

Procurement

1. Purpose

This procedure describes the processes for the procurement of goods and services undertaken on behalf of Darling Downs Health in order to achieve compliance with the [Queensland Procurement Policy 2019](#) (QPP 2019).

2. Scope

This procedure relates to all procurement activity of Darling Downs Health.

All staff of Darling Downs Health whether permanent, temporary, casual or contract are required to procure goods and services in line with the requirements of this procedure. Failure to do so may result in a formal warning.

The Department of Health will still run central procurement processes, and where it is advantageous to do so Darling Downs Health will access these arrangements.

All dollar figures referred to in this procedure are inclusive of goods and services tax (GST).

3. Procedure

The QPP 2019 sets out 6 principles for procurement.

The six principles are:

- Principle 1 — Putting Queenslanders first when securing value for money – recognising that value for money is more than price paid
- Principle 2 — Working together to achieve outcomes – providing a flexible procurement framework based on an agency-led procurement model
- Principle 3 — Governance and planning – focusing on a category management approach with a strong governance framework and integrated planning

- Principle 4 — Leaders in procurement practice – professionalising the procurement discipline and building procurement capability
- Principle 5 — integrity, probity and accountability – ensuring procurement is undertaken with integrity, that probity is appropriately managed, and that accountability for outcomes is maintained
- Principle 6 — Advancement of government objectives – providing the procurement framework to advance economic, environmental and social objectives.

In approving this procedure, the Health Service Chief Executive delegates authority to those named in this procedure to undertake procurement activity on behalf of Darling Downs Health.

In framing the QPP 2019 the Government requires Darling Downs Health to consider in its procurement activity, how it can assist the Government to meet a number of targets and commitments.

Darling Downs Health may not be able to meet these targets within its own activity but must consider these when selecting providers and use its purchasing to contribute to meeting these targets where applicable.

3.1 Targets and commitments

3.1.1 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.

3.1.2 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.

3.1.3 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)*.

3.2 Queensland Procurement Policy Principles

3.2.1 Principle 1

Procurement processes must be designed and managed, using templates that ensure these requirements are met.

In procuring goods and services on behalf of Darling Downs Health, Operational Managers will ensure that consideration of more than just the lowest price is taken, in determining the best value for money and pursue the governments targets through their procurement decisions.

It is mandatory that the following are addressed in procurement processes:

- A local benefits test will be conducted for all significant procurements. A weighting of up to 30 per cent may be applied.
- Ensure that at least one regional and one Queensland supplier, where possible, is invited to submit a tender or quote for a procurement.
- Advancing relevant government objectives as well as the outcome being sought,
- Cost related factors including up-front price, whole-of-life costs and transaction costs associated with acquisition, use, holding, maintenance and disposal, and
- Non-cost factors such as fitness for purpose, quality, delivery, service, and support.

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:

- workplace health and safety systems and standards
- commitment to apprentices and trainees
- best practice industrial relations
- history of compliance with procurement, tendering and other government policy.

Agencies may deal directly with their own agency or other Queensland Government agencies including commercialised business units.

3.2.2 Principle 2

In procuring goods and services, Darling Downs Health will ensure that tenders are free from specifications or requirements wherever possible, that could limit opportunities for local industry and workforces. Procurement of ICT products and services has a specific policy

relating to providing fair and reasonable opportunity for Small to Medium Enterprises (SMEs) which is detailed in [3.11](#) of this document.

Darling Downs Health acknowledges that every procurement activity is different and that in order for decisions to advance the objectives of the QPP 2019, they will take into account a range of factors.

Darling Downs Health will ensure full, fair and reasonable opportunity for Queensland suppliers, including local suppliers and small businesses.

We will do business with ethically, environmentally and socially responsible suppliers and pursue government's objectives from a whole-of-government and category perspective, prioritising these in our decision-making.

As part of this commitment, Darling Downs Health will not procure dumped goods or engage suppliers suspended as a result of accruing demerit points under the Ethical Supplier Mandate.

Queensland Government expects suppliers to comply with the Ethical Supplier Threshold.

This means that a supplier has 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.

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. By way of example a facility manager of operational services (MOS) has a procurement delegation of \$10,000 and must make procurement decisions for their facility within this delegation. Where the cost is greater than \$10,000, they must go to their Facility Manager who has a delegation of \$25,000, their Cluster Director of Nursing (DON) who has a delegation of \$50,000 etc.

3.2.3 Principle 3

Darling Downs Health is committed to observing high standards of integrity and probity and being accountable for decisions. Darling Downs Health will embed probity in procurement culture. 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.

Darling Downs Health will 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 will be maintained.

Staff of Darling Downs Health will ensure that 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.

3.2.4 Principle 4

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

The Commercial Management Unit and business areas will proactively engage with each other from pre-procurement through to contract management and disposal to:

- identify and assess viable solutions to achieve the outcomes sought
- provide support for, and understand the business needs of, front-line service delivery
- clearly define procurement objectives to ensure business needs are met, and
- manage demand and reduce waste and manage consumption of valuable resources.

3.2.5 Principle 5

Darling Downs Health is committed to working together across agencies to ensure that a whole-of government approach to procurement is undertaken wherever possible and that better procurement outcomes are achieved.

Darling Downs Health will use Standing Offer Arrangements (SOA's) and common use arrangements where they deliver value for money to Darling Downs Health. It must always be remembered that SOA's provide a guaranteed maximum price only and that pricing can be negotiated with SOA suppliers. As a regional Hospital and Health Service (HHS) we will use alternate providers where SOA's do not deliver value for money for Darling Downs Health.

Darling Downs Health will work with Strategic Procurement and Supply to ensure that there is not duplication of effort and that the Darling Downs Health optimises the benefits from its procurement processes.

Engaging with other government agencies is recognised as a cost-effective means of conducting procurement where it provides Darling Downs Health with a value for money outcome.

Darling Downs Health will use the procurement templates and standard contract terms and conditions developed by the Commercial Management Unit, in order to protect the interests of Darling Downs Health and to ensure compliance with legal and other commitments.

3.2.6 Principle 6

Darling Downs Health is committed to increasing stakeholder and community confidence in our procurement activity, through appropriate market engagement and development, and robust governance of procurement activity.

Darling Downs Health will prepare procurement plans that address the following 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 will support broader agency objectives
- provide an analysis of savings and benefits opportunities (economic, social and environmental) and strategies to achieve these
- contain measures, targets, performance against targets and the agency's approach to risk management for procurement.

In planning for significant procurement undertaken at either a category level or an individual procurement level address, at a minimum:

- an analysis of demand and the supply market
- strategies to achieve value for money, including the advancement of economic, environmental and social outcomes
- performance measures and contract management arrangements
- an identification and assessment of risks related to the procurement and risk management strategies. Risk assessments address the value, complexity and sensitivity of procurements.

3.3 Procurement procedure

In procuring goods and services on behalf of Darling Downs Health, officers must comply with the Principles set out in the QPP 2019.

Thresholds set out in this procedure apply to the whole of life value of a purchase, including any options for extension that are available under the original agreement. For example, a contract of 5 years that has an option to extend for a further 2 years, the value of the contract must be estimated over 7 years.

For the purposes of exercising delegations, the GST inclusive amount must always be used. Simple every day purchasing up to \$250,000 can be undertaken and controlled at the local level in accordance with Principle 2, if this Darling Downs Health Procurement procedure is followed and appropriate delegations are exercised. Refer to the procurement process flows attached ([Appendix A](#)).

For complex higher risk purchases over \$250,000 (a significant purchasing process), operations managers will contact the Commercial Management Unit who will assist them to determine the appropriate means for purchasing the goods or services and outline the requirements in relation to the planning and execution of the process and approval of the outcome.

This procedure sets out the requirements relating to procurement and will be described in the following areas:

Procurement

Page 9 of 96
Printed copies are uncontrolled

- planning
- operational requirements
- governance (including reporting) and
- record keeping and maintenance.

3.4 Planning

Planning of procurement will take place at 2 levels. The Commercial Management Unit will prepare an Annual Procurement Plan for Darling Downs Health as well as developing Significant Procurement Plans for procurement activity that is of sufficient complexity or risk.

3.4.1 Annual procurement plan

The Commercial Management Unit will develop an Annual Procurement Plan on behalf of Darling Downs Health.

The Annual Procurement Plan will be approved by the Executive Management Committee.

The Plan will provide an analysis of issues such as category of spend, how Darling Downs Health intends to go about procuring each category and special consideration that needs to be taken in relation to each category, in order to determine a strategic approach to procurement whether that is achieved by Darling Downs Health alone or in co-operation with other HHS's or agencies to procure goods and services at a whole of government level.

The risk associated with each category of spend will be taken into consideration when developing the Annual Procurement Plan.

In planning procurement activity, the Commercial Management Unit will make reference to the Whole of Government Procurement Plan in order to determine if the goods or services being sought fit within a Whole of Government procurement or a category of goods or services being sought at the state level.

The preparation of an Annual Procurement Plan is intended to:

Procurement

Page 10 of 96
Printed copies are uncontrolled

- a) provide potential suppliers with useful information about the agency and the environment in which it conducts procurement;
- b) provide early information about the agency's intended procurements for the period covered by the Annual Procurement Plan; and
- c) facilitate good procurement planning within the agency;
- d) allow other agencies to see where there may be synergies and scope for collaboration.

The Commercial Management Unit will establish procedures for preparing, updating and publishing the Annual Procurement Plan. The procedures will reflect the nature of the agency and its procurement needs, and could include processes for:

- a) providing input to the Annual Procurement Plan;
- b) drafting the Annual Procurement Plan;
- c) approval of the Annual Procurement Plan;
- d) publication of the Annual Procurement Plan; and
- e) reviewing and updating the Annual Procurement Plan.

3.4.2 Significant procurement planning

Where an individual purchase is non-routine and is of sufficient complexity and / or risk (as indicated by value (over \$250,000) or dependency of the business for its operations) a Significant Procurement Plan will be prepared.

The Director, Commercial Management will, at their discretion, determine if a Significant Procurement Plan is required.

In some instances, procurement plans may be developed for highly sensitive purchases even where risk or complexity of the purchase are not high. An example of this may be where probity could be called into question because of relationships between members or associates of the Darling Downs Health Board or staff, and the Offeror(s) of services. In these instances, the Significant Procurement Plan will outline the approach to the market

and a Probity Plan will create an audit trail ensuring probity is observed throughout the process.

Planning considerations will include, but not be limited to, whether existing contracts for the supply of goods / services have been successful (e.g. review of a current outsource arrangement), whether it is appropriate to conduct a full contestability review in relation to the supply of the services, whether the goods / services are required at all, whether a market exists in relation to the supply of the goods / services, and then develop appropriate strategies for approaching the market in order to achieve the best outcome for Darling Downs Health.

3.4.3 Planning timelines

As formal market approaches typically take around 3 months to complete it is recommended that the review and planning of the future direction for the service will commence 6 months prior to the desired commencement date of any arrangement.

In planning individual procurements, the Commercial Management Unit will liaise with other HHS's and Health Services Queensland in order to identify if opportunities exist for the aggregation of goods or services in order to secure better pricing. Consideration will also be given to the state of the local supply market. Regional suppliers may be able to deliver price advantages arising out of low overheads. The Commercial Management Unit will maintain a network of contacts in order to monitor procurement activity across the state.

The Commercial Management Unit will ensure that procurement activity is cost effective by ensuring that the processes used for procuring goods and services are appropriate taking into consideration the complexity of the procurement, the lifecycle cost of the procurement and the risk to the delivery of the core services of Darling Downs Health.

Procurement planning will focus on the outcomes being sought and not the process to be executed. In focusing on outcomes, the Commercial Management Unit will work with the operational units to look for innovative solutions for service delivery.

This will include reviews of part of the service as appropriate. In planning procurement activity, the Commercial Management Unit will ensure that the needs and expectations of customers are understood and that where cost effective to do so, the Commercial Management Unit will aim to exceed these expectations in the services provided.

Consideration will be given in the planning process to the use of suppliers who are known to be ethical and socially responsible suppliers of goods and services. Providers who do not meet the required standard may be excluded.

Significant procurement plans will be in the form of the attached template, ([Appendix D](#)). All required information is set out in the template. Not every section will be able to be completed in relation to each procurement exercise.

3.5 Operating requirements

In executing the purchase of goods or services on behalf of Darling Downs Health the following will apply:

- Darling Downs Health Staff will look to use the most efficient method of procuring the goods and services they require for their operational activity.
- Staff will follow the guidelines set out in this Procedure and obtain the correct number of quotes of Offers.
- Where a SOA exists and it provides genuine value for money for Darling Downs Health, staff will use the SOA as an efficient and economic means of procuring the Goods or Services they require. If they are not of the view that the SOA delivers value for money, Darling Downs Health staff can seek alternate pricing utilising the Darling Downs Health Procedure.

Note: Standing Offer Arrangements are a guaranteed maximum price, which is not negotiated, as volumes are not provided at the time the SOA is established. Darling Downs Health officers buying off SOA's are encouraged to request a better price.

- Operational Units will take responsibility for procuring the goods and services needed to achieve their agreed operational goals and the strategic objectives of Darling Downs Health. The Commercial Management Unit will support Operational Units with their procurement activity.
- Operational Units will consider the targets set by the Government and principles for procurement set out in the QPP 2019.

Through this model of procurement, internal capacity and procurement capability will be developed across the Service. The Commercial Management Unit will ensure that procurement capacity and consistent application of procedure is achieved through the development and delivery of education programs and online reference tools.

Darling Downs Health staff are required to obtain quotes in accordance with the following thresholds approved by the Board as part of the delegation's framework of Darling Downs Health. These thresholds represent a minimum requirement and can be exceeded at the discretion of the individual staff member. For example, if you obtain one quote for goods under \$10,000 but you think that's too dear you must seek additional quotes.

Table 1 : Darling Downs Health Procurement Methodology Thresholds

Value of Purchase	Procurement Approach	Method
\$10,000 and below	One Verbal quote	One quotation is obtained but not documented (Darling Downs Health Corporate Card is the preferred method of payment)*
\$10,001 to \$250,000	Three Written quotes	Obtain written offers from at least three genuine suppliers. Email quotes are sufficient for low value purchases.

Value of Purchase	Procurement Approach	Method
\$250,001 to \$500,000	Planned Procurement Approach	A planned procurement approach is to be undertaken recommended approach by way of RFQ
\$500,001 and above	Planned Procurement Approach	A planned procurement approach is to be undertaken recommended approach by way of Invitation to Offer. As a minimum this is to be released through Q Tenders. Other means of advertising must be considered.

