



Procedure

Purchasing and procurement

Implementation Date: 07/02/2020
Version: 9.1

Audience

Department-wide

Purpose

Describe the processes for buying goods and services from suppliers external to the department and funded by departmental or school bank accounts, regardless of the source of those funds including, for example, funds from students, parents or fundraising. This also applies to any purchasing and procurement decisions made on behalf of school communities, for example, school uniforms. This procedure covers capital works and infrastructure, but excludes real property transactions.

Overview

The Purchasing and procurement procedure details the requirements for conducting purchasing and procurement activities in accordance with the six principles of the [Queensland procurement policy](#).

Responsibilities

Director-General

- Assign purchasing or procurement authorities to nominated positions and appropriately trained officers.

Purchasing delegates and procurement [delegates](#) (DoE employees only)

- Ensure all activities associated with buying goods and services comply with government and department purchasing and procurement policy and procedural requirements.

Expenditure [delegates](#) (DoE employees only)

- Approve the expenditure for supply of goods or services ensuring the goods or services meet an identified need, funds are available and compliance with all relevant legislative requirements and departmental policies.
- Approve, as Contract Owner, contract extensions or variations, subject to the prior approval of an appropriate purchasing delegate or procurement delegate.



Departmental staff

- When sourcing goods and services or managing contracts, staff who are responsible for conducting purchasing and procurement or contract management activities are required to comply with this procedure and the department's requirements as outlined in this procedure.

Process

Staff conducting purchasing and procurement activities need to consider and comply with the following:

- [Queensland procurement policy](#) including consideration of the Queensland Government's economic, environmental and social [priorities, targets and commitments](#) (DoE employees only)
- [Financial Management Practice Manual \(FMPM\) – Purchasing and procurement](#) (DoE employees only)
- [Purchasing and procurement delegations](#) (DoE employees only)
- [Purchasing and procurement instructions](#) (DoE employees only)
- [Ordering and payment process matrix](#) (DoE employees only)
- [Contract management instructions](#) (DoE employees only)

When considering the Queensland Government's economic, environmental and social priorities, targets and commitments outlined in the [Queensland procurement policy](#), staff should consider:

- Increasing procurement with Aboriginal and Torres Strait Islander businesses through the [Queensland Indigenous \(Aboriginal and Torres Strait Islander\) Procurement Policy](#)
- Supporting local suppliers through [Buy Queensland first](#) for food and beverages at events and corporate functions; [Local benefits test](#), and [Best practice principles](#) (for all major projects valued at \$100 million and above and declared projects)
- Increasing opportunities for apprentices and trainees through the [Building and Construction Training Policy](#) (significant Queensland Government infrastructure projects, worth \$100 million and above)
- Compliance with the [Ethical Supplier Mandate](#) and the [Ethical Supplier Threshold](#) (where applicable)
- Supporting [social objectives](#) (DoE employees only) including [ending domestic and family violence](#) and increasing spend with genuine, quality social enterprises.

The purchasing and procurement process contains two stages, sourcing and contract management.

Stage one: Sourcing

All externally sourced goods and services are to be purchased under the following process requirements with guidance provided in the [Purchasing and procurement instructions](#) (DoE employees only):

1. [Supply arrangements](#) (DoE employees only)
Where a department or Queensland Government supply arrangement is available and meets the purchase requirements, goods or services should be sourced under the supply arrangement. These arrangements use established terms and conditions which simplify the purchasing process, and use the department's /government's buying power to obtain prices that deliver value for money.

2. [Request for quotation process](#) (DoE employees only)

Where a supply arrangement is not suitable to meet the purchase requirements, the goods or services are to be sourced in accordance with the department's [minimum quotation requirements](#) (DoE employees only).

- a. Before quotes are requested, purchasers need to plan the purchase to ensure:
 - appropriate delegates are involved in the process
 - integrity and accountability issues are identified and appropriately addressed
 - potential risks are identified and appropriately managed
 - applicable government and department policies that may impact the purchase are considered
 - government priorities, targets and commitments are considered.
- b. The request for quotation process includes:
 - understanding and researching the supply market to identify potential suppliers
 - writing the specification to ensure the requirement is understood and accurately defined
 - understanding the terms and conditions that will apply to a contract
 - determining the evaluation criteria and people to evaluate the quotations
 - completing and issuing the request for quotation documentation
 - receiving and evaluating quotations
 - forming a contract with the successful supplier
 - managing complaints.

3. [Alternate sourcing strategy](#) (DoE employees only)

An alternate sourcing strategy may be used where the best strategy to meet the purchase requirements is to seek less than the minimum quotations prescribed in the Request for Quotation Process. It is intended to provide an efficient way of procuring goods and services in circumstances where factors such as continuity or market structures render seeking offers in accordance with the minimum quotation requirements impractical. This does not preclude the need to consider risk, seek written quote/s and evaluate offer/s to ensure value for money. Approval by an appropriate purchasing or procurement delegate must be obtained prior to seeking quote/s and forming an agreement.

