

# QUEENSLAND PROCUREMENT POLICY 2019



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(Department of Housing and Public Works)**



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**Administration**

The application of best practice principles in clause 1.1 took effect from 8 May 2018. The application of the Ethical Supplier Mandate in clause 2.2, and the Ethical Supplier Threshold in clause 2.3, take effect from 1 August 2019. The remainder of the Queensland Procurement Policy 2018 took effect from 1 June 2018. This version of the policy replaces the Queensland Procurement Policy 2018.

# Queensland Procurement Policy

Every year the Queensland Government spends billions of dollars on a wide range of goods and services to support the delivery of frontline services for Queenslanders.

This means that the procurement activities of the Queensland Government not only have a budgetary impact, but also a significant impact on local communities and the services delivered to them throughout Queensland.

Ultimately, there is a need to ensure that procurement delivers value for money for taxpayers. Value for money means more than just the lowest price. In measuring value for money it must also advance the government's economic, environmental and social objectives for the long-term wellbeing of our community. Underpinning all of this is the need for probity to remain an integral component of procurement – part of procurement culture.



## Policy authority

This policy is mandated for application to budget sector agencies, government-owned corporations, statutory bodies and special purpose vehicles.

## Procurement in the Queensland Government

An overview of the Queensland Government's procurement operating model and governance structure is provided at **Schedule 2**.

**The Queensland Procurement Policy is the government's overarching policy for the procurement of goods and services.**

It establishes a framework that maximises the benefits that can be delivered through procurement.

The policy aims to:

1. **Focus on the economic benefit to Queensland** – by applying a local benefits test for all significant procurement, and supporting secure and fair employment outcomes, and showcasing Queensland's food and beverage industry.
2. **Maximise Queensland suppliers' opportunity to participate** – by ensuring that for each procurement opportunity, at least one regional and one Queensland supplier, where possible, is invited to submit a quote or tender.
3. **Support regional and remote economies** – by allowing agencies to procure outside of whole-of-government supply arrangements for regional and remote locations.
4. **Support disadvantaged Queenslanders** – by increasing procurement with genuine, quality social enterprises.
5. **Stimulate the ICT sector and drive innovation** – by doubling the ICT pre-qualification exemption to \$1 million.

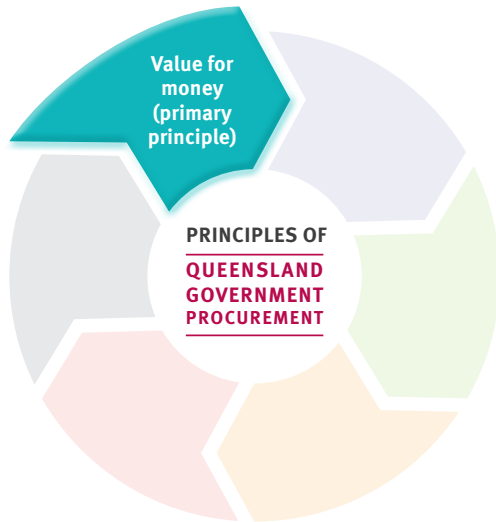
## Policy principles

The Queensland Procurement Policy principles centre on:

- putting Queenslanders first when securing value for money – recognising that value for money is more than price paid
- working together to achieve outcomes – providing a flexible procurement framework based on an agency-led procurement model
- governance and planning – focusing on a category management approach with a strong governance framework and integrated planning
- leaders in procurement practice – professionalising the procurement discipline and building procurement capability
- integrity, probity and accountability – ensuring procurement is undertaken with integrity, that probity is appropriately managed, and that accountability for outcomes is maintained
- advancement of government objectives – providing the procurement framework to advance economic, environmental and social objectives.

# Principles and their application

## PRINCIPLE 1: PUTTING QUEENSLANDERS FIRST WHEN SECURING VALUE FOR MONEY



*We drive value for money in our procurement*

We pursue government targets through our procurement decisions.

We select the option that provides best value for money outcomes, pursuing economic, environmental and social objectives as well as price.

We deploy the most appropriate strategies to deliver the best procurement outcomes.

### Intent

The Queensland Government is committed to ensuring value for money reflects more than just lowest price.

