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QUEENSLAND

# PROCUREMENT POLICY 2023



Queensland  
Government



# Queensland Procurement Policy 2023

## Interpreter statement



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# 1. APPLICATION

The *Queensland Procurement Policy 2023* (Policy) replaces the *Queensland Procurement Policy 2021*.

The Policy should be read with the *Queensland Procurement Strategy 2023 – Jobs, Economy, Legacy, Confidence*.

The Policy takes effect from 1 June 2023. Certain clauses are subject to transitional provisions: this is set out in each relevant clause.

The following types of ‘agencies’ are subject to the Policy:

- ‘budget sector agencies’
- government-owned corporations (GOCs)
- statutory bodies
- ‘special purpose vehicles.’

Each clause applies to every ‘agency’ subject to the Policy, unless specified otherwise in the clause.

Terms which are enclosed in single quotation marks in this document are defined in section 5 – Definitions.

For clarity, where the term ‘procurement’ is used in this Policy, it should be read to encompass the act of ‘purchasing’ (also sometimes referred to by ‘agencies’ as buying).

## 1.1 Out of scope expenditure

The following expenditure is not considered to be ‘procurement’:

- real property transactions – e.g. selling, ‘purchasing’, renting, leasing land or existing buildings
- arrangements or transactions typically classified as grants, where the substance of the arrangement or transaction is such that the value of what one entity receives from another entity is not of approximately equal value, in the form of cash, goods, non-monetary assets and/or services. These arrangements or transactions can also be in the nature of incentives, donations, contributions, debts forgiven, rebates, tax relief and other similar funding arrangements as detailed in the *Financial Accountability Handbook* administered by Queensland Treasury
- investments, loans and guarantees
- public employment contracts<sup>2</sup> (noting engagement of contractors, consultants and contingent labour are in scope for ‘procurement’).

1. Refer to the Definitions section for details on the definition of agencies, including individual agency types.

2. Public employment contracts are not within scope of procurement. These include, for example, contracts entered into under sections 155, 190 and 191 of the *Public Sector Act 2022* (or equivalent provisions under the former *Public Service Act 2008*). Public employment contracts do not include engagement of contractors, consultants and contingent labour.



# 2. PROCUREMENT PRINCIPLES

## 2.1 Understand and apply the six procurement principles

### Principle 1: Achieve ‘value for money’

What achieving this principle looks like in practice

#### ‘Value for money’ decisions

All procurement decisions achieve ‘value for money’. ‘Value for money’ decisions **must** consider:

- relevant government economic, ethical, social and environmental objectives and targets including but not limited to ‘local benefits’; and Best Practice Principles (for ‘projects’ where the Best Practice Principles apply)
- whole-of-life costs
- non-cost factors.

Whole-of-life costs can include acquisition costs, such as the contract price, initial transactional costs, ongoing payment options, operating costs, maintenance costs, support costs, transition out (costs of disengaging from a ‘supplier’ on expiration or termination of a contract) and disposal costs. Whole-of-life costing should be scaled to the value, risk and complexity of the procurement.

Non-cost factors **must**, at a minimum, consider:

- fitness-for-purpose (this may include alignment with procurement objective(s), compliance with specifications, and quality)
- ‘supplier’ capability, capacity, experience, including delivery and after-sales service and support
- risk (this may include operational and reputational risks).

#### Targets

The following procurement-specific targets **must** be pursued wherever possible:

- increase government procurement with Aboriginal and/or Torres Strait Islander businesses to three per cent of ‘addressable spend’
- source at least 30 per cent of procurement by value from Queensland ‘small and medium enterprises’.

The Queensland Government has set economy-wide emissions reduction targets of:

- 30 per cent emissions reduction below 2005 levels by 2030
- net zero emissions by 2050.

To contribute to the abovementioned emissions reduction targets, the following procurement-specific targets **must** be pursued:

- the Department of Environment and Science (DES) will work with priority ‘categories’ and ‘agencies’ to identify and estimate tonnes of greenhouse gas emitted
- an emissions baseline will be set for each priority ‘category’ by 2024 and priority procurement activities identified that can contribute to reducing agreed emission levels
- following approval of the emissions baseline and commencing from 2025, priority procurement activities will aim to reduce emissions by at least 30 per cent from the baseline by 2030, with a recommended target of 5 per cent reduction from the baseline per year.



## Principle 2: Apply a ‘responsible public procurement’ approach

<b>What achieving this principle looks like in practice</b>	<p>Throughout the procurement process, including contract management and disposal, we apply a ‘responsible public procurement’ approach. Applying a ‘responsible public procurement’ approach means that wherever possible we use our ‘procurement’ activities to deliver added value for economic, ethical, social and environmental outcomes, consistent with ‘government objectives’.</p> <p>This includes but is not limited to the following examples:</p> <ul style="list-style-type: none"><li>• pursuing targets consistent with Principle 1</li><li>• supporting local jobs and businesses</li><li>• delivering improved social outcomes</li><li>• decarbonising the economy</li><li>• applying requirements regarding the <i>Ethical Supplier Threshold, Queensland Government Supplier Code of Conduct</i> and where applicable, the <i>Ethical Supplier Mandate</i>.</li></ul>
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## Principle 3: Behave ethically, and embed integrity, probity and accountability