*Note: Corporate Card cannot be used to purchase assets or portable and attractive items. Please refer to Darling Downs Health Corporate Card procedure for a full list of exclusions and also the Queensland Government Guide to Corporate Cards.

The Commercial Management Unit will assist the operational units to select an appropriate method of approach to the market to ensure that the level of effort in procurement is commensurate with the value and risk of the goods or services being procured.

As a guide ([Appendix B](#)) and ([Appendix C](#)) set out the basic decision-making process for selecting a method to approach the market for a planned procurement approach. The thresholds approved by the Board as part of the Delegations Framework (https://qheps.health.qld.gov.au/__data/assets/file/0022/2044741/ddhhs-financial-delegations.xlsx/_recache) and Table 1 above also provide general guidance on acceptable approaches to market, based on the dollar value of the purchase.

However, the individual circumstances of each procurement exercise may require a different approach. For example, a purchase that is less than \$100,000 may still benefit from a planned procurement approach because of the need for developing detailed specifications

or because of a need to determine market information before an approach can be made for firm pricing. The Commercial Management Unit will provide advice and support to staff to determine the most appropriate procurement approach.

Staff involved in procurement processes, either as individuals or panel members, need to be aware that they are active participants in the process, not bystanders. They are best placed to develop offer documents and evaluate offers as they have the best understanding of their business requirements. The Commercial Management Unit will oversee the process and assist staff to progress the procurement in line with planned timeframes.

Darling Downs Health will consider the needs of the local market and endeavour wherever possible to keep procurement processes simple and easy to engage with. The Commercial Management Unit will ensure that in planning individual procurement processes, strategies specifically for engaging with local suppliers will be developed.

The staff of Darling Downs Health will actively seek to purchase from local suppliers where possible and where value for money can be provided.

Where no evaluation process is established and only pricing is being provided, the lowest price offer must be accepted.

Where other criteria of evaluation are set and information provided back with the pricing (e.g. capability and capacity of the Offeror), value for money will be assessed as the best offer for the best price, which is not necessarily the cheapest, however all decisions must be able to be justified. These processes will be documented and create an auditable trail that provides assurance of the probity of the process and attests to achieving value for money for the service and the taxpayers of Queensland.

Darling Downs Health will aim to exceed the community's expectations of openness, honesty and accountability.

3.5.1 Determining market approach mechanism

Determining the appropriate way to purchase goods and services depends upon the degree of complexity of the purchase and the risk that is posed to the operations of the Service. For example, stationery supplies are low value items that are not critical to the operations of the Service. They can be purchased simply and easily, without formal process, at the local level.

For more complex and business critical purchases a formal process is undertaken that affords all participants in the market the opportunity to benefit from the purchasing activity of the service.

[Appendix B](#) – Market approach matrix provides guidance as to the appropriate ways to approach the market.

Before a procurement process is undertaken, the service needs to know:

- what it wants to buy, and
- who can supply the goods or services required.

The degree of knowledge of these critical elements will determine the path to market.

[Appendix C](#) – Decision model for purchasing sets out how to decide the appropriate process to follow.

- In each case the Commercial Management Unit will assist in determining the appropriate market approach.
- In determining the appropriate method of market approach, the Commercial Management Unit will also assess the need for detailed planning and the need for a Probity Plan and possibly for Probity Oversight or Auditors.
- If it is determined that a Procurement Plan is required or a Significant Procurement Plan is required to be prepared, the Commercial Management Unit will take responsibility for preparing the document, in consultation with the Operations Manager. The Planning process will include the nomination of the Evaluation Panel.

- Procurement plans will be prepared consistently by using the template provided at [Appendix D](#) to this procedure.

If it is determined that a probity plan is required in relation to a procurement process, the Commercial Management Unit will take the lead in ensuring that a probity plan is created and [Appendix D](#) to the procedure provides a template to ensure consistency of approach and form for probity plans.

3.6 Approval and exercise of procurement delegation

A procurement delegation must be exercised in relation to each purchase that is undertaken and depending upon the circumstances different types of delegations may be required.

Delegations are part of the internal control system of Darling Downs Health. In the case of procurement delegations, exercising a procurement delegation is simply saying that this Darling Downs Health Procurement Procedure has been complied with.

Since the implementation of S4HANA in August 2019, Financial and Procurement Delegations have been joined to be exercised at the same time when approving a Requisition for release in the system.

Where goods are purchased by way of the issue of a Purchase Order, the person releasing the requisition is exercising both financial and procurement delegation and needs to ensure the appropriate procurement process and number of quotes were obtained.

For purchases that take place outside of S4HANA (even though a Purchase Order may eventually be raised), procurement delegations and financial delegations are both required to be exercised in relation to each purchase transaction. It is the responsibility of the operational officer to ensure, that in the documentation of the procurement activity, that the Procurement Delegation is expressly exercised in relation to the purchase.

The financial delegation is exercised first to ensure that funds are available to pay for the goods or services acquired and then the procurement delegation is exercised by a separate officer to validate the procurement process.

3.6.1 Procurement requirements

All procurement requirements below are a minimum standard required. If, for example, an officer wishes to get a number of quotes for goods under \$10,000 to ensure they are getting the best price they are at liberty to do so.

a) Purchasing under \$10,000 (GST inclusive) One (1) verbal quote

For minor everyday purchasing staff will be allowed the freedom to operate with minimal process required; hence the requirement for purchasing under \$10,000 is for only one verbal quote to be obtained.

There is no requirement to retain evidence of obtaining one verbal quote.

If the expected value is under \$10,000 and the first verbal quote received is under \$10,000 then the officer can proceed with the purchase, if that offer represents value for money.

Note: Do not accept offers that are not value for money. Every dollar saved is a dollar that can be spent elsewhere to improve the care provided by the Darling Downs Health to its communities.

b) Purchasing between \$10,000 and under \$250,000 (GST inclusive) Three (3) written quotes

If the anticipated value of the purchase is within this range, officers are required, as a minimum, to obtain 3 written quotes.

For simple purchases that do not require the development of a detailed scope obtaining 3 quotes by email meets the requirement.

Where purchasing becomes more structured and formal, even though the base requirement is to obtain 3 written quotes, officers will still take into account the nature of what is being purchased and if it is difficult to explain what is required a formal Request for Quote process will be considered. The Commercial Management Unit will assist in the preparation of relevant tender documents.

For non-complex purchases, officers within the operational unit will control the issue of requests and receipt of offers. For complex purchases, or where there may be issues such as conflicts of interest, the Commercial Management Unit will issue requests, receive offers and assist in the evaluation of the outcomes.

The most common conflict of interest will be where offerors are related to a member of staff who works for Darling Downs Health. Staff must be mindful of such conflicts and contact the Commercial Management Unit to handle the situation.

Once offers have been received and evaluated, the outcome will be approved by an officer with type 5 procurement delegation. This is to review the process undertaken and ensure the outcome is delivering value for money, before the contract is awarded. A brief ([Appendix F](#)) will be prepared for the delegate to substantiate the decision, if a formal process has been run by the Commercial Management Unit. If the Commercial Management Unit is not involved, the procurement and decision making process must be documented by the Officer undertaking the procurement. Public sector accountability requires that decisions can be justified if questioned. Therefore, sufficient evidence of the process undertaken and the reasons for the decision made must be maintained.

NOTE: Where only pricing information has been requested, the cheapest price must in every instance be awarded the provision of goods or services. Only where non-price information has been requested can a supplier other than the cheapest one be awarded based upon capability, capacity and price. A justification for doing

this must be included in an Evaluation Report and approved by a type 5 Procurement Delegate.

If one of the quotes received is under \$250,000 then the officer can proceed with the purchase.

If none of the quotes that are received back are less than \$250,000 then the officer will use the appropriate procedure for that value.

d) Purchasing between \$250,000 and under \$500,000 (GST inclusive) planned procurement approach

Where a planned procurement approach is required, the Commercial Management Unit will be engaged to direct the process. The Commercial Management Unit will determine the full extent of the planned process and will consider and determine which of the following elements will be included in the process:

1. procurement plan;
2. probity plan;
3. evaluation plan;
4. method of market approach (RFI, EOI, ITO, RFQ or tender);
5. evaluation and recommendation report;
6. probity report.

Before approaching the market for responses, it may be required that type 1 procurement delegation be exercised in order to approve the process undertaken by the Commercial Management Unit and to signify that the planned approach will deliver the best outcome for Darling Downs Health. The decision to seek type 1 Procurement Delegation rests with the Director, Commercial Management and will be based upon the type of goods or services being procured. For example, Construction Procurement pursuant to a grant will not require type 1 Delegation, whereas a significant outsourcing may.

This will be done by way of checklist prior to the preparation of the relevant procurement plan, probity plans and request for quote (RFQ) documents. These will progress after the delegation to proceed to market has been exercised.

The procurement plan will identify the market approach strategy i.e. select approach, SOA or open market approach and the Commercial Management Unit will issue the request and control the return of offers through the Queensland Government QTender website or through the DDHHS-Procurement@health.qld.gov.au email account.

The Commercial Management Unit will develop the evaluation plan and the evaluation matrix to properly score and record information used in the assessment of the offers. The Evaluation Plan and Matrix will be approved by the Evaluation Panel prior to the receipt of offers from the Commercial Management Unit.

Once the evaluation process is complete the Commercial Management Unit will prepare the evaluation and recommendation report which is signed by the evaluation panel to signify that the report represents fairly the process and its outcomes. Where the Commercial Management Unit has acted as the procurement advisor to the evaluation process, they also sign the report to signify that probity has been maintained throughout the procurement process and the evaluation of offers.

Once complete, a checklist is prepared, and the relevant offer and evaluation documents are provided to the appropriate delegate for approval and represents the exercise of the type 5 procurement delegation.

Once the type 5 procurement delegation has been exercised the Commercial Management Unit will notify the offerors that they were successful and awarded the contract or that they were unsuccessful.

e) Purchasing \$500,000 (GST inclusive) and above planned procurement approach

The procedure is the same as that for purchasing between \$250,000 and under \$500,000; with the exception that an open public tender is required for procurements of this size. Any variation to that approach will be documented in the procurement plan and approved by the relevant delegate.

Posting a tender on the Queensland tendering website, QTenders is sufficient to meet the criteria of an open public tender.

3.7 Other Considerations

Local Benefits

Darling Downs Health is required to include a local benefits test in all significant procurements, defined by the QPP 2019 as a purchase over \$1,000,000. However, where local benefits can be derived Darling Downs Health must look to engage regional providers.

Where Darling Downs Health is engaging a provider of goods or services the Local benefits test requirements require you to first seek to appoint a provider from within 125km from the site the services or works are to be carried out. If a local provider cannot be found within 125 km, Darling Downs Health must continue to search in concentric circles from the point of delivery to find a provider (starting with 125 km then 250km etc. until a provider is found).

Alternatively, if a local provider cannot be found, local benefits can be generated by service provider's spending money in the local community. Tender documents must enable offerors to provide information about whether they intend engaging local sub-contractors, local suppliers and to estimate how much money they believe they will spend in the local economy.

Up to 30% weighting can be afforded for offers that deliver significant local benefits, however value for money is still the over-arching principal. If an offer from a local does not represent value for money because it is too expensive, then Darling Downs Health must not award to that organisation.

The Commercial Management Unit will be responsible for ensuring that local benefits are appropriately tested.

Social Enterprises

Social Enterprises have been recognised as a separate category of organisation apart from Private Sector or Public sector entities. Because of the nature of the services and the clientele these organisations engage with, they cannot be commercially competitive and therefore special consideration can be afforded to social enterprises by way of weightings in the evaluation process or reserving certain activity to a social enterprise.

It is permissible to take into account workplace policies and practices aimed at ending domestic and family violence as part of supplier evaluation and selection.

Solar Targets

The Queensland Government has established a target to achieve one million rooftops or 3000 megawatts of solar photovoltaics (PV) in Queensland by 2020.

Darling Downs Health must consider Solar as an option to provide increases in supply required to its sites.

This consideration will allow for the Value for Money evaluation to consider higher costs for Photo Voltaic Cells in order to achieve Government Targets.

Darling Downs Health will be required to report to the Department of Health its contributions to this target.

Carbon Neutrality

The Queensland Government has established a target of Carbon Neutrality by 2050. Darling Downs Health must consider the contribution any proposal can make towards achieving this goal as part of the Value for Money proposition.

This consideration will allow for higher costs, for the delivery of carbon neutral supply arrangement, in order to achieve Government Targets.

Darling Downs Health will be required to report to the Department of Health its contributions to this target.

Aboriginal and Torres Strait Islander Businesses

The government has set a target to increase government procurement with Aboriginal and Torres Strait Islander businesses to three per cent of addressable spend by 2022.

It is permissible to bypass normal procurement processes in order to engage directly with Aboriginal and Torres Strait Islander businesses to assist in meeting the target.

Ethical Procurement Threshold

Darling Downs Health will ensure tendering documents and contracts address the Ethical Supplier Threshold, and will refer to guidelines published by the Director-General, Department of Housing and Public Works. For all procurement suppliers are required to complete the questionnaire developed by the Department of Housing and Public Works.

Ethical Supplier Mandate

The ethical supplier mandate refers to the manner in which the Queensland Government will manage instances where a supplier fails to meet policy requirements.

A system of demerits is applied where a breach occurs after the commencement of the mandate.

Demerits can be applied in relation to the following:

- Delivery of Local Benefits
- Tendering and Procurement
- Commitment to apprentices and Trainees
- Commitment to Aboriginal and Torres Strait Islander businesses
- Workplace Health and Safety Standards

Procurement

Page 25 of 96
Printed copies are uncontrolled

- Industrial Relations
- Security of Payment
- Non-payment of suppliers or sub-contractors, or
- Failure to cooperate with a QPP Compliance Unit complaint resolution, audit or investigation.

Workplace Health and Safety

In order for Darling Downs Health to meet its legal obligations under the *Workplace Health and Safety Act Qld (2018)*, procurement of services will require Offerors to provide information in relation to their WH&S record and where Offerors have been fined, been required to report a Notifiable Incident, or where a Statutory agency has taken enforcement action against the Offeror in the previous 5 years, they must not be engaged unless they can provide a satisfactory WH&S Management plan for the proposed services.

Where equipment or other goods are being procured, the Safe Operation of such equipment in the workplace must be considered and evaluation by the Darling Downs Health, WH&S Unit prior to purchase must be undertaken.

Risk management in relation to purchasing must include the following criteria:

- Does the plant or equipment introduce additional hazards and risks to operations?
- Is a licence or certificate of competency required to operate the plant or equipment?
- Is specific training required to operate the plant or equipment?
- Is the use of the plant or equipment covered by an existing Standard Operating Procedure (SOP) or will an existing SOP need to be updated or a new one developed?
- Will instructions / operator manuals be provided with the plant or equipment?
- Is external servicing / calibration required?
- Does the plant or equipment need to be assembled by onsite personnel before it is used?