4. [Genuine urgency](#) (DoE employees only)

A **genuine urgency** situation may occur where there is a realised or high probability of health, safety, security or business continuity risk which must be rectified within a very limited timeframe. In these instances:

- The Purchasing and Procurement Delegations allow a school principal or SES officer to approve a "genuine urgency" situation and a consequential specific and limited timeframe for conducting a purchasing or procurement activity
- There may be insufficient time to conduct the normal Request for Quotation Process or there may be only one or a very limited number of suppliers who can provide the goods or services by the critical supply date. In such cases, purchasing delegates and procurement delegates may, up to

the limit of their delegation, bypass the normal Request for Quotation Process that applies to the value of the purchase in order to meet the critical delivery timeframe

- As in all purchasing and procurement activities, documentation justifying the purchasing or procurement decision should be filed with the purchase documents using either the [Approval of a genuine urgency \(PF007\) form](#) (DoE employees only) or a written explanation.

Stage two: Contract management

At the conclusion of a purchasing or procurement process, the administration and management of the contract commences, with guidance provided in the [Contract management instructions](#) (DoE employees only).

1. Contract management activities include:

- identifying and managing risks throughout contract delivery
- developing and maintaining a Contract Management Plan for all contracts (except for low value low/minimal risk contracts)
- managing contract delivery and payment
- monitoring supplier performance and ensuring the supplier fulfils their obligations in accordance with the agreed terms and conditions
- managing and obtaining delegate approval for any variations, extensions or renewals of contracts
- managing complaints
- upon finalisation of the contract, confirming all close-out activities have been performed and reviewing the contract performance.

2. The level of contract management required is dependent on the complexity, value, level of risk and duration of the contract. The following contract management approaches may be applied as appropriate to suit the nature of the contract with the supplier/s:

- **Simple:** contracts of low value, low/minimal risks, completed over a short timeframe
- **Standard:** contracts of any value where identified risks need to be managed or supplier performance needs to be monitored throughout the period of the contract
- **Comprehensive:** contracts of any value where there is a high degree of risk to the department that needs to be managed, or the performance of this contract is strategically important.

Complaints

- Complaints are registered and managed in accordance with the [Customer complaints management](#) procedure. In the first instance, complainants should be encouraged to seek resolution at the local area (i.e. through the area managing the purchasing process).
- If a complaint is unable to be resolved at the local level, a complaint may be referred to the Chief Procurement Officer, Procurement Services Branch using the [Procurement Complaint Form \(PF010\)](#).

Definitions

Contract management	In the department ' contract management ' refers to the activities associated with monitoring contract obligations, supplier performance and risks associated with a contract.
Purchasing	In the department ' purchasing ' refers to the activities associated with buying goods and services up to the value of \$100,000 excluding GST. This may also include buying goods and services valued over \$100,000 when purchased from a department or government supply arrangement or contract.
Procurement	In the department ' procurement ' refers to the activities associated with sourcing goods and services over the value of \$100,000 excluding GST. This includes the establishment of standing offer, preferred supplier or pre-qualified supplier arrangements.

Legislation

- [Disability Discrimination Act 1992 \(Cwlth\)](#)
- [Financial and Performance Management Standard 2019 \(Qld\)](#) section 19(3)
- [Human Rights Act 2019 \(Qld\)](#)

Delegations/Authorisations

- [Purchasing and procurement delegations](#) (DoE employees only)
- [Finance and administration delegations](#) (DoE employees only)

Related policies

- [Capital Works Management Framework](#)
- [Contract management framework](#)
- [DoE Supplier Code of Conduct](#)
- [Ethical Supplier Mandate](#)
- [Ethical Supplier Threshold](#)
- [Financial Management Practice Manual](#) (DoE employees only)
- [ICT Small to Medium Enterprise \(SME\) participation scheme policy](#)
- [IS13 – Procurement and disposal of ICT products and services](#)
- [Maintenance Management Framework](#)
- [Project assessment framework](#)
- [Quality assurance policy](#)
- [Queensland Charter for Local Content](#)

- [Queensland Indigenous \(Aboriginal and Torres Strait Islander\) Procurement Policy](#)
- [Queensland Information Technology Contracting \(QITC\) framework](#)
- [Queensland Leasing Approval Policy for Public Sector Entities](#)
- [Queensland Procurement Policy](#)

Related procedures

- [Conflict of interest](#)
- [Receipt of gifts and benefits by employees of the department](#)

Guidelines

- [Best practice principles](#)
- [Ending domestic and Family Violence: Guidance for Government Buyers](#)
- [Guidelines for the appropriate and ethical use of public resources](#)
- [Local benefits test](#)
- [Buy Queensland first](#)

Supporting information/websites

Forms

- [Standard Contract Management Plan](#) (DoE employees only)
- [Procurement Complaint Form \(PF010\)](#)
- [Purchasing forms](#) (DoE employees only)

Supporting documents and procurement related resources

- [Advice to principals on the engagement of contractors](#)
- [Procurement plan](#) (DoE employees only)
- [Contract management instructions](#) (DoE employees only)
- [Corporate card](#) (DoE employees only)
- [Minimum quotation requirements](#) (DoE employees only)
- [Purchase terms and conditions](#)
- [Purchasing and procurement](#) (DoE employees only)
- [Purchasing training](#) (DoE employees only)
- [Supply arrangements](#) (DoE employees only)
- [Whole-of-government supply arrangements](#) (Queensland Government staff only)

Contact

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Review date

02/12/2020

Superseded versions

Previous seven years shown. Minor version updates not included.

- 6.0 Purchasing and Procurement
- 7.0 Purchasing and Procurement
- 8.0 Purchasing and procurement
- 9.0 Purchasing and procurement

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