### Government targets and commitments

#### Economic

- Require the application of ‘*best practice principles*’ for all major projects valued at \$100 million and above and declared projects, in accordance with guidance issued by the Department of Housing and Public Works and the Office of Industrial Relations.
- Prioritising ‘*Buy Queensland first*’ for food and beverages at events and corporate functions.
- Build regions by increasing the participation of Queensland suppliers and local workforces in procurement opportunities.
- Require the use of local contractors and manufacturers in significant Queensland Government infrastructure projects, worth \$100 million and above, wherever possible.
- Increase opportunities for apprentices and trainees in significant Queensland Government infrastructure projects, worth \$100 million and above.
- Increase government procurement with Aboriginal and Torres Strait Islander businesses to three per cent of addressable spend by 2022.
- Focus on using the government’s procurement activities to create genuine, quality, secure ongoing jobs for Queenslanders.
- Focus on jobs, reducing long-term unemployment and youth unemployment, and increasing opportunities for training apprentices.

#### Environmental

- Procure Australian-sourced, environmentally accredited paper products.
- Achieve net zero emissions by 2050.
- Achieve one million rooftops or 3000 megawatts of solar photovoltaics (PV) in Queensland by 2020.

#### Social

- Increase spend with genuine, quality social enterprises, providing award based wages (using the Supported Wage System where appropriate) and pathways to mainstream employment for disadvantaged Queenslanders.
- Take into account workplace policies and practices aimed at ending domestic and family violence as part of supplier evaluation and selection.
- Ensure that all Queensland Government procurement activities are compliant with the *Disability Discrimination Act 1992* (Cth).

How to apply this principle	Applies to
<p><b>1.1</b> Each agency must seek to obtain best value for money in its procurement. Agencies are mandated to address the following factors when assessing value for money:</p> <ul style="list-style-type: none"> <li>• conducting a local benefits test for all significant procurement where a weighting of up to 30 per cent may be applied</li> <li>• advancing relevant government objectives and the outcome being sought</li> <li>• cost-related factors including up-front price, whole-of-life costs and transaction costs associated with acquisition, use, holding, maintenance and disposal</li> <li>• non-cost factors such as fitness for purpose, quality, delivery, service, and support.</li> </ul> <p>For major projects of \$100 million and above and declared projects, the value of money assessment must also include application of all of the following best practice principles:</p> <ul style="list-style-type: none"> <li>• workplace health and safety systems and standards</li> <li>• commitment to apprentices and trainees</li> <li>• best practice industrial relations</li> <li>• history of compliance with procurement, tendering and other government policy.</li> </ul>	<p>Budget sector agencies</p> <p>Statutory bodies</p> <p>GOCs<sup>1</sup></p>
<p><b>1.2</b> Agencies will identify the procurement strategy and method (open, limited or selective) most appropriate for delivering the best procurement outcome. This will be based on an assessment of complexity, scope, opportunities and risks associated with procurement objectives, as well as the level of competition in the supply market.</p>	<p>Special purpose vehicles</p>
<p><b>1.3</b> Agencies may deal directly with their own agency or other Queensland Government agencies including commercialised business units.</p>	
<p><b>1.4</b> Agencies will:</p> <ul style="list-style-type: none"> <li>• use the Queensland Government’s QTenders website to publish all open tenders.</li> <li>• ensure the Queensland Contracts Directory is maintained and up to date.</li> </ul>	
<p><b>1.5</b> When identifying value for money priorities during category planning activities, category managers will pursue opportunities to advance relevant economic, environmental and social outcomes and objectives of the government. This includes factoring the achievement of targets set by government into planning and subsequent procurement activities.</p>	
<p><b>1.6</b> Lead agency category teams, in consultation with other budget sector agencies, are responsible for coordinating and publishing a forward procurement pipeline (minimum 12 month forecast) for their category.</p>	<p>Budget sector agencies</p>
<p><b>1.7</b> Statutory bodies, government-owned corporations and special purpose vehicles will publish notices of potential future procurements on the Queensland Government’s QTenders website, where the agency identifies there would be a benefit to it or the supply market from doing so.</p>	<p>Statutory bodies</p> <p>GOCs</p> <p>Special purpose vehicles</p>
<p><b>1.8</b> Agencies will measure and report on procurement benefits in accordance with whole-of-government procurement performance principles issued by the Office of the Chief Advisor – Procurement.</p>	<p>Budget sector agencies</p>

1. GOCs – Government Owned Corporations.

# PRINCIPLE 2: ADVANCEMENT OF ECONOMIC, ENVIRONMENTAL AND SOCIAL OBJECTIVES



***We use our procurement to advance the government’s economic, environmental and social objectives, and support the long-term wellbeing of our community***

We ensure full, fair and reasonable opportunity for Queensland suppliers, including local suppliers and small businesses.