- Does the plant or equipment use any chemicals that haven't been used onsite previously?
- Can the plant or equipment be used, maintained, serviced and stored as per the manufacturer's instructions?

Tender documents will include an appropriate information gathering process and evaluation process depending upon the nature of the procurement.

Human Rights Act Compliance

If the Service Provider is a Public Entity under the *Human Rights Act 2018 (Qld)* it must comply with its obligations as set out in that *Act* and afford to all persons, the rights contained in Part 2 Divisions 2 and 3 of the *Act* when providing the Services. When tendering for services, Offerors are to confirm their agreement to this proposition and its inclusion in the contract.

Probity and Conflicts of Interest

Participants in a procurement process at the DDHHS will be made aware of their obligations to maintain probity throughout the procurement process. This will be achieved by ensuring that all staff participating in procurement processes, read and sign the Guidance Notes for Probity in Procurement, [Appendix D6](#) to this procedure.

In particular, staff of the DDHHS that are involved in Procurement should not accept gifts from suppliers or Offerors who may be involved in the tender process. This will give the perception of bias in the process and may render it invalid.

If gifts are offered by suppliers or potential suppliers outside a procurement process then staff should follow the process outlined at Chapter 2.5 of the DDHHS Financial Management Practice Manual, available on QHEPS.

3.7.1 Other types of procurement delegations

Type 1 and Type 5 delegations are used as described in the processes above.

The **Type 2 delegation** is used where a Government, the Department of Health or Darling Downs Health have established a SOA or a panel of providers. The Type 2 delegation is exercised (instead of the Type 5) to signify that the use of the panel is appropriate, and the engagement of the provider is in accordance with the rules established for the use of the panel or SOA.

Panel arrangements and SOA's are established for a variety of purposes. Usually they are to establish the capability of providers in relation to a broad category of services, such as engineering or architecture. As long as the services being procured are within the broad category of services evaluated in the establishment of the SOA it can be used for that purpose.

However, on occasions they are established for specific purposes. An example of this is a panel that was established by Health Infrastructure Branch to provide assistance in the preparation of the Capital Infrastructure Plans. It would not be appropriate therefore to use this Panel to provide other consultancies in a related field, where the specific requirements were not part of the assessment used to create the panel.

Where officers seek to use a SOA or panel for a purpose other than one that sits within the assessed capabilities used to establish the SOA or panel the delegate will not approve the purchase and the officer will undertake a compliant procurement process.

Many SOA's and panels have rules about how you engage with the arrangement. It is a common misconception that if an SOA exists, you only need to get one price. Very few SOA's exist like this. Most SOA's still require that local procurement procedures are utilised. So, if it is a purchase between \$10,000 and \$50,000, 3 quotes will be obtained. In exercising the Type 2 procurement delegation the delegate is signifying that the appropriate process to engage with the SOA has been followed.

The **Type 3 delegation** is used to approve the establishment of an SOA. SOA's are useful for enabling high value and high volume activities to be undertaken more easily. They are not appropriate in all circumstances. For example, if the Toowoomba Hospital spends \$20,000 per annum on delivery couriers, the time and effort required to establish the SOA is not warranted because of the low value of the purchases. The need for the SOA and the benefit of it compared to the cost of establishment will be considered when approving the establishment of an SOA or panel arrangement.

The **Type 4 delegation** is used to approve purchases where Darling Downs Health procurement procedures could not be complied with and are confined to 4 specific instances.

1. **Sole supplier** — A sole supplier exists when there is truly one supplier only who can provide a good or service. Specifying a particular brand of good does not constitute a sole supplier situation. In specifying the goods required it is the functional requirements that will be described and not a brand. Sole suppliers usually exist in limited circumstances such as for the purchase of drugs that are made by one manufacturer only. In exercising the Type 4 delegation in relation to a sole supplier situation the delegate must be convinced that there is a true sole supply situation.
2. **Limited supply situation** — A limited supply situation exists where the procurement procedure requires 3 quotes but only 2 suppliers can be identified that can provide the goods or services required, or to acknowledge that less than required number of offers have been received despite attempts to comply with the thresholds. The Queensland procurement plan supports the concept of local buying and a hierarchy for procurement is contemplated that directs an order of preference that is, local first, then state, then national and then international. This does not mean that if there are only 2 providers in a regional area that you will not seek prices from surrounding areas to fulfil the requirements of the procurement procedure. In exercising the Type 4 procurement delegation the delegate is signifying that they are satisfied that there is a true limited supply situation.
3. **Emergency purchases** — In the event of a natural disaster or other catastrophic event, urgent purchases of goods or services are required that precludes Darling Downs Health

officers from following the procurement procedures. In exercising the Type 4 delegation the delegate is signifying that a true emergency situation exists.

4. **Specific Purposes** – Where Darling Downs Health is seeking to achieve a specific outcome through the procurement activity, that cannot be achieved through a compliant process.

For example:

- If Darling Downs Health wishes to develop the capability in the local construction market, working with smaller local suppliers who don't usually tender for Darling Downs Health work, this delegation can be used to approve the approach to market.
- It can also be used to approve the direct appointment of a provider where it is permitted under the QPP 2019 to achieve targets such as engagement with Social Enterprises.
- It can be used to allow partnering arrangements to participate in innovative opportunities, where no market for the activity exists.

3.7.2 Failure to comply with the proper exercise of delegations and the requirements of this procedure

Where individual staff members fail to comply with this procedure, a brief will be developed and provided to the Chief Executive and the Executive Director Workforce to provide details of the failure to comply.

The staff member concerned will be given a formal warning of failure to comply with policy and with the obligations of the code of conduct.

Continued breaches of policy will be dealt with in line with usual human resource (HR) disciplinary procedures.

Breaches of delegations are required to be recorded in a register and are made available to audit for their information.

3.7.3 Preparation of market approach documents

Where the Commercial Management Unit is involved in the procurement activity, it will take the lead in developing market approach documents. Where the Commercial Management Unit is not involved in the procurement, this will be done by the Responsible Officer.

The involvement of the Commercial Management Unit will ensure consistency of process.

The Operations Manager will play an active role in any purchasing process as it is important for the outcomes of the process to be operationally consistent with their requirements.

The role of the Commercial Management Unit therefore is to support the business to achieve its outcomes. To ensure that all relevant considerations have been taken by the business unit, the Commercial Management Unit will discuss various issues with the Operations Manager including for example:

- Is the service (goods) required at all?
- Is the way in which the service is delivered appropriate now and into the future?
- What changes have taken place in the delivery of the service that require a different approach, e.g. new technology that makes the service obsolete?
- What is Darling Downs Health doing strategically and does this fit into those plans or is a different service required?
- How have previous contracts operated?
- Have they been successful in delivering the outcomes required?
- What can be done differently to secure a better outcome?
- Can the service contract be amended to ensure that the outcome desired and promised is what is delivered?
- What are the risks associated with the service itself and with contracting out the services and how are these to be addressed through the procurement and contract?
- What key performance indicators (KPI's) can be implemented in order to ensure delivery under the contract?

- What contract review mechanisms need to be in place to monitor delivery?

Once the market approach documents are completed, they are approved by operational manager concerned.

3.7.4 Evaluation plan and evaluation matrix

The Commercial Management Unit will develop an evaluation plan and evaluation matrix for each procurement process it is involved with. Where the Commercial Management Unit is not involved this will be done by the Responsible Officer.

The evaluation plan sets out how the offers will be evaluated and will ensure that a scoring methodology is agreed so that all evaluation panel members assign scores consistently to achieve a consistent and sustainable outcome in the evaluation process.

The evaluation matrix sets up the scoring system that is used to evaluate each offer against the weighted evaluation criteria outlined in the market approach document.

The scoring methodology (how scores are allocated in relation to each criterion) will be determined and agreed by the evaluation panel prior to seeing any of the offers submitted. This prevents bias from being introduced into the process whether that is real or perceived.

3.7.5 Evaluation process

The evaluation of offers will be conducted in line with the evaluation plan and will use the pre-determined scoring matrix to assess the offers in a numerical way that seeks to eliminate bias.

The evaluation process may include the participation of a probity auditor or probity advisor. The Commercial Management Unit's role in the evaluation process is to guide the panel in the allocation and agreement of scores that are truly representative of the offers made rather than on the basis of a pre-conceived notion of the best supplier or product.

3.7.6 Evaluation and recommendation report

The Commercial Management Unit (procurement oversight) will prepare an Evaluation and Recommendation Report for each process it is involved with. Where procurement processes are conducted without oversight from the Commercial Management Unit, it is the responsibility of the Responsible Officer conducting that process to ensure that an Evaluation and Recommendation Report, or other documentation is approved to maintain a proper public record in case the award is challenged.

The purpose of the report is to explain the evaluation process and detail the recommended outcome to the procurement delegate to obtain approval for the award.

3.7.7 Approval of evaluation report

The approval of the Evaluation and Recommendation Report approves the outcome of the process and authorises the Commercial Management Unit or Responsible Officer to award the outcome to the successful offeror and enter into contract negotiations. This is the exercise of the Type 5 procurement delegation.

3.7.8 Award and notification of outcomes

The Commercial Management Unit will notify the successful offeror of the award and enter into contract negotiations.

The Commercial Management Unit will also notify unsuccessful offerors and provide feedback if requested, ensuring always that such feedback does not contain specific information relating to other offers that may be commercial-in-confidence.

The Commercial Management Unit will develop an annual procurement plan on behalf of Darling Downs Health.

3.7.9 Terminology

For clarity and consistency Darling Downs Health will adopt the following as standard processes.

Term	Definition
Request for Information (RFI)	A Request for Information is a formal approach to the market that will be used when the business is unsure of the products and services that are available. Before a formal approach for pricing can be made it is necessary to determine what is required and in order to inform how the Darling Downs Health might wish to go about its future service delivery. An RFI will be used to develop this view. An RFI would be followed by an RFT or an RFO depending upon the outcome of the RFI.
Expression of Interest (EOI)	An Expression of Interest is a formal approach to the market that will be used to inform the business about who is in the market and who is interested in providing Darling Downs Health with the goods or services being sought. This approach would be used when we have an idea as to what we want but do not have good knowledge of who the players in the market are. It can also be used to try and create a market by generating interest from new entrants into the market. An EOI would usually be followed by an RFT or an ITO depending upon the outcome of the EOI.
Request for Offer (RFO)	A Request for Offer is used as a less prescriptive means of approaching the market to secure goods or services. RFO's will be used to engage the market to provide innovative service solutions.
Request for Tender (RFT)	A Request for Tender will be used when Darling Downs Health is able to fully specify what is required and would mostly be used for the provision of goods and capital items rather than services.
Request for Quote (RFQ)	A Request for Quote will be used in the same way as a Request for Tender but for lower value purchasing or for purchasing from a Panel of Providers or a Standing Offer Arrangement.

3.8 Governance requirement

3.8.1 Approval steps for procurement

Type 1 delegation is only required to be exercised in relation to planned procurement processes. The Type 1 delegation will be exercised by the Health Service Chief Executive (HSCE) and is designed to inform the HSCE of procurement activity that is significant in nature or may involve outsourcing of services, which may be politically sensitive and require approval from the DoH before the activity can proceed.

Type 1 delegation is not required for capital projects where the Board has already approved the procurement plan for the whole project.

Financial delegation needs to be exercised in relation to the funds being committed in procuring the goods and services.

The exercise of the procurement delegation acknowledges compliance with the Darling Downs Health procurement procedure.

In both instances the delegation needs to be sufficient to cover the entire value of the contract. For example, if an Operations Manager is seeking to gain the supply of services over a 5 year period the financial and procurement delegation required must be sufficient to cover the entire value over the life of the contract.

Consideration will always be given to the whole of contract cost of doing business. Where the Service purchases a software application, in addition to the cost of acquiring the software consideration needs to be given to associated costs such as the annual maintenance fees charged by vendor, costs of training not included in the purchase price, costs of supporting IT infrastructure such as servers required to house the application and internal costs of maintaining the system (such as data input). Business cases developed to approve procurement activity will include all of these costs to reflect the full cost of doing business.

Once offers have been received, they will be evaluated in accordance with the evaluation plan developed by the Commercial Management Unit or the Responsible Officer, in consultation with the evaluation panel.

An evaluation and recommendation report will be developed and approved by the panel chair on behalf of the panel. If the offered pricing is higher than that originally approved (i.e. before the market approach), it is necessary to gain the exercise of a financial delegation to cover the new total cost of the procurement. It is also necessary to gain the exercise of a procurement delegation to authorise the award to the successful offeror. This is the exercise of the Type 5 procurement delegation.

After award the purchase will proceed to contract in accordance with the Darling Downs Health Contracts Management Procedure.

Where a genuine emergency arises and there is not time to go through an extended procurement process the purchase of goods or services will be approved by a person who holds this procurement delegation is required to certify that there was a genuine emergency. This same delegation is required to be exercised where there is a genuine sole source of supply for a good or service. The exercise of the delegation certifies that it is a genuine sole supply situation.

This delegation also needs to be exercised in relation to a decision to limit the approach to market in any way. An example of this may be that there is a requirement to buy the same make / model as existing to ensure the safe operation of equipment.

All staff members are required to comply with this policy. Non-compliance is a breach of the code of conduct and may have consequences commensurate with such a breach. Staff not complying with this policy will be counselled in regard to the requirements of the policy and will be required in future to ensure compliance. Code of conduct action is also an option.

Non-compliance cannot be approved, nor can the requirements of the policy be waived after the event. In such circumstances the activity will be reviewed by the Commercial Management Unit and an appropriate course of action recommended to the Health Service Chief Executive, which may include acceptance of the arrangement or a fresh open approach to the market be conducted to procure the goods or services.

Please Note: Where there are potential conflicts of interest in procurement activity under \$250,000 such as family or friends of Darling Downs Health Staff are likely providers, Operational staff will contact the Commercial Management Unit to ensure that probity can be maintained in the process and staff can be protected from allegations of bias.