<b>What achieving this principle looks like in practice</b>	<p>We uphold a culture of ethics, integrity, probity and accountability, respecting the trust of all stakeholders including ‘suppliers’ and the community.</p> <p>We display this culture in the following ways when undertaking our procurement activities:</p> <ul style="list-style-type: none"><li>• complying with this Policy, as well as all relevant legislation, policy and codes</li><li>• politely declining gifts or benefits from ‘suppliers’</li><li>• declaring actual, potential or perceived conflicts of interest as soon as we become aware of them</li><li>• properly securing and managing sensitive, personal and confidential information</li><li>• being fair and impartial</li><li>• offering and providing timely and appropriate feedback to ‘suppliers’ who have submitted tenders</li><li>• actively managing contracts to monitor the delivery of obligations, and act on the failure of ‘suppliers’ to meet contractual obligations, including through contractual provisions or sanctions under the <i>Ethical Supplier Mandate</i></li><li>• facilitating timely payment of correctly rendered ‘supplier’ invoices</li><li>• documenting decisions.</li></ul>
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## Principle 4: Be leaders in procurement practice

<b>What achieving this principle looks like in practice</b>	<p>We uphold a culture of continuous improvement in capability and performance.</p> <p>We display this culture in the following ways:</p> <ul style="list-style-type: none"><li>• investing in capability development and functional maturity improvement</li><li>• sharing information to achieve a whole-of-government view of capability</li><li>• staying up-to-date with our professional development</li><li>• enhancing the consistency, timeliness and quality of practices, systems and information including data to improve ‘procurement’ decision-making.</li></ul>
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## Principle 5: Collaborate for more effective outcomes

<b>What achieving this principle looks like in practice</b>	<p>We uphold a culture of collaboration.</p> <p>We display this culture in the following ways:</p> <ul style="list-style-type: none"><li>• supporting a ‘category management’ approach to ‘procurement’ by sharing information with category ‘lead agencies’ and the Department of Energy and Public Works, improving ‘category’ performance and outcomes</li><li>• looking for opportunities to achieve greater savings and benefits by applying a ‘category management’ approach, and collaborating with other ‘agencies’ on areas of common spend</li><li>• aggregating demand where this makes sense and does not unreasonably lock out ‘small and medium enterprises’ from ‘procurement’ opportunities</li><li>• maintaining awareness of ‘category’ strategies relevant to our ‘procurement’ activities, and acting on them</li><li>• collaborating with other relevant ‘agencies’ to increase efficiency, effectiveness and economy in ‘procurement’ activities at a whole-of-government level</li><li>• establishing ‘common-use supply arrangements’ and panels based on the principle that all ‘agencies’ should be able to use them, unless there are sound business reasons and express provisions in the arrangement to limit access.</li></ul>
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## Principle 6: Support strong governance and planning

<b>What achieving this principle looks like in practice</b>	<p>We support governance structures established by this Policy and integrate planning at all levels, from ‘category’ strategies, through to agency procurement planning and ‘significant procurement’ planning.</p> <p>We display this in the following ways:</p> <ul style="list-style-type: none"><li>• complying with this Policy, and our ‘agency’s’ policies and/or procedures for ‘procurement’</li><li>• maintaining awareness of ‘category’ strategies that are relevant to each ‘procurement’, and acting on them</li><li>• using prequalification registers or lists when inviting ‘suppliers’, where these are mandated for use</li><li>• where we are appointed to governance bodies established by this Policy, taking a whole-of-government view, and sharing our ‘agency’ experience and perspective to inform decision-making</li><li>• facilitating internal and external ‘procurement’ decision-making and reporting</li><li>• supporting engagement across ‘agencies’, and between government, industry and unions.</li></ul>
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# 3. THE 'PROCUREMENT' PROCESS

## 3.1 Planning

### Clause 1

All 'procurement' **must** be planned, and **must** achieve 'value for money'. The extent of planning undertaken **must** be commensurate with the value, risk and complexity of the 'procurement'.

### Clause 2

'Value for money' is the best available outcome for money spent. 'Value for money' assessments **must** consider relevant 'government objectives' and targets, whole-of-life costs and non-cost factors set out in Principle 1.

### Clause 3

Upon identifying a need to procure a 'good and/or service', the following elements **must** be addressed by the business area and/or procurement function:

- specify the need, timing, and budget
- clearly define 'procurement' objectives to meet needs
- identify the desired 'value for money' outcome for each 'procurement' and evaluate for 'value for money', including applying targets as specified in Principle 1 where applicable
- conduct market research
- develop a 'procurement' strategy to deliver the intended business outcome, including whether the 'good and/or service' is available under a 'common-use supply arrangement' (refer clause 9)
- manage demand, and as applicable, disposals, resource consumption and waste reduction
- seek approvals
- agree roles and responsibilities, including whether the business area or 'procurement' function will be responsible for complying with contract disclosure obligations, and who will manage contracts resulting from the activity.

## 'Significant procurement'

### Clause 4

For all 'significant procurement', a 'significant procurement' plan **must** be developed which addresses the following elements in addition to elements set out in clause 3:

- perform demand and supply market analysis
- develop procurement strategies and methods (refer clauses 5 - 8 below) to achieve a 'value for money' outcome, including applying the Local Benefits Test and Best Practice Principles as required by this Policy, and applying 'responsible public procurement' choices (Principle 2)
- develop performance measures and contract management arrangements
- identify and assess risks related to the 'procurement' and put risk management strategies in place. Risk assessments address the value, complexity and sensitivity of 'procurement'
- incorporate any relevant 'category' strategy targets or actions, if applicable (**this action applies to budget sector agencies only**).



## Use the most appropriate ‘procurement’ strategy and method

### Clause 5

Assess complexity, scope, opportunities and risks associated with ‘procurement’ objectives, and the level of competition in the supply market. Next, identify the ‘procurement’ strategy and method (‘open’, ‘limited’ or ‘selective’) to be used to approach ‘suppliers’.