We do business with ethically, environmentally and socially responsible suppliers.

We pursue government’s objectives from a whole-of-government and category perspective, prioritising these in our decision-making.

## Intent

The Queensland Government:

- is committed to ensuring that tenders are free from specifications or requirements that could limit opportunities for local industry and workforces.
- acknowledges that every procurement activity is different. Decisions to advance objectives take into account a range of factors.

## Government targets and commitments

### Economic

- Require the application of ‘best practice principles’ for all major projects valued at \$100 million and above and declared projects, in accordance with guidance issued by the Department of Housing and Public Works and the Office of Industrial Relations.
- Prioritising ‘Buy Queensland first’ for food and beverages at events and corporate functions.
- Build regions by increasing the participation of Queensland suppliers and local workforces in procurement opportunities.
- Require the use of local contractors and manufacturers in significant Queensland Government infrastructure projects, worth \$100 million and above, wherever possible.
- Increase opportunities for apprentices and trainees in significant Queensland Government infrastructure projects, worth \$100 million and above.
- Increase government procurement with Aboriginal and Torres Strait Islander businesses to three per cent of addressable spend by 2022.
- Focus on using the government’s procurement activities to create genuine, quality, secure ongoing jobs for Queenslanders.
- Focus on jobs, reducing long-term unemployment and youth unemployment, and increasing opportunities for training apprentices.

### Environmental

- Procure Australian-sourced, environmentally accredited paper products.
- Achieve net zero emissions by 2050.
- Achieve one million rooftops or 3000 megawatts of solar photovoltaics (PV) in Queensland by 2020.

### Social

- Increase spend with genuine, quality, social enterprises, providing award based wages (using the Supported Wage System where appropriate) and pathways to mainstream employment for disadvantaged Queenslanders.
- Take into account workplace policies and practices aimed at ending domestic and family violence as part of supplier evaluation and selection.
- Ensure that all Queensland Government procurement activities are compliant with the *Disability Discrimination Act 1992* (Cth).

How to apply this principle	Applies to
<p><b>2.1</b> Agencies will ensure that capable and competitive local suppliers, including Queensland suppliers and small businesses, are given a full, fair and reasonable opportunity to supply government.</p> <p>Agencies will:</p> <ul style="list-style-type: none"> <li>• conduct a local benefits test for all significant procurement where a weighting of up to 30 per cent may be applied</li> <li>• ensure that at least one regional and one Queensland supplier, where possible, is invited to submit a tender or quote for a procurement.</li> </ul> <p>The Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport may, in consultation with the Premier and Minister for Trade, declare a procurement activity as requiring application of the local benefits test.</p>	
<p><b>2.2</b> Agencies will use best endeavours to do business with ethically, environmentally and socially responsible suppliers, and will seek to influence the supply chain in this regard. As part of this commitment, agencies will not procure dumped goods or engage suppliers suspended as a result of accruing demerit points under the Ethical Supplier Mandate.</p>	
<p><b>2.3</b> Queensland Government expects suppliers to comply with the Ethical Supplier Threshold. This means that a supplier has not:</p> <ul style="list-style-type: none"> <li>• contravened a civil remedy provision of Chapter 2 or Chapter 3 of the <i>Fair Work Act 2009</i> (Cth), or committed an offence against the Fair Work Act</li> <li>• contravened a civil remedy provision of Chapter 2, 3, 4, 5, or 7 of the <i>Industrial Relations Act 2016</i>, or committed an offence against the Industrial Relations Act, or failed to pay employment related levies, or other payments, established under Queensland legislation</li> <li>• failed to make superannuation contributions on behalf of employees in accordance with law</li> <li>• purported to treat employees as independent contractors, where they are not</li> <li>• required persons who would otherwise be employees to provide an Australian Business Number so that they could be treated as independent contractors</li> <li>• engaged persons on unpaid work trials or as unpaid interns, where they should be treated as employees</li> <li>• entered into an arrangement for the provision of labour hire services with a person who is not licensed under the <i>Labour Hire Licensing Act 2017</i>, or a supplier who is an unlicensed provider under the Act</li> <li>• paid employees wages below those provided for in an applicable modern award.</li> </ul> <p>Agencies will ensure tendering documents and contracts address the Ethical Supplier Threshold, and should refer to guidelines published by the Director-General, Department of Housing and Public Works.</p>	<p>Budget sector agencies</p> <p>Statutory bodies<sup>2</sup></p> <p>GOCs<sup>2</sup></p> <p>Special purpose vehicles<sup>2</sup></p>
<p><b>2.4</b> The Queensland Government Procurement Committee and category councils will provide guidance on the prioritisation and application of competing government objectives which impact on procurement.</p>	
<p><b>2.5</b> Procurement decision-making for low value and low business risk procurement will be delegated to a level closest to the geographical location where the good or service is to be supplied.</p>	
<p><b>2.6</b> Category councils will facilitate cross-agency consultation and coordination of regional procurement to assist in delivering value for money and the government's objectives.</p>	<p>Budget sector agencies</p>

