. • Proposed spend percentages with Aboriginal and Torres Strait Islander businesses.	• High: Strong percentage commitment with a comprehensive plan. • Medium: Adequate spend targets with a basic plan. • Low: Minimal spend targets with minimal to no planning.
Increase in spend with social enterprises	Outline spending commitments and targets for engaging social enterprises.	• Plan to engage social enterprises. • Proposed spend percentages with social enterprises.	• High: Strong percentage commitment with a comprehensive plan. • Medium: Adequate spend targets with a basic plan. • Low: Minimal spend targets with minimal to no planning.
Increase in spend for female-owned businesses	Outline spending commitments and targets for engaging female-owned businesses.	• Plan to engage female-owned businesses. • Proposed spend percentages with female-owned businesses.	• High: Strong percentage commitment with a comprehensive plan. • Medium: Adequate spend targets with a basic plan. • Low: Minimal spend targets with minimal to no planning.

Improved environmental outcomes, including reduction in waste and increased use of locally recycled materials	Demonstrate how your approach reduces waste, increases recycled material use (especially locally recycled), and improves environmental performance.	• Recycling plan. • Recycled content declarations. • Product stewardship initiatives. • Proposed landfill diversion targets.	• High: Comprehensive plan supported by measurable and verifiable outcomes. • Medium: Adequate plan with defined targets. • Low: Generic sustainability statements with minimal to no planning.

Commitment to apprentices and trainees	Outline how your approach supports a commitment to the development of apprentice and/or trainee employment and training opportunities in Queensland including any support for new apprentices and entrant trainees.
	
	<u>Safe and Inclusive Culture</u>
	• Contractors actively maintaining a workplace free from bullying and discrimination, with a specific focus on psychological safety and mental health support.
	• Diversity strategies in place to specifically support underrepresented groups, such as females in non-traditional trades or Aboriginal and Torres Strait Islander apprentices and trainees.
	
	<u>Structured Support Systems</u>
	Implementation of a mentoring culture.
		Tenderers are assessed on the capacity to commence and complete apprentices/trainees:
		• Number of apprentices and trainees commenced either directly or by sub-contractors utilised by the contractor over the last 1-3 years – this could include:
		  ○ First year apprentices and/or new entrant trainees.
		  ○ Aboriginal and Torres Strait Islander apprentices and/or trainees.
		  ○ Female apprentices and/or trainees.
		  ○ Apprentices and/or trainees from other marginalised cohorts.
		  ○ Total apprentice and trainee commencements.
		• Number of apprentices and trainees completed either directly or by sub-contractors utilised by the contractor over the 1-3 years – this could also include:
		  ○ Aboriginal and Torres Strait Islander apprentices and/or trainees.
		  ○ Female apprentices and/or trainees.
		  ○ Apprentices and/or trainees from other marginalised cohorts.
		  ○ Total apprentice and trainee completed.
		• Adoption of Flexible Models – evidence of partnering with Group Training Organisations (GTOs) to engage apprentices and trainees either directly by principal contractor or sub-contractors.
		• Relevant policies and procedures in place and utilisation of sub-contractors who also have relevant policies and procedures in place.
		• Specific mental health and well-being programs tailored for young or first-time workers including apprentices and trainees are in place.
			• Successful tenderers must evidence their track record through their involvement and/or the involvement of the sub-contractors they utilise in demonstrating their commitment to apprentices and trainees.
			• High retention of apprentices and trainees either directly or by sub-contractors indicates effective recruitment and early support. This also demonstrates capacity to maintain a "pipeline" of apprentices all year-round, rather than just hiring for the duration of a specific contract.

		• Case studies showing successful achievement of training targets on previous government contracts. • Description of additional supports provided, such as mental health programs, digital literacy training, or pre-commencement assessments. • How many local apprenticeships and traineeships are being created specifically within the region where large scale projects above $50M are located.	
Encouraging inclusive employment practices in the private sector, including: • employment of people with disability • employment of females • commitment to employment of Aboriginal and Torres Strait Islander peoples	Explain inclusive employment practices and provide measurable hiring and/or participation commitments for people with disability, females and Aboriginal and Torres Strait Islander peoples.	• Plan and/or procedure for inclusive employment practices. • Proposed inclusive employment targets. • Evidence of partnership with inclusive employment services.	• High: Comprehensive plan and/or procedure supported by measurable and verifiable outcomes. • Medium: Adequate plan and/or procedure with defined targets. • Low: Generic statements with minimal to no planning and/or procedure.
Increase in spend with Queensland suppliers that are owned by, or employ, veterans, or that support veteran transition from the Australian Defence Force to civilian employment, or that partner with veteran charities or training programs	Outline spending commitments and targets for engaging: • Queensland suppliers that are owned by, or employ, veterans; • Queensland suppliers that support veteran transition from the Australian Defence Force to civilian employment; or • Queensland suppliers that partner with veteran charities or training programs.	• Plan to engage with identified supplier types. • Proposed spend percentages with identified supplier types. • Supplier declarations. • Evidence of partnerships.	• High: Strong percentage commitment with a comprehensive plan. • Medium: Adequate spend targets with a basic plan. • Low: Minimal spend targets with minimal to no planning.
Enduring community value, including housing availability and affordability	Explain how you will create enduring community value, including any contribution to housing availability or affordability as relevant to the procurement.	• Plan to create enduring community value. • Housing availability or affordability initiatives. • Community infrastructure or service partnerships.	• High: Comprehensive plan supported by measurable and verifiable outcomes. • Medium: Adequate plan. • Low: Generic statements with minimal to no planning.