### Clause 6

‘Procurement’ strategies should cover how the strategy will:

- achieve the ‘procurement’ objective(s)
- engage effectively with the market, including when early market engagement will deliver innovation and better outcomes
- take into account the ‘procurement’ activities of other ‘agencies’ in the market, maximising ‘procurement’ outcomes for the benefit of buyers and ‘suppliers’
- pursue relevant government economic, ethical, social and environmental objectives and targets set out in Principle 1 wherever possible.

## Flexible procurement techniques

### Clause 7

Flexible ‘procurement’ techniques may be used to pursue relevant government economic, ethical, social and environmental objectives and targets set out in Principle 1, and innovation. These include ‘limited offer method’ and ‘set-asides’. Where ‘procurement’ is disclosed on the ‘Forward Procurement Pipeline’, and a flexible ‘procurement’ technique is used, this **must** be stated on the Pipeline.

### Clause 8

A ‘limited offer method’ may be used if a ‘procurement’ need can be met by another Queensland Government ‘agency’, including commercialised business units.

## Use ‘common-use supply arrangements’

### Clause 9

If a ‘procurement’ need can be met using a ‘common-use supply arrangement’, the arrangement **must** be used unless one of the following situations applies:

- the delivery area is regional or remote, and there are no capable and competitive ‘local suppliers’ on the arrangement
- the ‘procurement’ activity directly supports a relevant government economic, ethical, social and environmental objective or target set out in Principle 1, and cannot be met using the arrangement.

Exemptions from using an applicable ‘common-use supply arrangement’ **must** be approved by the relevant ‘agency’ delegate.

**Applies to ‘budget sector agencies’.**

## Publish potential future ‘procurement’

### Clause 10

Provide details of potential future ‘procurement’ activities, as specified in agency procurement plans, to category lead agencies upon request for publication on the ‘Forward Procurement Pipeline’.

**Applies to ‘budget sector agencies’.**



## Clause 11

Publish notices of potential future ‘procurement’ on the Queensland Government’s QTenders website.

### Applies to:

- statutory bodies
- government-owned corporations
- ‘special purpose vehicles’.

## ‘Modern slavery’

### Clause 12

Identify, assess and take action to eliminate as far as possible, or mitigate ‘modern slavery’ risks in relation to ‘agency supply chains’ in accordance with the guidance provided in *Eliminating modern slavery in government supply chains*.

This is separate to any obligation ‘agencies’ may have under the *Modern Slavery Act 2018* (Cth).

## When procuring under a declared ‘Supply Chain of State Significance’

### Clause 13

Where a ‘Supply Chain of State Significance’ is declared, an “if not, why not” statement **must** be recorded where a decision is made to not use a ‘Queensland supplier’, and **must** reflect what engagement has taken place with ‘local suppliers’.

**Transitional provision:** This clause commences upon declaration of a ‘Supply Chain of State Significance’.

## When procuring food and beverages – Buy Queensland first

### Clause 14

Wherever possible, food and beverages that are made, grown or produced in Queensland **must** be prioritised in food and beverage ‘procurement’ activities, including functions and events. Use the Queensland Government Food and Beverage Supplier Directory to help identify potential ‘suppliers’.

## When procuring paper products

### Clause 15

Wherever possible, procure Australian-sourced, environmentally accredited paper products.

## 3.2 Sourcing, evaluation and contract formation

### Invitation and contract documentation

#### Clause 16

Ensure all invitation and contract documentation is:

- free from specifications or requirements that could limit opportunities for local industry and workforces
- written simply in plain language, and includes relevant information only.

**Transitional provision:** Invitation and contract documentation templates **must** be reviewed and made compliant with this clause by 30 June 2025.



## Clause 17

Use the template invitation and contract documentation relevant to the ‘category’ being procured. This includes but is not limited to, including template clauses enabling pre-qualification and post-contract compliance functions enabling the agency to access all information relevant to assessing compliance with the Ethical Supplier Threshold and Ethical Supplier Mandate. Departures from the templates require a reason why to be documented.

**Applies to ‘budget sector agencies’.**

**Strongly recommended for:**

- statutory bodies
- government-owned corporations
- ‘special purpose vehicles’.

## Animal welfare

### Clause 18

Invitation documentation used for the ‘procurement’ of food and beverages **must** require ‘suppliers’ who are also a ‘person in charge’ of animals used to produce food and beverages provided to the Queensland Government, to warrant compliance with the *Animal Care and Protection Act 2001* and regulations, related codes, standards and guidelines as a minimum. Contract documentation **must** include a condition requiring ongoing compliance with the *Animal Care and Protection Act 2001* and regulations, related codes, standards and guidelines as a minimum during the contract term.

## Ethical Supplier Threshold

### Clause 19

Invitation documentation **must** require ‘suppliers’ to declare that they meet the Ethical Supplier Threshold, that is, that they have not engaged in any of the listed conduct (in below shaded box) in the relevant time period. Contract documentation **must** include a condition requiring suppliers to meet the Ethical Supplier Threshold during the contract term by not engaging in the listed conduct (in below shaded box).

The government’s policy is to only deal with ‘suppliers’ that have not:

- contravened a civil remedy provision of Chapter 2 or Chapter 3 of the *Fair Work Act 2009* (Cth), or committed an offence against the *Fair Work Act*
- contravened a civil remedy provision of Chapter 2, 3, 4, 5, or 7 of the *Industrial Relations Act 2016*, or committed an offence against the *Industrial Relations Act*, or failed to pay employment related levies, or other payments, established under Queensland legislation
- failed to make superannuation contributions on behalf of employees in accordance with law
- purported to treat employees as independent contractors, where they are not
- required persons who would otherwise be employees to provide an Australian Business Number so that they could be treated as independent contractors
- engaged persons on unpaid work trials or as unpaid interns, where they should be treated as employees
- entered into an arrangement for the provision of labour hire services with a person who is not licensed under the *Labour Hire Licensing Act 2017*, or a ‘supplier’ who is an unlicensed provider under the Act
- paid employees’ wages below those provided for in an applicable modern award (including for people with disability, ‘suppliers’ **must** provide award-based wages (using the Supported Wage System where appropriate)).