2. These agencies comply with the Ethical Supplier Mandate from a date to be fixed by Executive Government.

# PRINCIPLE 3: INTEGRITY, PROBITY AND ACCOUNTABILITY

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***We undertake our procurement with integrity, ensuring probity and accountability for outcomes***

We respect the trust placed in us by the community.

We are accountable for delivering timely outcomes using public resources.

We ensure our decisions are transparent and defensible.

We meet expected standards of probity and accountability.

## Intent

The Queensland Government is committed to:

- observing high standards of integrity and probity, and being accountable for decisions.
- embedding probity in procurement culture. It is expected that high standards of probity and accountability are always maintained. It is important that the right balance is struck between observing probity of process, and not overemphasising probity relative to value and risk, so that it becomes an unjustifiable barrier to achieving better outcomes.



How to apply this principle	Applies to
<p data-bbox="134 577 185 613"><b>3.1</b></p> <p data-bbox="229 389 384 416">Agencies will:</p> <ul data-bbox="229 439 1246 801" style="list-style-type: none"> <li data-bbox="229 439 1246 533">• observe applicable legislation including the <i>Disability Discrimination Act 1992</i> (Cth), policies, agreements and industrial instruments. These can be found at <a href="http://www.qld.gov.au/procurement">www.qld.gov.au/procurement</a></li> <li data-bbox="229 555 1246 649">• ensure that appropriate governance mechanisms are in place to maintain the integrity of the procurement decision-making process. As part of this, systems for conflicts of interest and complaints management for procurement are to be in place</li> <li data-bbox="229 672 1246 801">• ensure all stages of the procurement process are defensible and appropriately documented relative to the value and risk associated with the procurement. Decisions will withstand public scrutiny and preserve confidence in the procurement process.</li> </ul>	<p data-bbox="1283 430 1442 492">Budget sector agencies</p> <p data-bbox="1283 560 1390 622">Statutory bodies</p> <p data-bbox="1283 689 1347 716">GOCs</p>
<p data-bbox="134 873 185 909"><b>3.2</b></p> <p data-bbox="229 837 1246 931">Agencies will integrate probity within their procurement framework to ensure probity is managed relative to the value and risk of a particular procurement activity (for example, the development of probity plans for high value and/or high risk procurement activities).</p>	<p data-bbox="1283 792 1465 855">Special purpose vehicles</p>
<p data-bbox="134 1070 185 1106"><b>3.3</b></p> <p data-bbox="229 1003 1214 1169">Agencies will publish basic details for awarded contracts valued at \$10,000 and over, and additional contract details for awarded contracts valued at \$10 million and over, in accordance with the <i>Procurement Guidelines: Contract Disclosure</i> issued by the Director-General, Department of Housing and Public Works. The publishing of the procurement method used is mandated for contracts valued at \$500,000 and over.</p>	<p data-bbox="1283 972 1442 1034">Budget sector agencies</p> <p data-bbox="1283 1057 1453 1120">Large statutory bodies</p> <p data-bbox="1283 1142 1465 1205">Special purpose vehicles</p>

## PRINCIPLE 4: LEADERS IN PROCUREMENT PRACTICE

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***We are leaders in procurement practice—we understand our needs, the market and our suppliers, and have the capability to deliver better outcomes and support our buyers to engage with the market effectively***

We continuously improve the capability and performance of our agencies and people.

We actively manage the performance of our procurement expenditure.

We are outcome focused and look for opportunities to innovate, including continuous improvement to our procurement methods and practices.

We engage with our stakeholders to understand business needs, and seek to exceed expectations.

We ensure efficient and effective use of valuable resources.

We work together with industry and key stakeholders, including local workforces, to ensure government is an attractive customer.

### **Intent**

The Queensland Government is committed to:

- enhancing the procurement function to improve the delivery of value for money outcomes.
- building procurement capability to ensure better outcomes like improved contract management, better engagement with stakeholders and suppliers, and embracing innovation.