Table 2: Delegations table

Delegation Type	Description of purpose	Associated information
Type 1	Approval to approach the market to procure Goods or Services	Must first have exercise of financial delegation (funds available to pay)
Type 2	Approval to purchase from a SOA or panel arrangement.	Panel must be properly created. Must first have exercise of financial delegation (funds available to pay) Must ensure rules of the SOA are complied with
Type 3	Approval to create a Standing Offer Arrangement (SOA) or Panel of Providers	No financial delegation required as SOA do not commit the service to any volume or value of spend Needs to be approved by the Director, Commercial Management as not all situations suit a SOA or panel (low total spend for example)

Delegation Type	Description of purpose	Associated information
Type 4	Sole Supplier, Restricted Supply Market, Emergency spending or Special Purpose	<p>Sole supplier – Only one can provide (not Brand)</p> <p>Restricted supply – two providers only meaning the service was unable to comply with policy with regard to the number of quotes required</p> <p>Emergency – when a storm causes damage for example</p> <p>Special Purpose such as local market development</p>
Type 5	Approval to award a contract or outcome of a procurement process	Once the procurement process has been conducted the type 5 delegation agrees the basis for award. Contract signing delegation at Darling Downs Health has been separated for greater control.
Contract signing	Formal execution of a contract on behalf of the Darling Downs Health.	Contracts are created by the Darling Downs Health regularly as purchase orders are released to order goods and services. Where a formal contract is required to properly describe and establish service levels required from suppliers, a delegate as indicated in the Darling Downs Health delegation's framework will exercise the contract signing delegation.

3.8.2 Oversight and reporting

The Darling Downs Health Board has ultimate authority in relation to the governance of all activity of the Service, including procurement.

The Health Service Chief Executive has day to day responsibility for ensuring compliance with this Procedure and Reporting to the Board around procurement activity will be required on a regular basis.

The Director, Commercial Management will have responsibility for preparing reports to the Health Service Chief Executive, the Executive Committees and the Board. The form and content of the reports will be determined to suit the need of the specific audience.

3.9 Other requirements

3.9.1 Handling complaints

Darling Downs Health will have in place a central point of contact for suppliers unable to find resolution of complaints within the relevant business unit or operational division. Concerns of this nature will be formally addressed in writing to the Chief Finance Officer of Darling Downs Health.

3.10 Procurement of building construction and maintenance services

Generally, the value of the works for building construction and maintenance services is greater than the value of other goods and services procured. The nature of construction works also requires more complex contract conditions than the standard terms and conditions stated on Purchase Orders used for procuring goods and services. These differences necessitate a slightly different procurement approach when obtaining quotations.

Procurement thresholds and number of quotes to be obtained as detailed in [Section 3.5](#) are still relevant. The below table shows the forms typically used:

Expected Value of Works	To be issued with Request for Quotation along with scope of work, specifications and drawings
Less than \$250,000	Minor works Tender Form
\$250,000 +	Medium Works Tender Form
\$500,000	AS2124 Tender Form

Advice must be sought from the Commercial Management Unit for these types of works to ensure that the appropriate contracting strategy is selected which will in turn clarify which of the above forms must be issued.

3.11 Procurement of ICT products and services

In addition to the procurement considerations and processes outlined in this document, the [Procurement and disposal of ICT Products and Services \(IS13\) policy](#) must be followed when buying ICT Products and Services. The [IS13 implementation guideline](#) will assist with understanding and applying the policy.

This policy includes the [ICT SME participation scheme](#) which relates to providing small to medium enterprises (SMEs) with fair and equitable access to the Queensland Government market. SMEs are any business employing fewer than 200 people. Refer to [Guidelines for working with SMEs](#) for further information on how to apply this policy when obtaining quotes.

To provide more opportunities for SMEs, the [ICT SME participation scheme policy](#) states:

- at least one SME responding to an ICT tender and capable of delivering must be short listed in the evaluation of ICT offers
- the Queensland Government can directly engage SMEs using the SME Access incentive to provide solutions worth up to \$500,000 (including GST) that demonstrate value for Queensland in addressing government priorities.

The [ICT SME Participation Scheme standard](#) explains how to apply the SME Access incentive.

Further information and templates specifically for procurement of ICT Products and Services are available at [ICT products and services website](#).

4. Primary policy

- [Finance and resource management \(2.2\)](#)

5. Related policies, procedures and work instructions

- [Contracts management procedure \(2.2.4\)](#)
- [Delegation policy \(2.10\)](#)
- [Delegations procedure \(2.1.4\)](#)
- [Conflict of interest management \(2.5.8\)](#)
- [Corporate card \(2.2.15\)](#)
- [Procurement and disposal of ICT Products and services \(IS13\) policy](#)
- [ICT SME Participation Scheme policy](#)

6. Supporting documents

- [Queensland Procurement Policy 2019](#)
- [Darling Downs Hospital and Health Service Human Resource \(HR\) sub-delegations manual](#)

7. Related standards

- *Financial Accountability Act 2009*
- Financial and Performance Management Standard 2009
- *Public Sector Ethics Act 1994*
- Australian New Zealand Government Procurement Agreement

8. Related values

- Integrity
- Innovation

9. Definitions

Term	Definition
Contract	A contract is an agreement between parties intended to have legal significance and involving the transfer of consideration (that is, value – financial or some other type of benefit - flowing from the beneficiary of the transaction). Contracts generally articulate business relationships for the acquisition or supply of goods or services, for the exploitation

Procurement

Page 41 of 96
Printed copies are uncontrolled

	<p>or transfer of intellectual property rights (e.g. licences) or for the provision of funding.</p> <p>Some contracts require reference to other Darling Downs Health policies and procedures, including:</p> <ul style="list-style-type: none"> • contracting capital works and related projects • provision of consultancies • appointment of consultants • intellectual property agreements
Contractor	A contractor is a person or company engaged to undertake a particular task, as opposed to the provision of advice on those particular tasks, e.g. provision of training, provision of routine services and program implementation in accordance with set specifications
Contract management in procurement	Contract management in procurement is a life cycle which includes analysis of the need for procurement, maximising financial and operational performance and minimising risk in the procurement process. The process usually commences with a tender and selection of a supplier, pricing and negotiating the terms and conditions, ensuring compliance with the terms and conditions, as well as documenting and agreeing on any changes that may arise during its implementation or execution. It can be summarised as the process of systematically and efficiently managing contract creation, execution and performance as part of the procurement life cycle.
Contract signing delegation	A contract signing delegation is part of the internal control framework of Darling Downs Health and is an authority that is passed to an individual from the Darling Downs Health Board. A person who holds a contract signing delegation (by virtue of the position they hold) has authority to commit Darling Downs Health to a contractual relationship for the supply of goods and services. Contracts may be for more than one instance of service and may commit the Service to an extended term. All contracts will be appropriately reviewed through Commercial Management and the Service Legal Counsel before execution.
QTender	QTender is a tool to facilitate the electronic distribution of market engagement documents, including Request for Quote, Expression of Interest or Request for Tender to suppliers and the electronic lodgement of responses by suppliers, via an internet based electronic portal.
Evaluation Criteria	<p>Evaluation criteria usually has two (2) components:</p> <ol style="list-style-type: none"> 1. A set of mandatory non-weighted criteria by which all suppliers' responses will be assessed to which non-compliance means no further consideration of the response. 2. A set of weighted criteria by which all suppliers' responses will be assessed in order to determine the best 'value for money' outcome

Expression of Interest (EOI)	Expression of Interest (EOI) is a response to a request for companies to register their interest in supplying a product or service and state their general capabilities.
Financial delegation	A financial delegation is part of the internal control framework of Darling Downs Health and is an authority that is passed to an individual from the Darling Downs Health Board. Financial delegation is granted to a position and the person who holds that position has authority to commit Darling Downs Health to an item of expenditure. Financial delegation usually rests with a budget owner and is the means by which they enact expenditure within that budget.
Locked eTender Box	Locked eTender Box is a secure electronic locked box within the eTender portal, accessible to authorised staff with a password that allows access to downloadable, zipped files to a designated directory / file
Open Tender	Open tender is a tender that allows a wide range of suppliers to bid without restriction. In the context of using an eTender tool, an Open Tender is distributed to all the suppliers registered in the eTender tool system that match the profile for the goods or services being sought. Further suppliers may also participate when the tender process is advertised.
Operations manager	Any Officer of Darling Downs Health who has management responsibility in relation to any aspect of the operations of Darling Downs Health e.g. COM, NUM, Director etc
Planned procurement approach	A Planned Procurement Approach is one that involves a formal planning process. The Commercial Management Unit will work with the business to determine the appropriate level of planning required for the procurement process and will assist in the development of the Procurement Plan, and all associated Offer Documents
Probity	Probity is about making decisions with the right intentions, that is, in good faith. Probity involves maintaining fidelity to public sector values and duties such as selflessness, accountability, fairness and observing 'value for money'. Probity implies values such as integrity, uprightness and honesty and, in doing so, minimises the risk of corrupt or dishonest conduct and mismanagement.
Procurement	Procurement is the end-to-end process associated with sourcing goods and services including, without limitation, planning, market research, sourcing, contract management, supplier relationship management and benefits tracking. For the purposes of this procedure the term procurement is used interchangeably with the term purchasing.
Procurement Officer	An officer of Darling Downs Health or Queensland Health who is responsible for supporting the procurement of Goods and Services at Darling Downs Health

Procurement delegation	A procurement delegation is part of the internal control framework of Darling Downs Health and is an authority that is passed to an individual from the Darling Downs Health Board. A person who holds a procurement delegation (by virtue of the position they hold) has the authority to permit an approach to market to buy goods and services in the manner requested. Because you will not approach the market without the money to purchase from the offers received, financial delegation will always be exercised before the exercise of a procurement delegation.
Purchase Order (PO)	Purchase Order (PO) is a written contractual document prepared by Darling Downs Health to engage a supplier that sets out the goods and services required and relevant pricing and delivery information. A PO must be in place prior to obtaining goods or services and is used for the one off purchases of goods and services that are required in the usual operations of the Service.
Significant procurement process	A Significant Procurement Process is one that presents a high risk to the organisation either because of its value or its criticality to the operation of Darling Downs Health. The purchase of everyday operational items does not in most circumstances represent a Significant Procurement Process. In line with the Policy requirement, anything over the value of \$250,000 requires a Planned Procurement Approach and meets the definition of a Significant Procurement Process on the basis of value. Where procurements of between \$50,001 to \$250,000 are contemplated consideration will be given to the criticality to operations, the existence of a local market and the confidence of local staff to procure the goods or services in line with the requirements of the Policy and this Procedure
Tender documents / Offer Documents	Tender documents: The documents used in a competitive process to seek bids from a supplier and can include Request for Information (RFI), Request for Quote (RFQ), Expression of Interest (EOI) or Request for Tender (RFT), Request for Offer (RFO) and supported by Appendices
Value for Money	Value for Money: The commercial attractiveness of a bid having regard to the extent to which it satisfies the Darling Downs Health's requirements, evaluation criteria, the value of the bid, risk and the 'whole-of-life' costs. Value for money means the best product or service for the best price. Not necessarily the cheapest. Where functionality is of particular importance a more expensive option can deliver better value for money if it also delivers greater functionality and less risk of failure to the Service. Where the nature or functionality of the service is not of great importance (any provider or piece of equipment does the same thing)

	then price will be the major determinant of the outcome of a procurement process.
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10. Procedure revision and approval history

Executive Sponsor		Chief Finance Officer			
Author		Director Commercial Management			
Approval Authority		Corporate Services Improvement Committee (CorpSIC)			
Keywords		Procurement, delegation, purchase, contract, approval, 2.2.13			
Version	Approved	Effective	Authority	Comment	Review
1.0	21/08/2017	21/08/2017	CorpSIC	1 st version	21/08/2020
1.1	21/08/2017	00/00/2018	CorpSIC	Minor changes	21/08/2020
2.0	19/02/2018	19/02/2018	CorpSIC	2 nd version	19/02/2021
3.0	21/09/2020	21/09/2020	CorpSIC	Updated to reflect changes to the Queensland Procurement Policy 2019	21/09/2023
3.1	21/09/2020	25/03/2021	CFO	Addition of Appendix D6 and Probity & conflicts of interest information	21/09/2023

Name: _____

Signature: _____

Chair: Corporate Services Improvement Committee

11. Appendices

- [Appendix A — Procurement process flow diagram](#)
- [Appendix B — Market approach matrix](#)
- [Appendix C — Decision model for purchasing](#)
- [Appendix D1 — Significant procurement plan](#)
- [Appendix D2 — Probity plan template](#)
- [Appendix D3 — Evaluation plan template](#)

Procurement

Page 45 of 96

Printed copies are uncontrolled

- [Appendix D4 — Evaluation panel acknowledgement of obligations](#)
- [Appendix D5 — Evaluation matrix template](#)
- [Appendix D6 — Guidance Notes for Probity in Procurement](#)
- [Appendix E — Type 4 procurement delegation brief template](#)
- [Appendix F — Evaluation and recommendation report template](#)

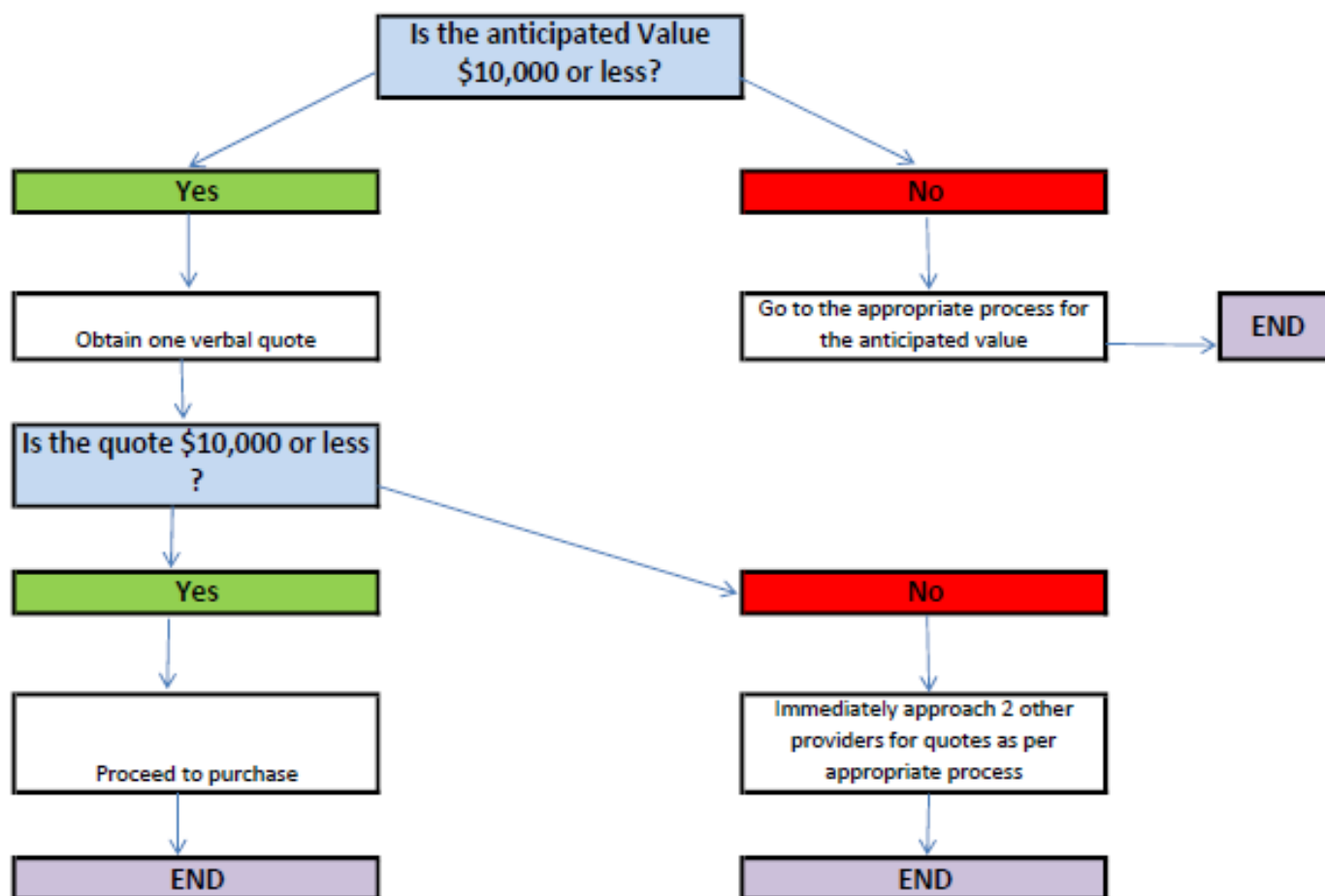
Appendix A — Procurement process flow diagram