This is called the Ethical Supplier Threshold. The Ethical Supplier Threshold applies to all procurement undertaken on and from 1 August 2019.

For more information about how to apply the Ethical Supplier Threshold when dealing with suppliers, refer to *Guidelines: Ethical Supplier Threshold*.



## Queensland Government Supplier Code of Conduct

### Clause 20

Invitation documentation **must** require suppliers to warrant that they comply with the Queensland Government Supplier Code of Conduct. Contract documentation **must** include a condition requiring ongoing compliance with the Code during the contract term.

### Dumped goods

#### Clause 21

Invitation documentation **must** require suppliers to warrant that they are not supplying 'dumped goods'. Contract documentation **must** include a condition requiring suppliers not to sell 'dumped goods' to the Queensland Government during the contract term.

## Publish tender opportunities

### Clause 22

Use the Queensland Government's QTenders website to publish all tenders where an 'open offer method' is used.

## Specifications

### Clause 23

Develop specifications to define requirements. Specifications **must** be compliant with the *Disability Discrimination Act 1992* (Cth) and disability standards.

### Clause 24

In exceptional circumstances where an outcome-based, functional, performance or technical standard is not sufficient to define requirements, a brand name can be used but **must** be accompanied by the term "or equivalent". If a brand name must be specified, Queensland manufactured products should, wherever possible, be specified as the first option.

## Create genuine, quality, secure ongoing jobs for Queenslanders

### Clause 25

Apply a 'local benefits' approach to all 'procurement'. Taking a 'local benefits' approach means that:

- for 'routine procurement' including 'purchasing' – invite at least one 'local supplier' to respond except where the 'goods and/or services' are not able to be supplied by a 'local supplier'. If a 'local supplier' is not invited to respond, the reason why is to be documented.
- for 'significant procurement' only – conduct a Local Benefits Test where a weighting of between 10 and 30 per cent may be applied, taking into account any minimum weightings set by category councils (minimum 10 per cent). If the test is not applied, the reason why is to be documented. Refer to the *Local benefits test* guide for further details on conducting the test.

**Transitional provision:** 'Agencies' may decide to commence implementing this clause immediately, with full compliance expected from the date of release of updated Local Benefits Test guidance in 2023. Local Benefits Test requirements contained in the *Queensland Procurement Policy (QPP) 2021* apply until 'agencies' have implemented this clause fully or until the updated guidance is released, whichever is sooner.



## Clause 26

For 'projects' of \$100 million or more:

- apply Best Practice Principles in accordance with the *Best practice principles: Quality, safe workplaces* guidance. 'Projects' less than \$100 million may also be declared as subject to the Best Practice Principles. The principles are:
  - » workplace health and safety systems and standards
  - » commitment to apprentices and trainees
  - » best practice industrial relations
- progress opportunities to create 'enduring community value' through 'responsible public procurement' choices, including the use of 'local workforces' and increasing opportunities for apprentices and trainees wherever possible.

**Transitional provision:** 'Agencies' may decide to commence implementing requirements regarding 'enduring community value' in this clause immediately, with full compliance expected from the date of release of 'enduring community value' guidance.

## Encourage innovation

### Clause 27

Pursue innovative supply solutions through, for example, the use of outcome-based specifications, trials and/or pilots.

## 3.3 'Supplier' selection

### Ethical Supplier Mandate

#### Clause 28

Do not engage 'suppliers' which have been suspended under the *Ethical Supplier Mandate*.

**Applies to** relevant 'agencies' and 'categories' as set out in the *Ethical Supplier Mandate*.

## Preventing and ending domestic and family violence

### Clause 29

Invitation documentation **must** reference a commitment to prevent and end domestic and family violence. For 'significant procurement' refer to the guide *Ending domestic and family violence*, and request responses from 'suppliers' and consider these in evaluation processes.

## 3.4 Award

### Debrief 'suppliers'

#### Clause 30

For each 'procurement' process where a tender has been called, offer debriefings to all 'suppliers' who have submitted tenders.



## Disclose contracts

### Clause 31

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 *Procurement Guidelines: Contract Disclosure*. The 'procurement' method used **must** be published for contracts valued at \$500,000 and over.

#### Applies to:

- 'budget sector agencies'
- 'large statutory bodies'
- 'special purpose vehicles'.

## Share arrangement details

### Clause 32

Enter details of new and updated 'common-use supply arrangements' and standing offer arrangements (where these can be accessed by more than one 'agency') into the Queensland Government arrangements directory.

## 3.5 Contract management

### Clause 33

Agency procurement policies and/or procedures **must** specify how contracts will be managed, including establishment, disclosure, performance, renewal and recording.

## Develop a contract management plan

### Clause 34

Prepare a contract management plan for all 'significant procurement' contracts.





# 4. GOVERNANCE

## 4.1 Structure

The Queensland Government has established an agency-led, centrally enabled ‘procurement’ operating model.

The governance structure facilitates information sharing, strategic input and collaboration between government, industry and unions through the following groups:

- the Queensland Government Procurement Committee – provides advice and direction on whole-of-government ‘procurement’ activities
- the Procurement Ministerial Advisory Council – provides coordinated, strategic level industry input regarding ‘procurement’ to the ‘Minister responsible for Government Procurement’.