How to apply this principle	Applies to
<p><b>4.1</b> Procurement and business areas will proactively engage with each other from pre-procurement through to contract management and disposal to:</p> <ul style="list-style-type: none"> <li>• identify and assess viable solutions to achieve the outcomes sought</li> <li>• provide support for, and understand the business needs of, front-line service delivery</li> <li>• clearly define procurement objectives to ensure business needs are met</li> <li>• manage demand and reduce waste, and manage consumption of valuable resources.</li> </ul>	<p>Budget sector agencies</p> <p>Statutory bodies</p>
<p><b>4.2</b> Agencies will adopt a cost-effective market engagement strategy for a procurement, taking into account whole-of-government objectives and the activities of other government buyers in the market, to maximise procurement outcomes for the benefit of buyers and suppliers.</p>	<p>GOCs</p>
<p><b>4.3</b> When developing procurement strategies, agencies will pursue opportunities to develop innovative supply solutions, either through innovation in the procurement activity itself, or by fostering innovative solutions by suppliers. Agencies will pursue opportunities to drive innovation through the provisions of the ICT SME Participation Scheme.</p>	<p>Special purpose vehicles</p>
<p><b>4.4</b> Agencies will ensure processes are in place to manage contracts, including performance and renewal. For significant procurements, a contract management plan will be developed.</p>	
<p><b>4.5</b> Accountable officers are responsible for adopting a workforce approach to building procurement capability. This includes maintaining capability standards commensurate with an accreditation framework, administered by the Office of the Chief Advisor – Procurement.</p>	<p>Budget sector agencies</p>

# PRINCIPLE 5: WORKING TOGETHER TO ACHIEVE OUTCOMES

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*We work together across agency boundaries to improve procurement outcomes*

We take a collaborative approach to planning and managing categories of expenditure.

We maximise savings and benefits, and reduce duplication.

## Intent

The Queensland Government is committed to working together across agencies to ensure that a whole-of-government approach to procurement is taken and that better procurement outcomes are achieved.

The CEO Leadership Board has a lead role in promoting this whole-of-government approach to procurement, enabled by agencies managing categories.

This principle outlines:

- ways of reducing duplication within government and increasing consistency for suppliers.
- a planned approach to the development of policies that seek to leverage procurement practices and outcomes.

**Schedule 3** lists current procurement-related policies.

How to apply this principle	Applies to
<p><b>5.1</b> Agencies will identify whether categories of expenditure or significant procurements contain opportunities to generate savings and benefits. This includes an assessment of whether greater savings, efficiencies and benefits can be realised by working together.</p>	Budget sector agencies Statutory bodies GOCs Special purpose vehicles
<p><b>5.2</b> The CEO Leadership Board:</p> <ul style="list-style-type: none"> <li>• will promote a whole-of-government approach to procurement including a focus on understanding the government’s procurement profile and the management of procurement expenditure at the whole-of-government level</li> <li>• will promote cross-agency collaboration on categories of significant expenditure to achieve savings and benefits</li> <li>• may, in consultation with agencies, nominate agencies to manage categories of procurement expenditure common to multiple agencies, or the whole-of-government.</li> </ul>	
<p><b>5.3</b> Common-use supply arrangements are mandated for use to achieve savings and benefits wherever practical.</p> <p>Agencies can depart from common-use supply arrangements where a good or service is to be supplied to regional or remote Queensland locations.</p> <p>Departures from such arrangements, including strategies to deliver savings and benefits as a result of the agency’s decision, are to form part of the agency’s procurement plan, and will be disclosed and worked through collaboratively with the relevant category council.</p>	Budget sector agencies
<p><b>5.4</b> Whole-of-government standard terms and conditions for procurement, or categories of procurement, will be developed by lead agency category teams and made available for the use of budget sector agencies.</p> <p>The Office of the Chief Advisor – Procurement will be consulted by lead agency category teams during the development and revision of terms and conditions to ensure consistency across government.</p> <p>Departures from the terms and conditions are to be based on a defensible assessment of the requirements of the procurement.</p>	
<p><b>5.5</b> Agencies are mandated to consult with the Office of the Chief Advisor – Procurement as early as possible during the development of whole-of-government procurement-related policies, and to use guidelines on the development of procurement-related policies. The guidelines can be found at <a href="http://www.qld.gov.au/procurement">www.qld.gov.au/procurement</a>.</p> <p>Procurement-related policies, targets, commitments and associated guidance will be developed and maintained by the sponsoring agency. The Office of the Chief Advisor – Procurement will maintain a list of all procurement-related policies on its website.</p>	

# PRINCIPLE 6: GOVERNANCE AND PLANNING

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*We have the confidence of stakeholders and the community in our management of procurement*

Our governance structure facilitates consultation and value for money outcomes.