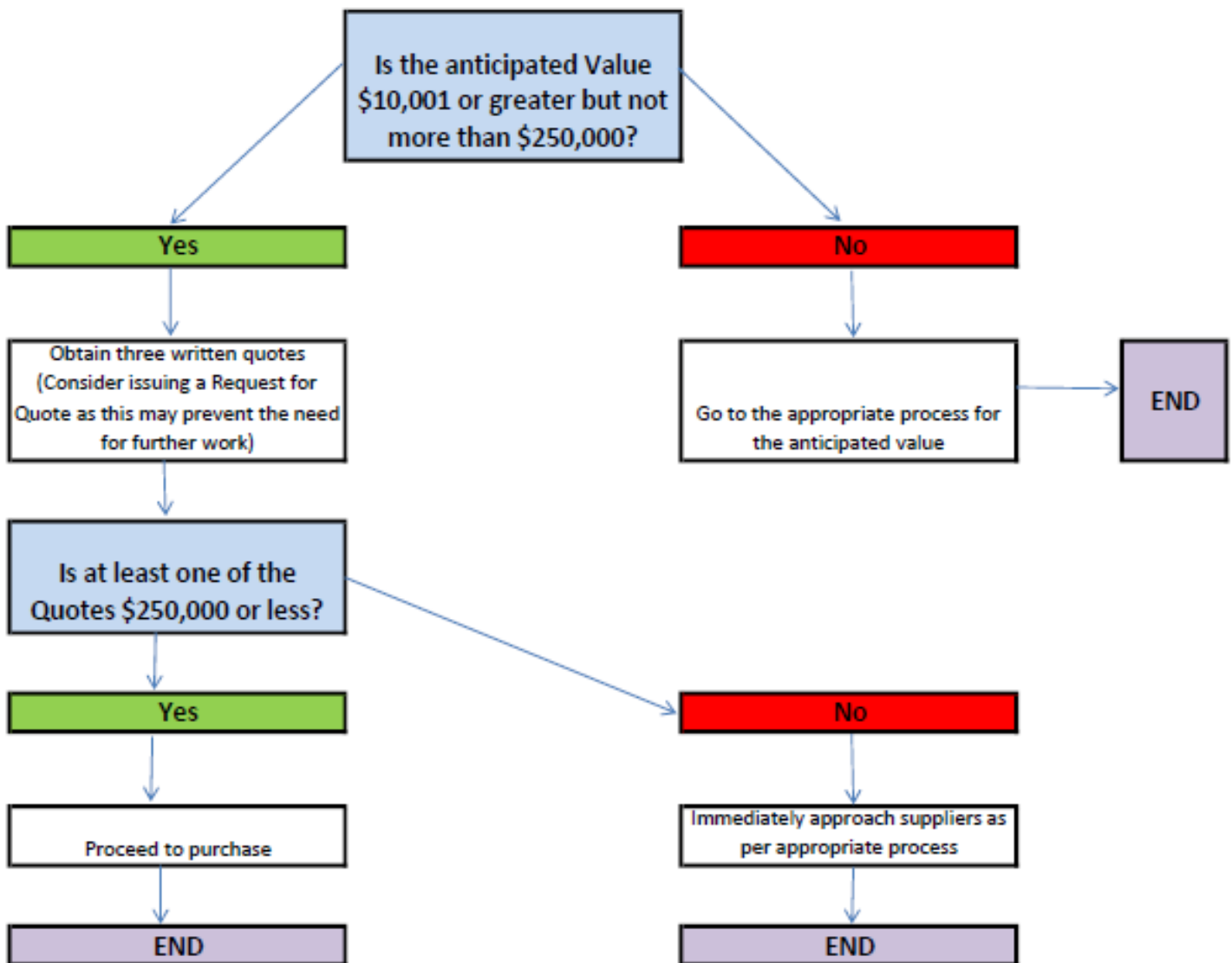
Value
GST Inclusive
<\$10,000
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>\$250,001<\$500,000
>\$500,001

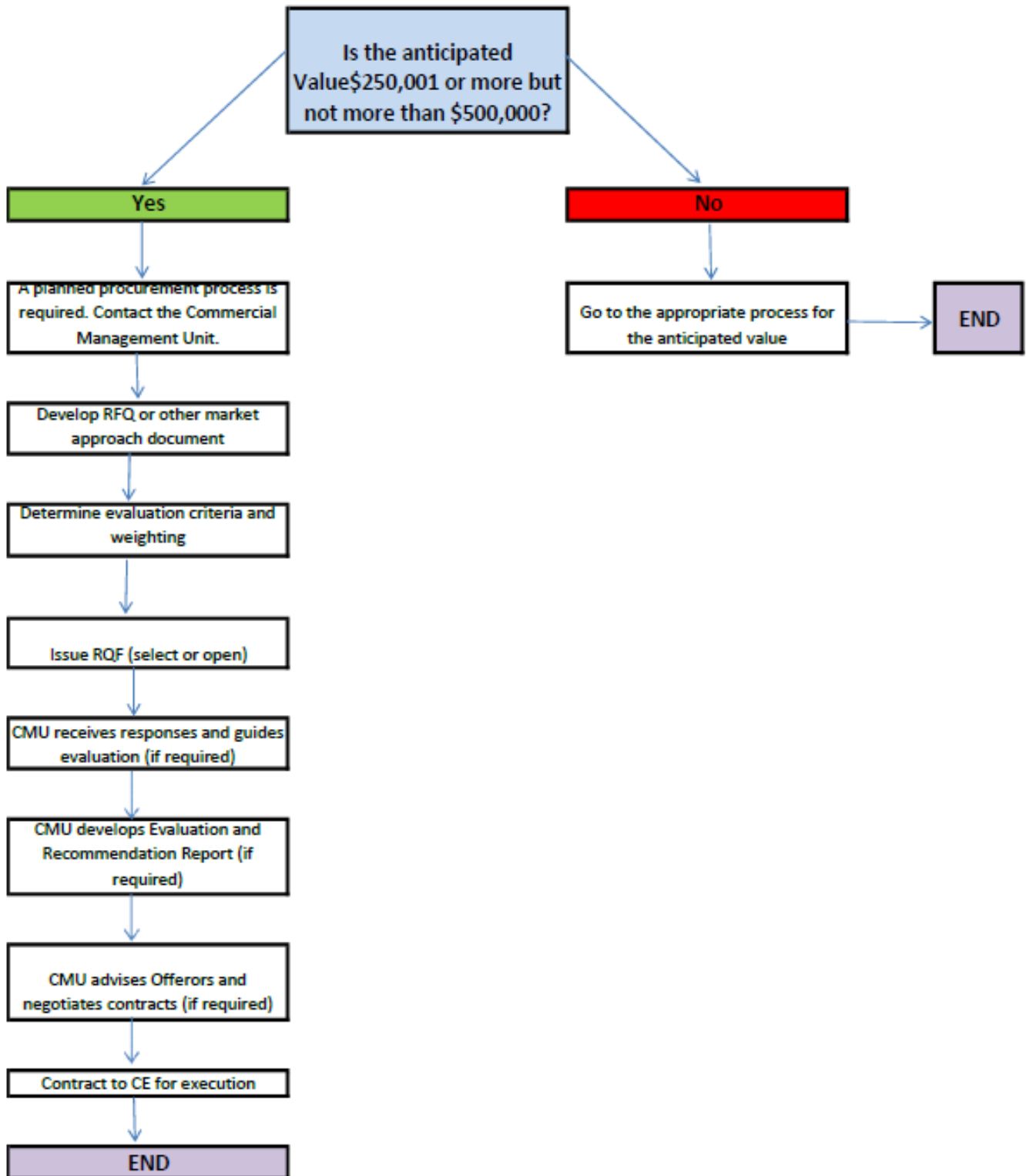
One verbal Quote
3 Written Quotes (can be RFQ)
Planned Procurement (RFQ)
Planned Procurement (ITO) published through Q Tenders

Procurement Compliance relies on having 3 pieces of information

1. What do I want to buy	2. Who can provide the goods or services	3. How much will the goods and services cost.
For everyday purchasing this is an easy question to answer. However for larger value items and services the question becomes more difficult, and where technology is involved, we you may not be aware of the latest developments in the market.	For everyday purchasing this is an easy question to answer. However for rarely purchased and unusual items that may not be available locally, you may not know who to go to to obtain pricing.	For frequently purchased items this is an easy question to answer. However for rarely purchased or unusual items you may have to seek pricing information from a know supplier of the goods and services before deciding the correct approach to the market as per the thresholds.
When this occurs consideration should be given to a discovery process such as a Request for Information or Market Sounding in order to establish what solutions are available before moving to requesting binding offers.	When this occurs consideration should be given to discovery process such as an Expression of Interest or Request for Proposal, before moving to requesting binding offers.	When this occurs, you can seek indicative pricing that will be a guide to the correct purchasing path. So if you think it will be less than \$10,000 request a verbal quote. If it is under \$10,000 you can accept or if you don't believe it represents value you can go to another provider for comparative pricing. The thresholds are a minimum standard.









Appendix B — Market approach matrix

Appendix B - Market Approach Matrix		
Business Risk	<p>High</p> <p>Easy to Define, High impact on business Examples: New Buildings</p> <p>Appropriate Procurement Methods:</p> <p>Expression of Interest (EOI) followed by ITO or Tender</p> <p>Request for Information (RFI) followed by ITO or Tender</p> <p>Invitation to Offer</p> <p>Request for Tender/Quote</p>	<p>Difficult to Define, Significant Business Impact Examples: Medical Records System</p> <p>Appropriate Procurement Methods:</p> <p>Expression of Interest (EOI) followed by ITO or Tender</p> <p>Request for Information (RFI) followed by ITO or Tender</p> <p>Invitation to Offer</p> <p>Request for Tender</p>
	<p>Low</p> <p>Easy to Define, low impact on business Examples: Stationery, everyday supplies, static guard services, small shed</p> <p>Appropriate Procurement Methods:</p> <p>Verbal or Written Quotes</p> <p>Standing offer arrangements</p> <p>Request for Quote (RFQ)</p> <p>Payment using Credit Card</p>	<p>Difficult to define, low impact on business Examples: Baillie Pool, Individual Medical Services (Endoscopy)</p> <p>Expression of Interest (EOI) followed by ITO or Tender</p> <p>Request for Information (RFI) followed by ITO or Tender</p> <p>Invitation to Offer</p> <p>Request for Tender</p>
	Low	High
	Complexity	

Appendix C — Decision model for purchasing

What method of market approach is appropriate?

The choice of how you approach the market is driven by two factors:

- Your knowledge of the goods or services you wish to procure; and
- Your knowledge of who in the market can provide the goods and services

What product or service do you require?

If you do not know what products or services are available to meet your requirements a Request for Information (RFI) is an appropriate means of discovery.

A Request for Information is a market enquiry prepared by the buyer and issued to one or more prospective suppliers. The purpose is to gather information about the category, the supplier's solutions, their capacity and or capability, and key market intelligence. An RFI is used when the buyer lacks understanding of the product or service and/or the category and wishes to increase that understanding prior to seeking commercial offers. RFI's are usually part of a multi-stage procurement process, with the next step usually involving short listing potential respondents based on the RFI replies and inviting commercial offers. The next stage will usually be a Request for Quote, Request for Tender or Invitation to Offer depending upon the circumstances.

The RFI may also be used to stimulate the supply market and to condition prospective suppliers about the potential opportunity that may exist.

For example, because of the rapid transformation of technology in areas such as IT, a request for information is often useful to determine what products are now available that weren't there previously. The Request for Information usually requires the provision of information of a technical nature or of a non-technical nature that will allow you to make informed decisions about what it is you need and who can provide the goods and services to meet that need.

Who can provide the goods and services you require?

If you do not know have a detailed knowledge of who is in the market an Expression of Interest (EOI) is an appropriate method for approaching the market.

An EOI is a formal notice to potential suppliers that a prospective buyer is planning to acquire goods or services and is inviting interested suppliers to register their interest. It can be used as a tool to assess the level of competition in the supply market and is usually part of a multistage procurement process. The first stage involves alerting potential suppliers to the forthcoming acquisition, and short listing respondents if there is an adequate response. The next stage involves the invitation of competitive offers from the short-listed respondents. Expressions of interest may be used for novel acquisitions or when the buyer wishes to stimulate competition where a supply market may not currently exist. The next stage will usually be a Request for Quote, Request for Tender or Invitation to Offer depending upon the circumstances.

An Expression of Interest usually doesn't include pricing but seeks to discover who in the market has an interest in supplying goods or services and allows the interested parties to provide details of their products and services and on what basis they may be interested in providing them. That might be by way of acquisition/sale, lease in partnership or by other means.

For example, the first stage of any proposed disposal of assets would be an Expression of Interest in order to determine who may be in the market to acquire, for what purpose and under what circumstances.

Where to Next?

Request for Quote

The request for quote is used when the goods or services being acquired are easily able to be defined (low complexity) and do not significantly impact on core business (low risk).