‘Category’ councils, with the support of category ‘lead agencies’, oversee and direct strategic ‘procurement’ activities for six ‘categories’ of expenditure:

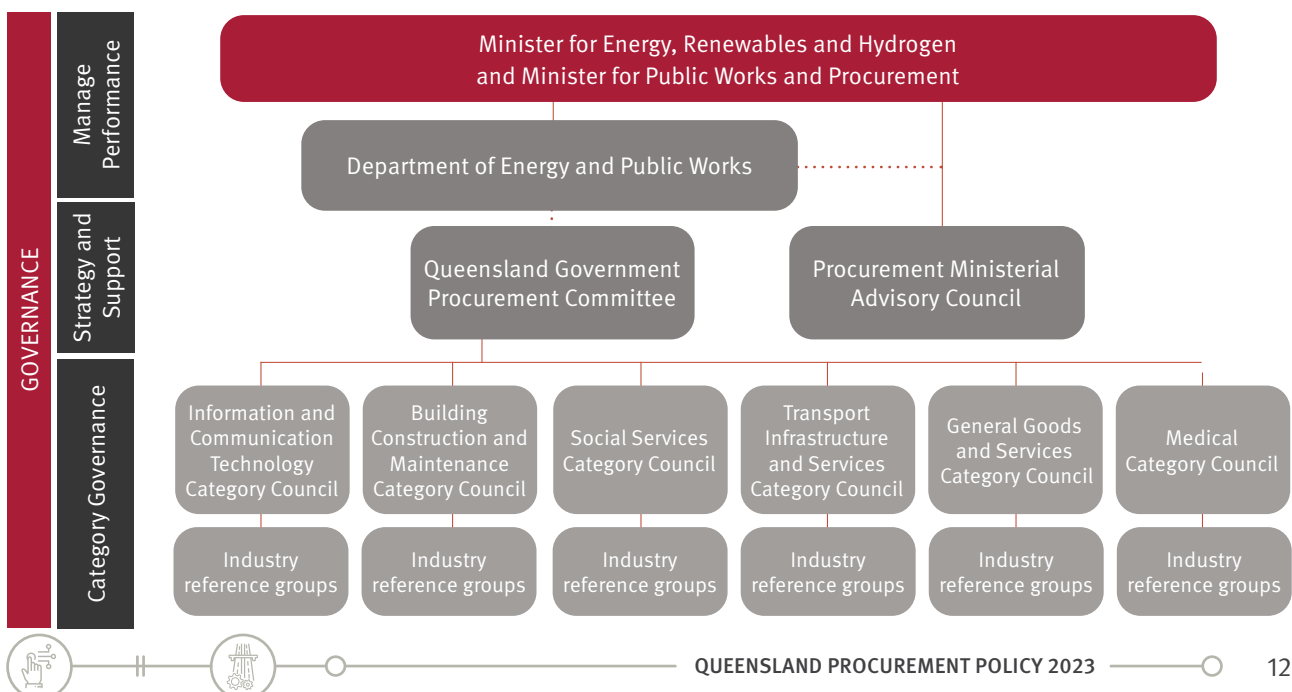
- Building Construction and Maintenance (Department of Energy and Public Works)
- General Goods and Services (Department of Energy and Public Works)
- Information and Communication Technology (Department of Transport and Main Roads)
- Medical (Queensland Health)
- Social Services (Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts)
- Transport Infrastructure and Services (Department of Transport and Main Roads).

Activities include governing the ‘category’ strategy, and establishing and consulting with industry reference groups. Each group **must** include representation from industry and unions, along with at least one member who represents the interests of people with disability. Industry membership should also ensure that the interests of diverse supplier types are represented.

The ‘procurement’ framework through which ‘procurement’ is undertaken is based on a ‘category management’ approach within a whole-of-government framework of legislation, ‘procurement-related policies’, guidelines, guidance and templates.

For more information on governance refer to the diagram below, and [www.qld.gov.au/procurement](http://www.qld.gov.au/procurement).

### Queensland Government Procurement governance structure



## 4.2 Roles and responsibilities

### ‘Minister responsible for Government Procurement’

#### Declarations

##### Clause 35

For ‘projects’ or ‘procurement’ of any value, the ‘Minister responsible for Government Procurement’ may declare:

- the application of Best Practice Principles
- the application of the Local Benefits Test
- the establishment of a ‘Supply Chain of State Significance’.

Prior to making a declaration, the ‘Minister responsible for Government Procurement’ will consult with the ‘responsible Minister’, and obtain the approval of the Premier.

### ‘Accountable officers’

#### Compliance

##### Clause 36

‘Accountable officers’ **must** ensure:

- compliance with this Policy by all ‘employees’ within their ‘agency’
- the Policy is embedded into practice within their ‘agencies’, and that agency procurement policies and/or procedures are in place, up-to-date, and able to be accessed by all ‘agency employees’
- requests for assistance and information from the whole-of-government compliance function maintained by the Department of Energy and Public Works will be facilitated as a priority.

##### Clause 37

‘Accountable officers’ retain responsibility for ‘procurement’ delivered on their ‘agency’s’ behalf by an external provider including, for example, procurement delivered by shared service providers or under corporate partnership agreements.

### Quality planning and information

##### Clause 38

‘Accountable officers’ **must** ensure agency procurement plans are in place, up-to-date, and, as a minimum:

- set out the management and organisation of the ‘procurement’ function, including an assessment of overall agency procurement capability and strategies for improvement
- outline how the objectives of the ‘procurement’ function support broader government and ‘agency’ objectives
- provide an analysis of savings and benefits opportunities (economic, ethical, social and environmental) and strategies to achieve these
- contain measures, targets, performance against targets and the ‘agency’s’ approach to ‘procurement’ risk management
- contain a schedule of potential future ‘procurement’ opportunities.

