

1. Purpose

The purpose of this policy is to provide a framework to ensure that procurement of goods and services are managed efficiently, timely and cost effectively while ensuring high levels of diligence and accountability. This policy also aims to provide guidance on the selection of partner organisations with which Carers Queensland will maintain a Service Level Agreement (SLA) or Memorandum of Understanding (MOU) as part of its strategy to outsource, build and increase service capacity to support its employees and best serve its clients.

2. Principles

2.1. Value for Money

Carers Queensland strives to achieve the best value for money outcomes in its procurement activities, with consideration to all relevant costs and benefits over the entire product life cycle from sourcing to disposal or completion of goods or services being procured. Obtaining value for money considers both financial (quantitative) and non-financial (qualitative) factors which includes an assessment of the following:

- a) Alignment to Carers Queensland's strategic objectives.
- b) Financial factors such as up front pricing, total cost of goods or services and transaction costs.
- c) Qualitative factors such as fit for purpose, quality, maintenance and after sales support.
- d) Compliance with legislation and policies.

2.2. Suppliers are treated fairly

Carers Queensland will deal with all suppliers and potential suppliers on the basis of mutual trust and respect.

2.3. Transparency and Accountability

Carers Queensland will act in an open and transparent manner in its procurement activities. Suppliers will be offered feedback on unsuccessful procurement activities to demonstrate transparency of the process and will comply with all legislation relevant to the procurement process.

2.4. Risk Management

Carers Queensland will adopt sound risk management principles in its procurement activities consistent with the Risk Management Framework. All relevant risks will be taken into consideration and managed to minimise or avoid potential risk exposure.

2.5. Use of Local Suppliers and Sustainable Procurement

Where appropriate and where value for money is not compromised, economic development, sustainability, or social inclusion elements specific to procurement is recommended to:

- a) promote economic development within the local community; or
- b) engage contractors or suppliers that seek to minimise the impact of their operations on the environment; or

- c) support state and national efforts to increase workforce participation, skill development and social inclusion through engagement of Aboriginal and Torres Strait Islanders, or local people with barriers to employment.

3. Key Terms and Definitions

Term	Definition
Capital expenditures	Acquisition of fixed assets that are more than \$1000 per item, such as furniture, fittings and equipment; motor vehicles; and buildings.
Operational expenditures	Expenditures that are not capital expenditure.
Preferred Supplier	A supplier that offers Carers Queensland a discounted rate or provides preferential conditions
Outsourcing or Brokering	A type of contractual arrangement where a third party provider is engaged by Carers Queensland to provide services to employees or clients.

4. Procedures

4.1 General Procurement

1. There are two types of expenditures maintained in the records of Carers Queensland, namely: capital expenditures and operational expenditures (refer to Key Terms and Definitions).
2. All Capital expenditures will be supported by a duly approved proposal or any other fitting documentation.
3. Except for recurring expenditures and those services for which contract exists, operational expenditures will be supported and approved by the Senior Manager, Area Manager or Team Leader, as applicable, in accordance with the Delegations of Authority policy. Where convenient and appropriate, supplies or services can be purchased through the use of a corporate credit card.
4. Purchases over \$5,000 (per item) require two (2) written quotes along with the reason for selecting the preferred provider or supplier.
5. Utilise Aboriginal and Torres Strait Islander business directories (i.e. Supply Nation and Black Business Finder – Queensland Indigenous Business Gateway), where practical, for comparable quotes of all items in excess of \$2000.

4.2 Outsourcing or Brokering

1. Outsourcing involves the use of a third party service provider to perform services on a continuing basis that would normally be undertaken by Carers Queensland. However, regular arms-length transactions with suppliers or contractors for day-to-day purchases of supplies or services are not considered outsourcing but shall be treated as a general procurement (refer to Section 5.1). For example, cleaning services; and the like.

2. Whether to outsource a service to third party provider is a matter of judgement. Consideration to the following factors will inform the decision to outsource:
 - a. Capability of an external party to perform the outsourced process
 - b. Cost benefit analysis
 - c. Risks around outsourcing the process
 - d. Efficiency of outsourcing the process
 - e. Alignment with best practice
3. Selection of an outsourced supplier should consider the suppliers' abilities in the following areas:
 - a. specialisation;
 - b. experience, quality and reputation;
 - c. support of the industry;
 - d. environmental track record;
 - e. location; and
 - f. culture and values that are aligned with Carers Queensland
4. Carers Queensland retains ownership of any risk even if a business process has been outsourced. Appropriate risk management process should therefore be applied in accordance with Carers Queensland's Risk Management Framework.
5. Appropriate due diligence must be carried out on the outsourced provider including a site visit, quality and reference checking (e.g. track record) and internal audit.
6. Establish written agreements with outsourced parties. The contents of the Service Level Agreement (SLA) or Memorandum of Understanding (MOU), whichever is applicable, shall include the following (as appropriate):
 - a. A statement of work or requirements which describes, services to be provided (including scope, quantity and quality), responsibility for delivering the services, objectives and time frame for completion or delivery.
 - b. Any ongoing service levels agreement (SLA) or Memorandum of Understanding (MOU) which describes specific deliverables arising from the agreement, key performance indicators for each deliverable including deadlines, procedures for monitoring and reporting compliance with the SLA, including incident procedures in case of non-compliance, and escalation procedures;
 - c. Funding terms;
 - d. Frequency of contract reviews and renegotiation if appropriate;
 - e. Arrangements to terminate the agreement;
 - f. Confidentiality of information requirements;
 - g. Formal dispute resolution mechanisms and exit strategies;
 - h. Business contingency plan (particularly applicable for Information Technology service arrangements)
 - i. Audit provisions;
 - j. Insurance;
 - k. Intellectual Property; and
 - l. Where appropriate and applicable, details of relevant policies, such as, Conflicts of Interest and the like.

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7. Outsourced contracts should be continually monitored on an informal basis and formally on a regular basis to ensure that the delivery of goods or services is in accordance with the conditions as detailed in the signed contracts and that the services rendered are value for money.
 8. Appropriate action should be taken if it appears that a service provider or outsourcing partner may not be carrying out the functions effectively and in compliance with applicable laws and regulatory requirements.

5. Related Policies

This policy should be read and applied in conjunction with the existing Code of Conduct and Conflict of Interest policies as well as with the Delegations of Authority Policy.

Employees involved in the procurement process will at all times undertake their duties in an ethical and impartial manner with the highest level of integrity. This includes not engaging in any activity that would create a conflict between personal interest and the interest of Carers Queensland.

All expenditures shall be subject to approval in accordance with the Delegations of Authority policy.

6. Review

This policy is to be reviewed every two years or earlier when the need arises in accordance with the Policy Development and Review Framework.