Examples of when RFQ have been used. Static Security Guard Services at Baillie Henderson, Art and Music Therapy classes for Mental Health.

Radiology Reporting Services for Darling Downs Health were also secured through a RFQ. This is because an Expression of Interest process had already been conducted that created a shortlist of suppliers. The EOI identified the potential suppliers and assessed their capability and capacity to provide the services. Therefore, individual HHS's wishing to procure services only need to request pricing in relation to the quantity of services they require.

Request for Tender

If there is a clearly defined market and you are able to specify clearly the nature of what it is you wish to procure then a Request for Tender is the logical choice. A Tender document usually specifies with a great degree of clarity the exact nature of the goods or services required and can either be sent to an open market or a select part of the market if there is a known speciality involved. Building works often get placed into the market through a tender. There is usually a set of construction plans that are provided to allow the builders to be able to cost the works required.

Invitation to Offer

If there is an intention to allow freedom in the design and to allow Offerors to be innovative in what they offer an Invitation to Offer (ITO) is more appropriate.

An ITO is a formal market enquiry prepared for higher value and/or more complex solutions. The purpose is to invite commercial offers from a number of suppliers in order to secure competition, and to gather information about the supplier's solutions and capability, and key market intelligence. The selection of an ITO as opposed to a Request for Tender usually reflects the fact that the specification is not a conformance specification, which requires complete adherence to the buyer's standards, but rather that bidders are free to submit potential solutions which meet the performance required. The evaluation of the ITO may require the buyer to compare alternative approaches to meet the same need, and most buyers structure their documentation such that some elements are to be read, and some elements are to be completed and returned in the format and with the contents requested.

The use of ITO's has increased significantly as more and more categories and projects have become contestable.

ITO's have been used for securing an operator for the Baillie Pool and Recreation Facility. Darling Downs Health knew that it required an operator with certain experience (in running a pool) but wanted to invite other uses appropriate for the facility, which were left to the Offerors to design.



Commercial Management Unit

Darling Downs Hospital and Health Service

Significant Procurement Plan

Procurement Reference	DD2020375
For the Procurement of:	
Date:	
Author:	
Approver	

1.Executive summary

Background**Scope****Procurement objective/s****Funding Source****Proposed Term****Research and Analysis**

Indicative content - key findings of research and analysis

Implementation and Management

Indicative content - indication of next steps to proceed to the Supplier

Procurement Options

Indicative content

- summary of procurement strategy options evaluated
- recommendation/s for preferred procurement strategy
- request for approval from the accountable officer or delegate

OPTIONAL

Indicative content - Evaluation and Selection Stage estimated benefits summary

RECOMMENDATION

That this Significant Procurement Plan for the provision ofbe approved.

That the Chief Executive exercises his procurement delegation and approves the (approach to market/creation of a SOA)

DECISION:

(Approved/Not approved)

Health Service Chief Executive

_____/_____/2020

2. Demand Analysis

Definition of the good/service

Spend analysis

Indicative content - Including cost breakdown

Current situation

Indicative content

- Current supply arrangements
- Any current supply arrangement issues
- Key internal stakeholders

Specification of requirements

Indicative content

- specification of requirements issues (e.g. scope, scale, outcome-focussed vs. technical, alternatives, sustainability)
- highlight data gaps and plan to address
- clearly drawn insights from the analysis

OPTIONAL

Indicative content

- establishment of a procurement reference group (prg) or equivalent advisory group
- analysis of demand management strategies
- conduct market soundings to validate demand analysis

3. Market Analysis

Indicative content - Conduct supply market analysis to ascertain:

- the number of suppliers and their respective market shares (market structure)
- the degree and type of competition between suppliers
- the nature and quality of the supply chain
- substitute or alternative goods or services
- the agency's value as a customer
- sustainability impacts within the supply market

OPTIONAL

Conduct market sounding in relation to:

- project sizing, requirements specification and supplier engagement
- aggregation and bundling.

Consider issue of development of suppliers and markets.

4. Results of research and analysis

Indicative content - The results of the Demand and Market analyses, including the key insights for the development of procurement objectives and strategies

OPTIONAL

Use the key Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis

5. Procurement objectives

Alignment to Agency Objectives

Indicative content - Outline how the significant procurement supports the achievement of agency procurement objectives.
Outline how the procurement aligns to the agencies strategic goals

Show that the objectives for the procurement are based on the outcomes of the previous Demand and Market analyses.

OPTIONAL

Indicative content - Objectives developed in accordance with SWOT outcomes
- Benefits targets to be addressed by the procurement strategy included

6. Procurement strategy options

Indicative content - Address the following sourcing strategy issues:

- ☐ current whole-of-Government and other agency arrangements
- ☐ generic sourcing strategies
- ☐ industry impact assessment
- ☐ sustainability considerations
- ☐ international trade obligations
- ☐ ICT-specific requirements (ICT only)

Consider potential procurement methods:

- ☐ types of supply arrangement
- ☐ approaching the supply market and evaluate options in a written explanation of the merits of respective options

OPTIONAL

Indicative content - Sourcing strategy issues:

- ☐ aggregation and bundling
- ☐ risk of over-dependency
- ☐ SME involvement

Specialist procurement methods:

- ☐ contracting for risk
- ☐ reverse e-auctions
- ☐ alliance contracting

Evaluate options:

- ☐ detailed qualitative evaluation (SWOT analysis) of respective options
- ☐ quantitative evaluation matrix

7. Preferred procurement strategy - Recommendation

Indicative content - Based on the evaluation of options, provide a statement recommending the preferred procurement strategy and how it will best satisfy the procurement objectives.

OPTIONAL

- explicit benefit target range: e.g. economic, environmental and social benefits
 □ short, medium and longer term recommendations (and relative priority)

8. Measures and supplier management arrangements

- Indicative content - strategic and operational performance measures
 - governance and contract management framework

Contract Management

The agreement/s will be managed by

The table below outlines the proposed Contract Management regime:

Officer	Responsibilities
	<ul style="list-style-type: none"> Dispute resolution; Variations etc; Contractual correspondence; Providing advice and updates to the Health Service Chief Executive as and when required; The Health Service Chief Executive is the secondary escalation point for issues raised by successful provider and any executive officers of DDHHS.
	<ul style="list-style-type: none"> Regular meetings with panel providers to ensure that delivery of services is taking place and that quality standards are being met; KPI reporting to xxx, Toowoomba Hospital and Medical Services; Regular performance liaison with DDHHS representative; Managing payments to vendors by ensuring pricing and quantity of services provided are correct; and Initial escalation point for issues raised by the relevant Executive Director / Service Provider.

Proposed Performance Indicators

Indicative content – Details of KPI's to be included in the contract (if developed)

Implementation Schedule (suggested)

Date	Stage
	Business Case completed
	Significant Procurement Plan completed
	Business Case and SPP approved
	Completion of RFO draft for comment and agreement
	RFO to be signed off by the Health Service Chief Executive
	RFO release to market
	Respond to request for clarification
	Response close date
	Completeness and Compliance Check
	Commence tender review process
	Complete tender review process with recommendation to award

	Contract negotiated
	Execute Contract and commence implementation

OPTIONAL

- ☐ skills sets and capabilities
- ☐ enabling processes and technologies (e.g. CLMS)
- ☐ category management

9. Implementation plan

Indicative content - ☐ resources

- ☐ roles and responsibilities
- ☐ implementation schedule
- ☐ risk management plan
- ☐ communication plan

OPTIONAL

1. key stakeholders

Risk Assessment

Please refer to Appendix 1 for the Risk Management Matrix.

Risk Treatments arising from the Risk Assessment:

Indicative content – Detail risk mitigation actions from the risk matrix and how they will be implemented through the procurement and contract

Evaluation Plan

The Evaluation Plan is being constructed as part of the RFO process and will be submitted to the tender evaluation team, (currently being selected) prior to the receipt of tenders. The Evaluation Chair shall be the approving authority for the Evaluation Plan.

Or – Detail the evaluation plan developed.

Evaluation Panel

Indicative content – names of panel members and roles

Evaluation Matrix and Weighting

Below are the proposed weightings for evaluation of offers.

6.2		20%
6.3		30%
6.4		50%

This is intended to be a panel arrangement and no Offeror is guaranteed any volume of work under the terms of the Offer.

Appendix 1

Brief summary of risk	Risk Rating	Risk Control Actions

Consequence Table

The Consequence Table below provides the generic Department-wide descriptors of both, adverse and positive, consequences and shall be used to determine the consequence should a risk occur.

TYPE OF CONSEQUENCE	MINOR	MODERATE	MAJOR	EXTREME
Generic Descriptors for Adverse Consequences of Risk (threats)	The consequences would threaten the efficiency or effectiveness of some aspects of the proposal / project / service / operation / workforce / clients but can be dealt with internally	The consequences would threaten the proposal/project, but would mean that the administration of the proposal / project / service / operation / workforce / clients could be subject to review or changed ways of operating.	The consequences would threaten the survival or continued effective function of the proposal / project / service / operation / workforce / clients, and or require intervention from the executive, senior management or by elected representatives. It would also have major consequences for the organisation both financially and politically.	The consequences would threaten the survival of not only the proposal / project / service / operation / workforce but also the organisation, possibly causing major problems for clients, the administration of the proposal / project / service / operation / workforce for a large part of the public sector. It will also have extreme consequences for the organisation both
TYPE OF CONSEQUENCE	MINOR	MODERATE	MAJOR	EXTREME
Generic Descriptors for Positive Consequences of Risk (opportunities)	The positive impact would enhance the efficiency and/or effectiveness of some aspects of the proposal / project / service / operation / workforce / clients through local, internal management	The positive impact would enhance the proposal / project / service / operation / workforce / clients but would require some adjustments in the administration of the proposal/project, its review or changed ways of operating.	Major opportunity to increase the effectiveness of the proposal / project / service / operation / workforce / clients. This would require endorsement/intervention from the executive, senior management or by elected representatives. It would also have major positive impact on the organisation both financially and politically.	Opportunity of major significance with a positive impact on not only the proposal / project / service / operation / workforce but also on the organisation and possibly realising major benefits for clients, the administration of the proposal / project / service / operation / workforce for a large part of the public sector. It will also have extreme

Likelihood Table

The Likelihood Table shall be used to rate how likely / how often a risk is expected to occur.

Rating	Description
Almost Certain	Very likely; the event will occur in most circumstances.
Likely	Probable; the event will probably occur at least once.
Possible	Potential; the event might occur at some time.
Unlikely	Improbable; the event is not expected to occur.
Rare	Very unlikely; the event may occur only in exceptional circumstances.

Analysis Matrix

The Analysis Matrix shall be used in conjunction with the ratings of the consequence and the likelihood in order to determine the level of risk rating.

Consequence Likelihood	Minor	Moderate	Major	Extreme
Rare	Low (1)	Low (3)	Medium (8)	Medium (10)
Unlikely	Low (2)	Medium (6)	Medium (9)	High (16)
Possible	Medium (4)	Medium (7)	High (14)	High (17)
Likely	Medium (5)	High (12)	High (15)	Very High (19)
Almost certain	High (11)	High (13)	Very High (18)	Very High (20)

Risk Rating Matrix

Rating	Management Action for Risks
Low (1-3)	Confirm that routine procedures are up to date and actionable by all relevant staff.
Medium (4-10)	Confirm that existing routine procedures are up to date and actionable by all relevant staff, AND Also manage by specific monitoring locally.
High (11-17)	Confirm that existing routine procedures are up to date and actionable by all relevant staff, manage by specific monitoring or response procedures locally, AND Senior management / management group oversight needed and responsible officer(s) to proactively control the risk.
Very High (18-20)	Detailed research and planning required for senior management approval of controls AND Responsible officer(s) to proactively control the risk with executive / executive committee oversight.

Appendix D2 — Probity plan template



Commercial Management Unit

Darling Downs Hospital and Health Service

Procurement Reference	DD2020375
For the Procurement of:	
Date:	
Author:	
Approver	

Probity Plan – <insert description>

1. INTRODUCTION

1.1 Aim

This plan establishes the legal process and probity principles that will apply to the conduct of a procurement/(or divestment) project involving the <insert description> at its <insert description> campus.

1.2 Background

<insert description>

DDHHS is a statutory authority and represents the State.

The DDHHS has identified in its Strategic Plan the need to: <insert description>

- Deliver core health services
- Ensure resource use is optimal and sustainable
- Leverage other providers.

The following are included in the scope of this procurement:

<insert description>

2. GUIDELINES AND RESPONSIBILITIES

2.1 General Principles

- (a) All procurement activities are to be undertaken in a manner consistent with legislative and regulatory requirements.
- (b) Probity and ethical behaviour is one of the key principles outlined in the Queensland Procurement Policy. For the purposes of this plan probity is defined as "integrity, uprightness and honesty as exemplified in the evidence of ethical behaviour in a particular process".

2.2 Process Guidelines

- (a) All personnel involved in the acquisition must read this plan and be aware of their obligations. For the purposes of this plan the term "involvement" includes being part of the procurement project team, the evaluation panel or a decision making or other approval body on behalf of the DDHHS in relation to this procurement.
- (b) In adhering to this plan the following guidelines are to be adopted:
 - (i) there is to be a clear and fair procurement process that is to be conducted in accordance with applicable legislation and policy;
 - (ii) all respondents or potential respondents are to be treated fairly and equitably, consistent with the rules of natural justice and procedural fairness, and in all interactions with respondents or potential respondents are to be conducted with honesty, fairness and in good faith;
 - (iii) tender evaluation is to be conducted in accordance with the evaluation criteria as approved by the HSCE;
 - (iv) commercially sensitive information, particularly that relating to commercial in confidence material, is to be protected at all times and all personnel are to comply with processes established to protect and secure commercially sensitive information;
 - (v) there must be a clear audit trail; and
 - (vi) conflicts of interest must be identified and addressed.
- (c) A Probity Checklist is provided at Annex A to help to structure and assess adherence to these guidelines.

2.3 Responsibilities of the Probity Advisor (if required)

- (a) Review and provide guidance on or comments on documentation including:
 - (i) Significant Procurement Plan
 - (ii) Probity Plan
 - (iii) EOI/RFO/RFT
 - (iv) Data provision to respondents
 - (v) Request for Binding Bids
 - (vi) Evaluation Criteria
- (b) Attend initial evaluation panel meeting to discuss probity of the procurement process, ensure probity awareness and brief relevant persons on the responsibilities for probity accountability and transparency.
- (c) Provide ad hoc advice and attend evaluation panel meetings where necessary including short listing meetings.
- (d) Provide ongoing review of the evaluation process.