##### Clause 39

‘Accountable officers’ may devolve ‘procurement’ decision-making for ‘routine procurement’ to a level closest to the geographical location where the ‘good and/or service’ is to be supplied.



## Clause 40

'Accountable officers' **must** ensure their delegates collect procurement-related data and information, including about 'agency' compliance with this Policy, and provide it to the Department of Energy and Public Works when requested. For those 'accountable officers' responsible for category 'lead agencies', this includes reporting on category 'lead agency' compliance with relevant obligations under this Policy. Reporting, including reporting on supplier compliance with contractual obligations, will be in accordance with the whole-of-government 'procurement' reporting framework following endorsement by the Queensland Government Procurement Committee.

### Applies to:

- 'budget sector agencies'
- 'large statutory bodies'
- government-owned corporations
- 'special purpose vehicles'.

**Transitional provision:** The obligation to provide procurement-related data and information continues on from QPP 2021. Changes in the format of reporting will be advised upon endorsement of the framework by the Queensland Government Procurement Committee.

## Integrity

### Clause 41

'Accountable officers' **must** ensure mechanisms are in place to maintain the integrity of the 'procurement' decision-making process, by ensuring that:

- probity is integrated within the 'procurement' framework and 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)
- there are conflict of interest and complaints management policies in place which specifically address 'procurement'.

## Effectiveness

### Clause 42

'Accountable officers' **must** ensure that 'procurement' is an effective, efficient and economical function within their 'agency'. 'Accountable officers' **must** implement a workforce approach to 'procurement' capability, by ensuring that:

- 'procurement' capability of the 'agency' is analysed to identify opportunities for further development
- any 'employees' new to 'purchasing' or 'procurement' are able to demonstrate that they have undertaken training regarding basic 'procurement' obligations and awareness of *Buy Queensland*
- capability of 'procurement' and non-procurement staff involved in the 'procurement' process is continuously improved.

### Clause 43

'Accountable officers' **must** ensure that:

- an assessment of 'procurement' functional maturity is undertaken at least once every three years
- 'procurement' certification targets are established and monitored each year.

**Applies to departments only. Encouraged for all other 'agencies'.**

**Transitional provision:** By 30 June 2025, departments **must** have:

- completed the first 'procurement' functional maturity assessment
- established 'procurement' certification targets for their department.



## ‘Procurement-related policies’

### Clause 44

‘Accountable officers’ **must**:

- consult with the Department of Energy and Public Works as early as possible during the development of whole-of-government ‘procurement-related policies’
- ensure their ‘agencies’ use Department of Energy and Public Works’ *Procurement-related policies: Guideline* for the development of ‘procurement-related policies’
- develop and maintain ‘procurement-related policies’, targets, commitments and associated guidance.

## ‘Declared emergencies’

### Clause 45

‘Accountable officers’ **must** ensure that during ‘declared emergencies’, their ‘agencies’ take account of the *Procuring during an emergency* guide.

## ‘Employees’

### Clause 46

Any person involved in ‘procurement’ activities, including associated delegates, **must**:

- comply with this Policy, implementing the six principles of ‘procurement’
- comply with applicable legislation including the *Disability Discrimination Act 1992* (Cth), policies, agreements and industrial instruments
- ensure all stages of the ‘procurement’ process are defensible and appropriately documented relative to the value and risk of the ‘procurement’.

## Agency delegates

### Clause 47

In accordance with the *Financial Accountability Act 2009* and the *Financial Accountability Handbook* published by Queensland Treasury, ‘accountable officers’ may delegate responsibilities to nominated positions or officers to confirm that ‘procurement’ processes comply with this Policy and related guidelines, and take account of related guidance.

## Queensland Government Procurement Committee

### Clause 48

The Queensland Government Procurement Committee:

- **must** promote a whole-of-government approach to ‘procurement’, focusing on understanding the government’s ‘procurement’ profile, and managing ‘procurement’ expenditure at the whole-of-government level
- **must** promote cross-agency collaboration on ‘categories’ of significant expenditure to achieve savings and benefits
- **must** provide guidance on the prioritisation and application of competing ‘government objectives’ that impact on ‘procurement’
- may, in consultation with ‘agencies’, nominate ‘agencies’ to manage ‘categories’ of ‘procurement’ expenditure common to multiple ‘agencies’, or the whole-of-government
- may approve new or substantially revised standard invitation and contract documentation to ensure it is simple, written in plain language and consistent across government.



## Procurement Ministerial Advisory Council

### Clause 49

The Procurement Ministerial Advisory Council advises the ‘Minister responsible for Government Procurement’. It provides coordinated, strategic level industry input regarding ‘procurement’.

## ‘Category’ councils and category ‘lead agencies’

### Clause 50

Each ‘category’ council **must** set a minimum evaluation weighting percentage of at least 10 per cent to be applied to ‘significant procurement’ as part of the Local Benefits Test within the ‘category’ or its sub-categories, and reflect these minimum weightings in the annual ‘category’ strategy.

**Transitional provision:** Minimum weightings are to be set by each ‘category’ council by 31 December 2023. Until the weightings are set ‘agencies’ **must** use a minimum of at least 10 per cent.