We take a planned approach to our procurement, ensuring alignment across all levels of planning from whole-of-government to individual procurements.

We manage risk through effective oversight, accountability and appropriate internal controls.

## **Intent**

The Queensland Government is committed to increasing stakeholder and community confidence in procurement through appropriate governance and an integrated planning framework.

How to apply this principle	Applies to
<b>6.1</b> Queensland Government procurement planning will be integrated at all levels, including category strategies, agency procurement plans, significant procurement plans, and other relevant plans and strategies.	Budget sector agencies
<b>6.2</b> The Office of the Chief Advisor – Procurement may prepare whole-of-government plans or strategies that represent the government’s vision and priorities for procurement. These plans or strategies will be prepared collaboratively and in consultation with category councils and agencies.	
<b>6.3</b> Lead agency category teams will prepare category strategies for endorsement by the relevant category council.	
<b>6.4</b> Agency procurement planning, at both the agency level and for individual significant procurements, will take relevant plans and strategies, such as category strategies, into account.	
<b>6.5</b> Agency procurement plans will be prepared and, as a minimum: <ul style="list-style-type: none"> <li>• set out the management and organisation of the procurement function, including an assessment of overall agency procurement capability and strategies for improvement</li> <li>• outline how the objectives of the procurement function will support broader agency objectives</li> <li>• provide an analysis of savings and benefits opportunities (economic, social and environmental) and strategies to achieve these</li> <li>• contain measures, targets, performance against targets and the agency’s approach to risk management for procurement.</li> </ul>	Budget sector agencies  Statutory bodies
<b>6.6</b> Planning for significant procurement may be undertaken at either a category level or an individual procurement level and address, at a minimum: <ul style="list-style-type: none"> <li>• an analysis of demand and the supply market</li> <li>• strategies to achieve value for money, including the advancement of economic, environmental and social outcomes</li> <li>• performance measures and contract management arrangements</li> <li>• an identification and assessment of risks related to the procurement and risk management strategies. Risk assessments address the value, complexity and sensitivity of procurements.</li> </ul>	GOCs  Special purpose vehicles
<b>6.7</b> The Office of the Chief Advisor – Procurement will issue policy guidelines and procurement guidance for use by agencies.	

## Schedule 1: Definitions

**Accountable officer** has the meaning conferred by the *Financial Accountability Act 2009*. For the purposes of this policy, this term also includes Chief Executive Officers of government owned corporations, statutory bodies and special purpose vehicles.

**Agency** means, for the purposes of this policy:

- A department or a statutory body as those expressions are defined in the *Financial Accountability Act 2009*
- An entity declared by regulation to be a government owned corporation under the *Government Owned Corporations Act 1993*
- Special purpose vehicles as established from 1 July 2010 and existing special purpose vehicles which are required to comply with the Queensland Procurement Policy by their respective constitutions.

**Budget sector agency** means, for the purposes of this policy, entities declared to be departments pursuant to Section 14 of the *Public Service Act 2008*. It also includes the Electoral Commission of Queensland, Office of the Governor, Public Service Commission, Queensland Audit Office, Queensland Ombudsman and Queensland Parliamentary Service.

**Category** is the grouping of similar goods or services with common demand drivers and a similar supply base.

**Category management** is a lifecycle approach to managing spend that groups categories together and aligns the approach to the characteristics of the category.

**Common-use supply arrangement** means an arrangement intended for whole-of-government use established between the principal and the successful offeror (including without limitation a standing offer arrangement, a register of pre-qualified suppliers, panel arrangement or preferred supplier arrangement).

**Employee** means, for the purposes of this policy, any employee of an agency whether permanent, temporary, full-time, part-time or casual, and any volunteer, student, contractor, consultant or anyone who works in any other capacity for an agency.

**Full, fair and reasonable** has the meaning as defined in the *Queensland Charter for Local Content* administered by the Department of State Development.

**Goods and services** include all property (except for real property) and all types of services including building and construction services, and infrastructure.

**Government's objectives or objectives of the government** may be stated in legislation, whole-of-government procurement policy and procurement-related policy, whole-of-government procurement plans, directions or formal agreements between government and agencies.