Page 3 of 10

- (e) Ensure disclosure of conflicts of interest and maintenance of confidentiality.
- (f) Review and provide guidance on the management of any conflict which may arise or be perceived to conflict with the integrity of the procurement and its processes.
- (g) If considered necessary, attend or assist with debriefings with successful or unsuccessful respondents.

3. CONFLICTS OF INTEREST

2.1 Definition

A conflict of interest is where an incompatibility exists, or where it could be reasonably perceived that an incompatibility exists, between the public duty of a person and a current or prospective interest of that person or a member of that person's family.

2.2 Conflict of Interest Declarations

- (a) Personnel involved in the procurement are required to sign a Conflict of Interest Declaration.
- (b) Should any actual, perceived or potential conflict of interest arise (at any stage in the procurement) the matter is to be disclosed by the provision of an updated Conflict of Interest Declaration. This must be provided as soon as possible after the officer becomes aware that the actual, perceived or potential conflict of interest has arisen.

2.3 Management of Conflicts of Interest

- (a) In dealing with actual, perceived or potential conflict of interest the Health Service Chief Executive is to act promptly and give such directions as they see fit to address, manage or remove the conflict where it exists. Key principles for the Health Service Chief Executive to take into account are:
 - (i) Efforts should be made to minimise the impact on the affected person, but in all instances the interests of the State of Queensland will take precedence and may potentially lead to the restriction of access to some or all procurement related information or the removal of the individual from the procurement.
 - (ii) During the consideration of whether a conflict of interest exists, the affected individual is to be excluded from involvement in the procurement, decision or matter potentially giving rise to the conflict.
 - (iii) Where an actual or potential conflict of interest is deemed to exist the Health Service Chief Executive is to exclude the affected individual from involvement in the procurement, decision or matter.
 - (iv) Individuals affected by any determination are not to provide advice, inform the decision making process, make decisions or exercise any concurrence or delegation in relation to the procurement, decision or matter in question.
 - (v) Where after consideration the Health Service Chief Executive determines that no actual or potential conflict exists, the details of the matter and the findings of the Health Service Chief Executive are to be recorded. Generally, no further action needs to be taken.
 - (vi) For the purposes of deciding on the existence of a conflict of interest, the issue is not whether the person has actually been influenced but whether a reasonable person would perceive that the decision making process of an individual could have been influenced. Consequently, where a perceived

Page 4 of 10

conflict of interest exists the Health Service Chief Executive is to make such determinations that place the probity of the procurement, including the way the procurement is perceived, as paramount.

2.4 Acceptance of Gifts and Hospitality

No personnel may accept any gifts or hospitality from any respondent or prospective tender in relation to this procurement either before during or after the procurement process. Any offer of gift or hospitality is to be declared, declined and recorded.

2.5 Offers of Employment

Personnel involved in the procurement who receive an offer of employment from a respondent, potential respondent or contractor (whether or not the offer of employment is in writing), and is considering that offer of employment, will be treated as having an actual conflict of interest and must immediately inform the Health Service Chief Executive in writing.

2.6 Communication with Respondents or Potential Respondents

- (a) As part of treating all respondents and potential respondents fairly and equitably and consistently with the rules of procedural fairness and natural justice, personnel involved in the procurement must not communicate with the respondents or potential respondents in a manner which:
 - (i) Gives or gives rise to the perception of an unfair advantage to that respondent or potential respondent;
 - (ii) Reveals proprietary or confidential information of another respondent or potential respondent; or
 - (iii) Unfairly disadvantages a respondent or potential respondent.

4. CONFIDENTIAL INFORMATION

4.1 Scope of Confidential Information

- (a) Confidential information means any information created by or for the purpose of the procurement (including that which is provided by commercial entities bidding for work under the procurement) and which:
 - (i) Is by its nature confidential (for example, it is commercially sensitive); or
 - (ii) The receiving party knows or ought to know is confidential, including without limitation by reason of it carrying special markings indicating sensitivity or confidentiality; but does not include information which:
 - (iii) Is or becomes public knowledge other than by breach of contract or obligation of confidentiality
 - (iv) Is in the possession of a party without restriction in relation to disclosure before the date of receipt; or
 - (v) Has been independently developed or acquired by the receiving party.

4.2 Management of Confidential Information

- (a) Personnel involved in the procurement should only have access to Confidential Information on an appropriate "need to know basis". Confidential information needs to be managed in accordance with the information's commercial sensitivity and classification level.
- (b) All personnel involved in the procurement who may be privy to Confidential Information are obliged to ensure such information remains confidential and is not disclosed to anyone other than other personnel who require such disclosure in order to perform their duties for the procurement.
- (c) Personnel having access to Confidential Information must ensure that documents and information, including electronically stored information that is in their possession or control and which contains Confidential Information is:
 - (i) Kept in locked offices or filing cabinets when not in use;
 - (ii) Not left unattended for any period at a place that is accessible by a person not authorised;
 - (iii) Not displayed at times or in places where they could be read by a person who is not authorised;
 - (iv) Not made available to a person who is not authorised; Password protected in the case of electronically stored material

5. EXPIRY

5.1 Survivorship

- (a) Unless expressly, or by implication from its nature, intended to survive the expiry of the plan, the requirements of this plan shall expire at the conclusion of the procurement activity or as otherwise determined by the Health Service Chief Executive.

.....
Health Service Chief Executive Officer

Annexures

1. Conflict of Interest Declaration
2. Probity Checklist

Annexure 1 – Probity Plan

DECLARATION AND ACKNOWLEDGEMENT OF OBLIGATIONS CONCERNING CONFIDENTIALITY, PRIVACY AND CONFLICTS OF INTEREST¹

I,

in the position of
<<insert position title>>

Darling Downs Hospital and Health Service "DDHHS"

Describe offer/invitation for which declaration is made: <<insert project name>>

Declare and acknowledge as follows:

1. CONFIDENTIALITY AND PRIVACY

- 1.1 In the course of performing services for the DDHHS relating to preparing the invitation, inviting and evaluating offers for the supply of goods and/or services, I may become aware of information provided by or on behalf of an Offeror that is Confidential Information and or Personal Information.
- 1.2 I am aware that improper use or disclosure of either Confidential Information or Personal Information could jeopardise or invalidate the offer process and may severely damage the DDHHS's ability to perform its governmental/statutory functions.
- 1.3 I am aware that the access, use and disclosure of Personal Information provided by or on behalf of an Offeror is subject to the [Information Privacy Act 2009](#).
- 1.4 I am aware of my obligation under the Code of Conduct for the Queensland Public Service to:
 - (a) treat official information with care and use it only for the purpose for which it was collected or authorised; and
 - (b) store official information securely, and limit access to those persons requiring it for legitimate purposes; and
 - (c) not use confidential or privileged information to further personal interests; and
 - (d) respect the confidentiality of official information after I have left public service employment; and
 - (e) ensure that any conflict of interest is resolved in the public interest.
- 1.5 I am aware that unlawful disclosure of official information may constitute an offence under the Queensland Criminal Code² or official misconduct under the [Crime and Misconduct Act 2001](#), a breach of the [Public Sector Ethics Act 1994](#), and/or be grounds for disciplinary action under the [Public Service Act 2008](#).

Confidential Information includes information that is by its nature confidential, is communicated by or on behalf of an offeror to the DDHHS as confidential or that the Confidant knows or ought to know is confidential.

¹ This declaration is to be completed by all departmental employees, and other Queensland Public Service employees who are engaged in significant procurement related activities for the Department.

² [Criminal Code Act 1899](#)

Personal Information is information or an opinion (including information or an opinion forming part of a database) whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion.

2 CONFLICTS OF INTEREST

- 2.1 In the course of performing services for the DDHHS relating to preparing the invitation, inviting and evaluating offers for the supply of goods and/or services, I acknowledge the primacy of the public interest and my obligation to ensure that any Conflict of Interest issue will be resolved or appropriately managed in favour of the public interest.

Conflict of Interest involves a conflict between my duty as a public service employee to serve the public interest and my personal interests. The conflict may arise from a range of factors including my personal relationships, any employment outside the public service, my membership of special interest groups, or my ownership of shares, companies or property.

- 2.2 I am aware that, as a public service employee, if I have an interest that conflicts or may conflict with the discharge of my official duties:

(a) I must disclose the nature of the interest and conflict to my chief executive as soon as practicable after the relevant facts come to my knowledge and

(b) I must not take action or further action relating to a matter that is, or may be, affected by the conflict unless authorised by the chief executive.

- 2.3 In relation to the above invitation/offer for which I am performing services for the DDHHS, I declare that:

- ☐ I do not have a Conflict of Interest, but if a Conflict of Interest arises during the course of any invitation/offer for which I am performing services for the DDHHS I will, as soon as practicable disclose the nature of the interest and conflict to my chief executive, and not take action or further action in relation to the invitation/offer unless authorised by the chief executive or
- ☐ I have an interest that conflicts or may conflict with the discharge of my official duties and I will, as soon as practicable disclose the nature of the interest and conflict to my chief executive, and not take action or further action in relation to the invitation/offer unless authorised by the chief executive.

Authorisation, Certification and Execution by Confidant	
<p>Signed and delivered as a deed poll by</p> <p>.....</p> <p><<insert full name >></p> <p>.....</p> <p><<insert job title>></p> <p>this day of</p> <p>.....2.....</p> <p>in the presence of</p> <p>.....</p> <p><<insert full name of witness>></p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>Signature of Employee</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>Signature of witness</p>

N.B. Witness must be an Australian Resident over the age of 18 years.

Annexure 2 – Probity Plan

Probity Checklist - *<describe process>*

PROBITY PLANNING		COMMENTS
Determine if a probity auditor or advisor is required	<input type="checkbox"/>	Not required
Obtain conflict of interest declarations from team members	<input type="checkbox"/>	
Finalise Legal Process and Probity Plan	<input type="checkbox"/>	
Consider confidentiality requirements	<input type="checkbox"/>	
Ensure team members are familiar with relevant policies and documents	<input type="checkbox"/>	
PROCUREMENT PROCESS		COMMENTS
Establish process for response to questions and provision of further information to ensure fairness to all parties	<input type="checkbox"/>	
Ensure evaluations are fair and consistent with evaluation plan	<input type="checkbox"/>	
Review probity at the end of each evaluation process	<input type="checkbox"/>	
Notify successful/shortlisted Offerors as soon as possible	<input type="checkbox"/>	
Notify unsuccessful Offerors as soon as possible	<input type="checkbox"/>	
Debrief unsuccessful Offerors if required	<input type="checkbox"/>	
Ensure all actions are documented and the documents stored appropriately	<input type="checkbox"/>	
Review probity at the end of the process	<input type="checkbox"/>	

Appendix D3 — Evaluation plan template

Darling Downs
Health

Offer Evaluation Plan

Darling Downs Hospital and Health Service

NAME OF OFFER:	
DOCUMENT REF:	DDHHS 2020-
RELEVANT DATES:	Request for Offer closed 27/3/20 Initial Meeting of Panel 30/3/20 Offers to be distributed to panel members 30/3/20 Intended completion of Offer evaluation by 3/4/20 Intended notification of successful offerors by 9/4/20 Intended commencement date of supply arrangement 23/4/20
BRIEF DESCRIPTION:	[INSERT BRIEF DESCRIPTION OF CONTRACT]
OFFER MANAGER:	Director, Commercial Management – [INSERT DDHHS POSITION FOR OTHER MANAGERS]

Document Control Page

Reviews/Sign-Offs

Version	Role	Position	Date
1.1	Reviewed by	Director, Commercial Management	30/3/2020

Revision History

Version	Date	Additions/Amendments	Author	Review By

TABLE OF CONTENTS

1.	Purpose	3
2.	Probity Principles for the Evaluation Process	3
3.	Evaluation Panel Membership	3
4.	Evaluation Schedule	3
5.	Authorised Enquiries Officer	3
6.	Receipt of Offers	4
7.	Late Offers.....	4
8.	Evaluation Criteria, Weightings & Ratings	4
9.	Offer Evaluation	5
9.1	Initial Screening of Offers.....	5
9.2.	Detailed Evaluation and Comparison of Offers	6
9.2.1	Minor Departures from Mandatory Requirements	6
9.2.2	Alternative Offers.....	6
9.2.3	Requests for Clarification.....	6
9.2.4	Non Price Evaluation Criteria	6
9.2.5	Price Evaluation within the matrix.....	7
9.2.6	Evaluation Score Determination	7
9.2.7	Due Diligence	7
10.	Post Offer Negotiations.....	7
11.	Finalisation of the Offer	8
11.1	Preparation of the Evaluation Report or Submission	8
11.2	Awarding of Contract	8
11.3	Debriefing of Offerers	8

1. Purpose

To outline the process, evaluation criteria, methodology and conditions for consideration of offers received and the responsibilities of the evaluation committee.

2. Probity Principles for the Evaluation Process

A "DECLARATION OF ACKNOWLEDGEMENT, CONFIDENTIALITY AND CONFLICT OF INTEREST" form is required to be completed by each panel member. For convenience it has been inserted as an icon below. All Panel members will be asked to declare conflicts of interest and reminded of the need for confidentiality of information, particularly as to items such as specific pricing details provided by Offerors.

The membership of the Evaluation Committee will not be disclosed to offerors. The evaluation process will be overseen by the Director, Commercial Management.

3. Evaluation Panel Membership

Name	Title (including Business area)	Panel Role or Expertise

4. Evaluation Schedule

Request for Offer closed	27/3/20
Initial Meeting of Panel week commencing	30/3/20
Offers to be distributed to panel members on	30/3/20 (pm)
Intended completion of Offer evaluation by	3/4/20
Intended notification of successful offerors by	9/4/20
Intended commencement date of supply arrangement	23/4/20

5. Authorised Enquiries Officer

The only Darling Downs Hospital and Health Service (DDHHS) officer authorised to respond to enquiries is the Director, Commercial Management. The Authorised Enquiries Officer is to provide consistent responses and limit information provided to the clarification of documentation or procedural issues.

6. Receipt of Offers

Offers were received through the Queensland Tenders QTender website. No panel members had access to the tender box or prior exposure to the Offer details. The Director, Commercial Management received the offers and held them until after the Evaluation Panel approved this evaluation plan and the evaluation matrix for assessing offers.

7. Late Offers

All Offers were received before the nominated closing time.

8. Evaluation Criteria, Weightings & Ratings

The criteria were developed prior to the release of the submitted Offers to the Evaluation Panel. The weightings and how to assign scores used in the assessment of offers were developed and approved by the evaluation panel prior to members receiving the Offers.

Non-price weighted criteria will be assessed first and then price introduced. Value for money will be assessed as a combination of the Non-price weighted score and the unweighted Price.