### Clause 51

Each ‘lead agency’ category team **must**:

- prepare a ‘category’ strategy for endorsement by the relevant ‘category’ council and approval by the ‘Minister responsible for Government Procurement’, on recommendation of the Minister responsible for each category. The strategy, which **must** be reviewed annually, **must** include:
  - » ‘value for money’ priorities for each subcategory of spend
  - » how the government’s ‘responsible public procurement’ objectives (economic, ethical, social and environmental) and targets set out in Principle 1, including increasing 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 will be achieved
  - » identification of opportunities to generate savings and benefits from ‘procurement’ activities. This includes an assessment of whether collaboration with other ‘agencies’ or ‘categories’ could deliver greater savings, efficiencies and benefits
  - » the schedule for refreshing or establishing new ‘common-use supply arrangements’ to ensure they reflect ‘diversity’ of ‘suppliers’ in line with relevant government economic, ethical, social and environmental objectives and targets set out in Principle 1, and include regional and remote ‘suppliers’.
- in consultation with relevant ‘budget sector agencies’, coordinate and approve the publication of a ‘Forward Procurement Pipeline’ by the Department of Energy and Public Works (reviewed quarterly) for their ‘category’ and facilitate cross-agency consultation and coordination of regional ‘procurement’.

**Applies to ‘budget sector agencies’.**

**Transitional provision:** Existing ‘common-use supply arrangements’ **must** be reviewed for ‘diversity’ of ‘suppliers’ and made compliant by 30 June 2025.



## Department of Energy and Public Works

### Clause 52

The Department of Energy and Public Works administers the Queensland Government Procurement Framework which enacts the *Buy Queensland* approach to government ‘procurement’, including the *Queensland Procurement Strategy 2023 – Jobs, Economy, Legacy, Confidence*, this Policy and the *Queensland Government Procurement Statement*. This means:

- ensuring this Policy, its related guidelines and guidance are appropriate, reflect best practice and result in a high standard of ‘procurement’ performance
- consulting with the relevant stakeholders when making changes to the framework and key framework documents
- providing expert ‘procurement’ advice and support to ‘agencies’
- facilitating collaboration across ‘agencies’, industry and unions
- engaging with the Queensland Government Procurement Committee and Procurement Ministerial Advisory Council on matters of strategic importance
- providing guidance to ‘agencies’ in relation to economic, ethical, 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, including coordinating certification reporting by ‘agencies’
- coordinating whole-of-government ‘procurement’ performance reporting and the development of the *Queensland Government Procurement Statement*
- establishing and maintaining a whole-of-government ‘procurement’ compliance function which:
  - » conducts audits relating to Best Practice Principles; the Queensland Government Food and Beverage Supplier Directory; and *Queensland Government Building and Construction Training Policy*; and
  - » coordinates and advises on investigations regarding complaints about ‘agency’ and ‘supplier’ compliance with this Policy or contractual obligations
- maintain a list of all ‘procurement-related policies’ on its website
- issuing guidelines, guidance, tools and templates for use by agencies.



# 5. DEFINITIONS

DEFINITIONS	
<b>Accountable officer</b>	<b>Accountable officer</b> has the meaning conferred by the <i>Financial Accountability Act 2009</i> . For the purposes of this Policy, this term also includes Chief Executive Officers of government-owned corporations, statutory bodies and ‘special purpose vehicles’.
<b>Addressable spend</b>	<b>Addressable spend</b> has the meaning as defined in the <i>Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy</i> .
<b>Agency</b>	<b>Agency</b> means, for the purposes of this Policy: <ul style="list-style-type: none"> <li>• a department or a statutory body as defined in the <i>Financial Accountability Act 2009</i></li> <li>• an entity declared by regulation to be a government-owned corporation under the <i>Government Owned Corporations Act 1993</i></li> <li>• ‘special purpose vehicles’ as established from 1 July 2010 and existing ‘special purpose vehicles’ which are required to comply with the <i>Queensland Procurement Policy</i> by their respective constitutions.</li> </ul>
<b>Budget sector agency</b>	<b>Budget sector agency</b> means, for the purposes of this Policy, an entity declared to be a department pursuant to Section 197 of the <i>Public Sector Act 2022</i> . It also includes the Electoral Commission of Queensland, Office of the Governor, Public Sector Commission, Queensland Audit Office, Queensland Ombudsman and Queensland Parliamentary Service.
<b>Category</b>	<b>Category</b> is the grouping of similar goods or services with common demand drivers and a similar supply base.
<b>Category management</b>	<b>Category management</b> is a lifecycle approach to managing spend that groups ‘categories’ together, aligning the approach to the characteristics of the ‘category’.
<b>Common-use supply arrangement</b>	<b>Common-use supply arrangement</b> 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).
<b>Declared emergency</b>	<b>Declared emergency</b> means a declaration of an emergency by the Australian or Queensland governments.
<b>Diversity</b>	<b>Diversity</b> in ‘supplier’ types may include for example, ‘suppliers’ that are a ‘small and medium enterprise’, Aboriginal and/or Torres Strait Islander businesses as defined in the <i>Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy</i> , social enterprises, women-owned and/or women-led businesses, businesses owned or operated by people with disability, and culturally and linguistically diverse ‘suppliers’.



## DEFINITIONS

<b>Dumped goods</b>	<b>Dumped goods</b> are goods resulting from a practice whereby a ‘supplier’ exports goods to another country at a price below the price charged in the country of manufacture, or below the cost of manufacturing the good.
<b>Employee</b>	<b>Employee</b> 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’.
<b>Enduring community value</b>	<b>Enduring community value</b> means the long-term economic, ethical, social and environmental value to current and future generations of Queenslanders and is created through ‘responsible public procurement’ choices.
<b>Forward Procurement Pipeline</b>	<b>Forward Procurement Pipeline</b> is an interactive dashboard which provides information on upcoming ‘projects’ prior to a tender being released.
<b>Goods and/or services</b>	<b>Goods and/or services</b> include all property (except for real property) and all types of services including building and construction services, and infrastructure.
<b>Government objectives</b>	<b>Government objectives</b> 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’.
<b>Large statutory body</b>	<b>Large statutory body</b> means a statutory body where either of the following criteria apply: <ul style="list-style-type: none"> <li>• net operating result in excess of \$5 million, or</li> <li>• net assets in excess of \$100 million.</li> </ul>
<b>Lead agency</b>	<b>Lead agency</b> is an ‘agency’ responsible for managing common ‘categories’ of expenditure across two or more ‘agencies’.
<b>Limited offer method</b>	<b>Limited offer method</b> is a ‘procurement’ method where the ‘agency’ invites a ‘supplier(s)’ of its choice to offer.
<b>Local benefits</b>	<b>Local benefits</b> are economic impact benefits deriving from ‘procurement’ investment supporting the ‘local workforce’ and/or ‘local suppliers’.
<b>Local supplier</b>	<b>Local supplier</b> means a ‘supplier’ of ‘goods and/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 and/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 outside of Queensland, until a suitable ‘supplier’ is identified.