**Large statutory body** means a statutory body where either of the following criteria apply:

- net operating result in excess of \$5 million, or
- net assets in excess of \$75 million.

**Lead agency** is an agency responsible for managing common categories of expenditure across two or more agencies.

**Limited offer** method is a procurement method where the agency invites a supplier/s of its choice to offer.

**Local supplier** means a supplier of goods or services that maintains a workforce whose usual place of residency (i.e. where they normally live, sleep and eat) is located within a 125 kilometre (km) radius of where the good or service is to be supplied. If a capable local supplier does not exist within the 125 kilometre radius, the radius should be extended progressively to the local region, then Queensland, then Australia, until a suitable supplier is identified.

**Open offer** method is a procurement method where all interested suppliers may submit an offer.

**Procurement** encompasses the whole process of obtaining goods and services. Beginning with the identification of needs, procurement can include the functions of planning, design, standards determination, specification writing, selection of suppliers, financing, contract management, disposals and other related functions. For clarity, 'procurement' under this policy does not include 'grants' as defined in the *Financial Accountability Handbook* administered by Queensland Treasury.



## Schedule 2: Procurement in the Queensland Government – overview

**Procurement-related policy** is a government policy or instrument, excluding the Queensland Procurement Policy related guidelines and guidance, that influences or impacts procurement activities, practices and decisions. A list of current procurement-related policies is at [www.qld.gov.au/procurement](http://www.qld.gov.au/procurement).

**Purchasing** is the acquisition process for goods and services through purchasing, leasing and licensing and this expression extends to standing offer or similar arrangements by which terms and conditions of purchase are determined.

**Selective offer method** is a procurement method where suppliers that have met pre-established criteria are invited to offer.

**Significant procurement** includes goods and services identified by the agency as being high expenditure and/or for which there is a high degree of business risk.

**Small and medium enterprise** means a business employing less than 200 people.

**Special purpose vehicle** means, for the purposes of this policy, a company incorporated under the *Corporations Act 2001 (Cth)* that is under the control of a Queensland Government department, and which is established for a specific purpose such as delivery of infrastructure projects. For the purpose of this definition a ‘company’ does not include a government-owned corporation.

**Supplier** means an enterprise known to be capable of supplying required goods and/or services. It includes manufacturers, stockists, resellers, merchants, distributors, consultants and contractors.

### Agency-led, centrally enabled

The Queensland Government has established an agency-led procurement operating model. Under this model agencies are accountable for their own procurement activities through a category management approach within a whole-of-government framework of legislation, procurement-related policies and minimum standards.

The Office of the Chief Advisor – Procurement provides expert procurement policy advice and support to agencies.

### Roles and responsibilities: agencies

Accountable officers within agencies are responsible for their agency’s procurement outcomes, and for ensuring this policy is followed and embedded into practice within their agencies.

Accountable officers are to ensure that any procurement-related procedures they have in place are consistent with the principles of this policy.

Accountable officers within agencies remain accountable for procurements delivered on their behalf by a provider external to their agency including, for example, those delivered by shared service providers or under corporate partnership agreements.

All employees are required to comply with this policy.

## Roles and responsibilities: Office of the Chief Advisor – Procurement

The Chief Advisor – Queensland Government Procurement (supported by the Office of the Chief Advisor – Procurement) is responsible for:

- ensuring this policy, its related guidelines and guidance are appropriate, reflect better practice and facilitate a high standard of procurement performance
- providing expert procurement advice and support to agencies
- facilitating collaboration across agencies
- engaging with the Queensland Government Procurement Committee and Procurement Industry Advisory Group on matters of strategic importance
- providing guidance to agencies in relation to economic, social and environmental benefits and opportunities
- overseeing a consistent approach to procurement methodology and procedures, including reducing procurement process costs for suppliers and agencies across government
- coordinating whole-of-government procurement capability building and training initiatives
- coordinating whole-of-government procurement performance reporting in accordance with requirements established by the CEO Leadership Board.

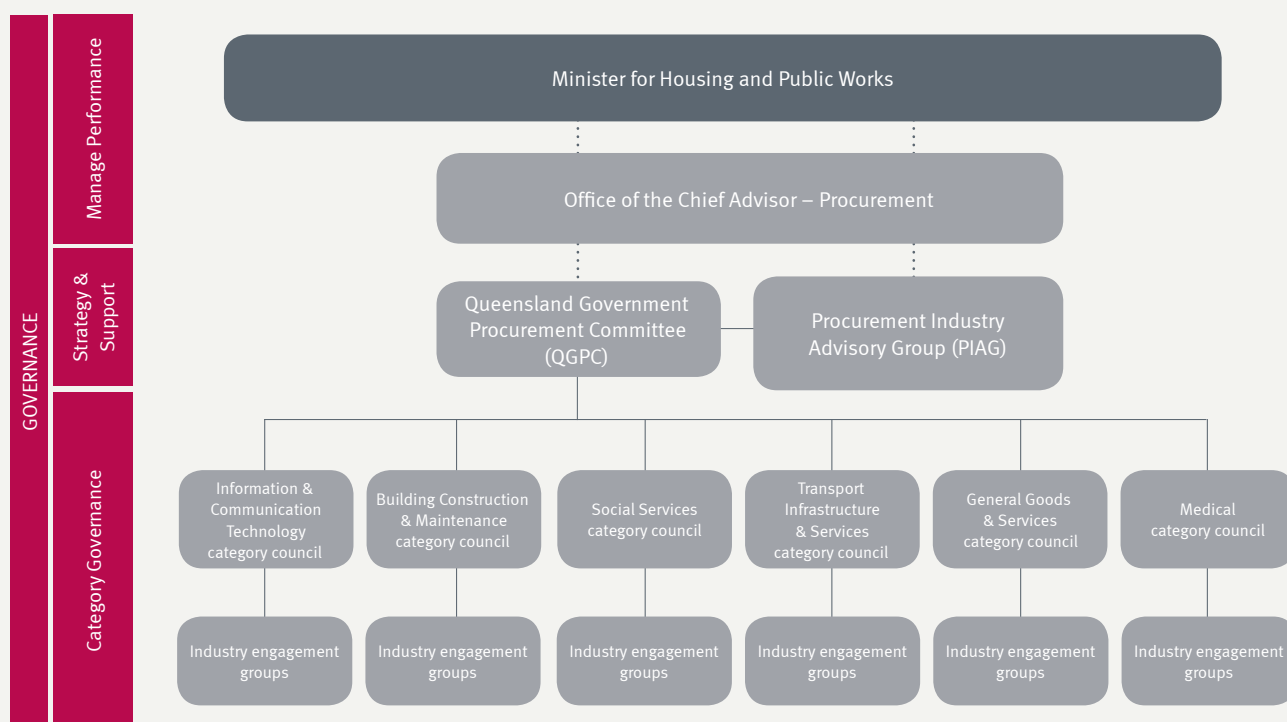
## Procurement governance overview

The governance framework includes:

- the CEO Leadership Board – facilitates a whole-of-government approach to procurement in accordance with this policy. It provides strategic direction and oversight for Queensland Government procurement.
- the Queensland Government Procurement Committee – provides advice and direction on whole-of-government procurement activities.
- the Procurement Industry Advisory Group – provides coordinated, strategic level industry input regarding procurement.
- Category councils – oversee and direct strategic procurement activities in relation to groups of related spend, govern the category strategy for a particular spend profile, and engage with industry.

**Figure 2** below sets out the current procurement governance structure. For more information on governance refer to [www.qld.gov.au/procurement](http://www.qld.gov.au/procurement).

**Figure 2: Queensland Government procurement governance structure**



## Schedule 3: Procurement-related policies and instruments

The Queensland Government maintains a number of policies and instruments relevant to procurement. These are collectively referred to as procurement-related policies. Current procurement-related policies are set out in the table below and are available at [www.qld.gov.au/procurement](http://www.qld.gov.au/procurement).

Category	Policy or instrument	Responsible Department
<b>All</b>	Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy	Aboriginal and Torres Strait Islander Partnerships
	Queensland Charter for Local Content	State Development, Manufacturing, Infrastructure and Planning
	Project Assessment Framework	Queensland Treasury
	Queensland Leasing Approval Policy for Public Sector Entities	Queensland Treasury
	Quality Assurance Policy	Housing and Public Works
<b>Building Construction and Maintenance</b>	Capital Works Management Framework	Housing and Public Works
	Maintenance Management Framework	Housing and Public Works
	Queensland Government Building and Construction Training Policy	Employment, Small Business and Training
<b>Information and Communication Technology</b>	Information and Communication Technology Small and Medium Enterprise Participation Scheme	Housing and Public Works
	Relevant information standards, including IS13 for the procurement and disposal of ICT products and services	Housing and Public Works
<b>Transport Infrastructure and Services</b>	Transport Infrastructure Project Delivery System	Transport and Main Roads



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