## DEFINITIONS

<b>Local workforce</b>	<b>Local workforce</b> means a workforce whose usual place of residency is located within a 125 km radius of where the ‘good and/or service’ is to be supplied.
<b>Minister responsible for Government Procurement</b>	<b>Minister responsible for Government Procurement</b> is the Minister allocated responsibility for Government Procurement via the <i>Administrative Arrangements Orders</i> .
<b>Modern slavery</b>	<b>Modern slavery</b> has the meaning as defined in the <i>Eliminating modern slavery in government supply chains</i> guide.
<b>Open offer method</b>	<b>Open offer method</b> is a ‘procurement’ method where all interested ‘suppliers’ may submit an offer.
<b>Person in charge</b>	<b>Person in charge</b> has the meaning as defined in the <i>Animal Care and Protection Act 2001</i> .
<b>Procurement</b>	<b>Procurement</b> encompasses the whole process of obtaining ‘goods and/or services’. This includes identification of needs; planning; design; standards determination; specification writing; selection of ‘suppliers’; financing; contract management; disposals; other related functions.
<b>Procurement-related policy</b>	<b>Procurement-related policy</b> is a government policy or instrument, excluding the <i>Queensland Procurement Policy</i> related guidelines and guidance, that influences or impacts ‘procurement’ activities, practices and decisions. A list of current ‘procurement-related policies’ is at <a href="http://www.qld.gov.au/procurement">www.qld.gov.au/procurement</a> .
<b>Project</b>	<b>Project</b> means a temporary endeavour undertaken to create a unique product, service or result.
<b>Purchasing</b>	<b>Purchasing</b> is the process of acquiring ‘goods and/or services’ (including by way of license or lease) in exchange for payment, which includes ordering, entering into contract terms, receipting and payment of ‘goods and/or services’.
<b>Queensland supplier</b>	<b>Queensland supplier</b> is a ‘supplier’ with an Australian Business Number registered in Queensland.
<b>Responsible Minister</b>	<b>Responsible Minister</b> means the Minister(s), including any shareholding Minister(s) who are ultimately accountable for the ‘procurement’ made by their ‘agency’.
<b>Responsible public procurement</b>	<b>Responsible public procurement</b> means ‘procurement’ that encompasses added value for economic, ethical, social and environmental outcomes, consistent with ‘government objectives’. Refer also to Principle 2.
<b>Routine procurement</b>	<b>Routine procurement</b> is ‘procurement’ that an ‘agency’ has classified as low value and low risk.



## DEFINITIONS

<b>Selective offer method</b>	<b>Selective offer method</b> is a ‘procurement’ method where ‘suppliers’ that have met pre-established criteria are invited to offer.
<b>Set-asides</b>	<b>Set-asides</b> are a form of ‘selective offer method’, and involve reserving or setting aside certain government ‘procurement’ contracts for specified types of ‘suppliers’, for example, a ‘Queensland supplier’ that is also a ‘small and medium enterprise’, Aboriginal and/or Torres Strait Islander businesses as defined in the <i>Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy</i> , social enterprises, women-owned and/or women-led businesses, businesses owned or operated by people with disability, culturally and linguistically diverse ‘suppliers’ and so on. That is, only the ‘suppliers’ which meet the characteristic identified in the set-aside will be invited to quote or tender in the first instance.
<b>Significant procurement</b>	<b>Significant procurement</b> includes ‘goods and/or services’ identified by the ‘agency’ as being high expenditure and/or for which there is a high degree of business risk.
<b>Small and medium enterprise</b>	<b>Small and medium enterprise</b> means a business employing less than 200 people.
<b>Special purpose vehicle</b>	<b>Special purpose vehicle</b> means, for the purposes of this Policy, a company incorporated under the <i>Corporations Act 2001</i> (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.
<b>Supplier</b>	<b>Supplier</b> means an entity known to be capable of supplying required ‘goods and/or services’. It includes manufacturers, stockists, resellers, merchants, distributors, consultants and contractors.
<b>Supply chain</b>	<b>Supply chain</b> means a channel of goods distribution, which starts with the ‘supplier’ of raw materials or components, moves through an operational process to the distributor and retailer, and finally to the consumer.
<b>Supply Chain of State Significance</b>	<b>Supply Chain of State Significance</b> means a ‘supply chain(s)’ that has/have been declared by the ‘Minister responsible for Government Procurement’ to be a Supply Chain(s) of State Significance, where activity will centre on building a capable and competitive Queensland manufacturing sector, boosting local content and managing risk for critical ‘supply chain(s)’.
<b>Value for money</b>	<b>Value for money</b> means the best available outcome for money spent. To achieve ‘value for money’, relevant ‘government objectives’ and targets, whole-of-life costs and non-cost factors set out in Principle 1 <b>must</b> be considered.







**Queensland**  
Government