In evaluating offers, the panel should be guided by the sub-criteria listed under each criterion below. These sub-criteria are a breakdown of elements from each criterion.

Evaluation Criteria			Weightings	
1.	Experience on similar projects			30
2.	Capacity to undertake works			35
3.	Key personnel			20
4	Local Benefits			15
5.	Pricing			0%
TOTAL				100%

Service fees including associated costs will not be considered as a weighted score combined with the weighted non-price scores.

Prices will not be provided to the panel so that they are not influenced in their scoring by price.

Scores will be assigned by each Panel Member in accordance with the scoring scale provided below. No scores other than those indicated in the table should be assigned to a criterion. Scores can be recorded in the evaluation matrix provided, along with any comments relating to particular aspects of the offer and any perceived risks. Scores will not be moderated unless there is an extreme divergence in the assessed scores of the evaluation panel. As long as scores assessed by each panellist are consistent as between Offerors, there is no need for moderation.

If after scoring has been completed an offer scores less than 50% of the total points available for the non-price criterion, the offer should not be considered further unless the Panel Chair is of the view that such an Offeror warrants further consideration.

Rating Scale

Exceptional	Outstandingly/extrordinarily exceeds the specified requirements specified in the offer for that criterion. Completely Confident that the respondent will be able to satisfactorily meet the specified requirements to a very high standard.	10
Significantly exceeds requirements	Significantly exceeds the specified requirements. Confident that the respondent will be able to satisfactorily meet the specified requirements to a high standard.	7.5
Meets requirements	Reasonable achievement of the requirements specified for that criterion. The evaluation panel is reasonably confident that the respondent will be able to satisfactorily meet the specified requirements to a reasonable standard.	5
Meets some requirements	Minimal achievement of the requirements specified in the Request For Offer (RFO) for that criterion. Some errors, risks, weaknesses or omissions, which are possible to correct/overcome and make acceptable. Panel not confident that they have demonstrated the ability to meet the requirements of the criteria.	2.5
Does not meet requirements	Unacceptable. Panel has no confidence in the Offerors ability to meet the requirements of the evaluation criteria.	0

9. Offer Evaluation

The evaluation is to be a staged process involving:

- Initial screening of offers for compliance (performed by the Commercial Management Unit and reported to the panel at the initial meeting)
- Detailed evaluation and comparison of offers against the weighted criteria
- Ranking of Offers according to the Scores assigned
- Introducing Price and determining value for money as a result of the ranking on capability and capacity and Price
- Post tender clarifications / Post tender negotiations
- Finalising recommendations
- Award

9.1 Initial Screening of Offers

The Commercial Management Unit will check the offers for compliance. The aim of this step is to ascertain which offers do not comply with any mandatory specification requirements and any additional requirements.

Offers that fail to comply with any one of the mandatory requirements set out in the offer specification are excluded from further consideration unless the non-compliance issues are deemed minor in nature.

9.2. Detailed Evaluation and Comparison of Offers

9.2.1 Minor Departures from Mandatory Requirements

Queensland Health reserves the right to accept an Offer with minor departures from the stated mandatory requirements. Where applied, this will be in a consistent and fair manner across all Offers. If an offer with departures is to be considered, then the terms and conditions which are in conflict with the Offer will form part of the evaluation. The process adopted is to ensure that no offer is disadvantaged should it be determined that a 'non-conforming' offer may be progressed.

However, where no offer submissions meet all mandatory requirements the panel needs to consider alternative strategies which may include re-offer with revised specification. The strategies adopted need to ensure that no potential supplier is disadvantaged.

9.2.2 Alternative Offers

The DDHHS may choose to accept an alternative offer that is not necessarily accompanied by a conforming offer. In this case care is to be taken that it does not cause reason to re-call the RFQ with a revised specification; and that the justification for accepting an alternative offer is fully defensible. The Offerer must include details of the benefits to Queensland Health of the alternative Offer or solution.

The reasons for exclusion from further evaluation will be both documented and defensible in the context of the RFQ requirements. A senior procurement officer must endorse the elimination of any prospective offer. These eliminated offers however may be revisited during the offer evaluation process, particularly where a non conforming offer is to be considered.

9.2.3 Requests for Clarification

Where it is necessary for the Evaluation Panel to request clarification of information provided in an offer, this is to be at the direction of the Evaluation Panel Chair. All clarification must be in writing. Clarification is not an opportunity for an offerer to revise or better their original offer. In the event that it is unclear whether information provided effectively amounts to the submission of late material that seeks to vary the existing offer, further guidance is to be sought from the Director, Commercial Management.

9.2.4 Non-Price Evaluation Criteria

Panel members are to independently evaluate and score each of the 'non-price' criteria for each offer, applying the scoring rationale in the Ratings Scale Table above.

Where an evaluation panel member considers that they are not sufficiently skilled and/or competent to score any responses, they shall inform the Chair who will take appropriate action.

Each panel member is to document their scoring rationale on their individual evaluation record sheets, including supporting information. The Evaluation Matrix spread sheet is provided for this purpose. Scores and comments should be recorded in the Tab relating to the Offeror concerned. Each Tab A – F represent a different Offeror.

The evaluation panel will meet and report their scores and comments for each offer. Moderation of scoring will not occur unless there is an extreme divergence of scores and the assessment of scores is not consistent between Offerors. The score is then multiplied by the weighting to obtain the weighted score. The Offerors will be ranked from 1 down with the highest score being ranked 1.

9.2.5 Price Evaluation within the matrix

Pricing will be introduced and provided to the Panel only after the completion of the Weighted Evaluation of non-price criteria.

The purpose of this is twofold:

- To ensure that pricing does not bias the assignment of scores for the non-price criteria
- To enable a sensible assessment of price against the perceived risk of each Offer in order to determine value for money.

Pricing will not be reduced to a score for each offer. Rather the panel will evaluate the ranking and price of each offeror in order to determine which represents the best value for money.

9.2.6 Evaluation Score Determination

All 'non-price' panel scores for each offer are averaged for each criterion. This average is then factored by the pre-determined criteria weighting. The price for each offer is then presented beside the assessed capability of each Offeror to determine which represents the best Value for Money.

A summary matrix score sheet is to be the basis of the collection and aggregation of individual scores and will be prepared by the Director Commercial Management. The evaluation matrix is populated and totalled in an excel workbook for transparency and accuracy. The final sum of the weighted totals of non-price is then used by the panel to determine the ranking of the offer(s).

9.2.7 Due Diligence

The capability to apply further business and commercial risk management/assessment is a discretionary decision and may include but is not limited to the financial stability and/ or integrity of an offer, and offeror's financial ability to reliably deliver the requirements, for the duration of the contract term.

As these are short term contracts for services, there is little risk associated with the provision of the services and it is not recommended that any Due Diligence is undertaken in this instance.

10. Post Offer Negotiations

If required, post-offer negotiations will be conducted with the shortlisted or recommended offerers. Any negotiations conducted will be conducted by the Director, Commercial Management.

Negotiations may include:

- seeking improvement to the current offer (price*, conditions, service level etc.) while maintaining the integrity of the offer and equity of evaluation process
- seeking clarification of complex or unusual circumstances that need to be explored
- seeking reduction or transfer of risk exposure as identified; and
- developing business relationships, including business alignment capabilities, system integration and performance reporting and management

11. Finalisation of the Offer

11.1 Preparation of the Evaluation Report or Submission

On completion of the evaluation process, an Evaluation and Recommendation Report will be prepared by the Director, Commercial Management.

As a minimum the evaluation report will detail:

- a comprehensive record of the evaluation method
- the number of offers received and the relative ranking of the offers
- the rationale and recommendation as to the preferred offers or offerers
- Dissenting views and supporting reasons from any of the evaluation panel members

The recommendation for the preferred offerer/s is to be signed off by all panel members and ideally will be unanimous with endorsement by the Chair of the panel. The evaluation report or submission for approval of the recommendations made by the evaluation panel will be prepared by the Director, Commercial Management.

Type 3 Procurement Delegation will be exercised by the Health Service Chief Executive to award the Service Contract to the recommended Offeror, as line manager for the Head of Internal Audit.

11.2 Awarding of Contract

Successful Offerors are then to be advised in writing that their offer has been accepted, in accordance with the original terms and conditions together with any variations negotiated, agreed and copies of the final contract reflecting these changes executed by both parties.

At this time unsuccessful offerers are to be advised in writing and offered the opportunity of a debriefing.

11.3 Debriefing of Offerers

The intention of the debriefing is to assist offerers to improve any future offers to the DDHHS by identifying ways in which their offer might better address the needs of the Service. The debriefing process is to be documented, carried out by interview or telephone, with two (2) or more members of the Evaluation Panel in attendance.

No comparisons are to be made with the successful offer and the debriefing process is not to be used to justify the selection of the successful offer and key aspects of the decision making process are to remain confidential.

Prepared by:

Director Commercial Management
00/00/2020

Appendix D4 — Evaluation panel acknowledgement of obligations

Darling Downs
Health

ACKNOWLEDGMENT OF OBLIGATIONS

Evaluation Committee

for DD2020 – works ('the Committee')
N.B.: For Use with a Contractor or Consultant.

By this declaration dated the day of 2.....

I, within the position of
(name) (position)

of
(Company or address if contracting as an individual)

acknowledge and agree to the following:

1 CONFIDENTIALITY OBLIGATIONS

- 1.1 I am a contractor or consultant engaged for the benefit of the Department of Health which for the purposes of this instrument includes the State of Queensland acting through Queensland Health (which includes the Queensland Ambulance Service established by the *Ambulance Service Act 1991*) and Hospital and Health Services as defined by the *Hospital and Health Boards Act 2011* collectively referred to as 'the Department'.
- 1.2 In the course of performing services for the Department relating to the activities of the Committee, I will be exposed to information which is confidential.
- 1.3 Confidential information includes information of a sensitive, personal, commercial or political nature that could cause harm if disclosed other than in accordance with its intended purpose or target audience.
- 1.4 I acknowledge and agree that the improper use or disclosure of that confidential information could jeopardise or invalidate the evaluation process and may severely damage the Department's ability to perform its governmental and/or statutory functions.
- 1.5 I am aware that if I receive any personal information as defined by the *Information Privacy Act 2009* that I will be bound to the obligations of privacy set out in the *Information Privacy Act 2009* as though I were the Department.
- 1.6 I will take all reasonable steps in ensuring that the Department's confidential information is kept confidential while performing these services diligently, with honesty and impartiality and without any perceived conflicting interests.

2 CONFLICT OF INTERESTS

- 2.1 I warrant that, before signing this declaration, I have disclosed on this document all the past, current and anticipated interests which may conflict with my impartial involvement in the activities of the Committee.
- 2.2 I agree that during the course of my membership on the Committee I shall not engage in any activity or obtain any interest likely to conflict with my impartiality in respect of the Committee's functions. In the event that such an activity or interest arises, I shall immediately disclose it to the Department.
- 2.3 I note that a conflict of interest may arise under the following situations:
 - (a) an event or situation and the context in which it occurs
 - (b) the nature of my work
 - (c) any personal or private interests that may directly or indirectly influence and/or benefit me or others
 - (d) my relationships with other parties
 - (e) a conflict of interest may relate to both pecuniary and non-pecuniary interests, including a perceived conflict of interest relating to any of the above.

I declare that the following are all the past, current and anticipated interests which may conflict with my impartial involvement in the activities of this committee:

.....

.....

.....

.....

.....

.....

.....

.....

.....

The reason/s that I consider the situation may be a conflict of interests or be perceived by others to be a conflict of interests are given below: **(NB: If none write NONE below)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Signed: _____	Witnessed: _____
Name: _____	Name: _____
Date: _____	Date: _____

Appendix D5 — Evaluation matrix template

DDHHS Tender Evaluation Score Sheet				
Project Name		DD2016 -		
Offer Details		Closed		
Tenderers	Contact Name	Contact Number	Email Address	
Panel Members Name	Title	Unit	Date	
Criteria				Weighting
Criteria 1 - Capacity				
Criteria 2 - Capability				
Criteria 3 - Pricing				
TOTAL				0%
Non-Price Criteria Scores				
Tenderer	Panel Score	Weight	Total Score	
0%				
Criteria 1 - Capacity	0	0.00	0%	0.00
	0	0.00	0%	0.00
	0	0.00	0%	0.00
Criteria 2 - Capability	0	0.00	0%	0.00
	0	0.00	0%	0.00
	0	0.00	0%	0.00
Criteria 3 - Pricing	0	0.00	0%	0.00
Sub-total				0.00
0%				

Offer Number	DD2016 -		
Project	Closed		
Tenderer	0%		
Criteria	Panel Member	Score	Panel Member Comments
Criteria 1 - Capacity			
	0	0%	
		0%	
		0%	
		0%	
	Total	0.00	
	0	0%	
		0%	
		0%	
		0%	
	Total	0.00	
	0	0%	
		0%	
		0%	
		0%	
	Total	0.00	
Criteria 2 - Capability			
	0	0%	
		0%	
		0%	
		0%	
	Total	0.00	
	0	0%	
		0%	
		0%	
		0%	
	Total	0.00	
	0	0%	
		0%	
		0%	
		0%	
	Total	0.00	
	0	0%	
		0%	
		0%	
		0%	
	Total	0.00	
Criteria 3 - Pricing			
	0	0%	
		0%	
		0%	
		0%	
	Total	0.00	
Grand Total		0.00	

Offer Number	DD2016 -		
Project	Closed		
Tenderer	0%		
Criteria	Panel Member	Score	Panel Member Comments
Criteria 1 - Capacity			
	0	0%	
		0%	
		0%	
	Total	0.00	
	0	0%	
		0%	
		0%	
	Total	0.00	
	0	0%	
		0%	
		0%	
	Total	0.00	
Criteria 2 - Capability			
	0	0%	
		0%	
		0%	
	Total	0.00	
	0	0%	
		0%	
		0%	
	Total	0.00	
	0	0%	
		0%	
		0%	
	Total	0.00	
	0	0%	
		0%	
		0%	
	Total	0.00	
Criteria 3 - Pricing			
	0	0%	
		0%	
		0%	
	Total	0.00	
Grand Total		0.00	

Procurement

Page 85 of 96

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Appendix D6 — Guidance Notes for Probity in Procurement

Fairness and impartiality

It is a basic requirement that all participants in a procurement process are treated with fairness and impartiality.

- All tenderers are given an equal opportunity to participate
- All tenderers are given equal time to prepare their tenders
- All tenderers are given access to the same information when preparing their tenders
- All offers are opened in a manner that ensures there is no manipulation of tenders before being provided to the evaluation panel.
- Evaluation is undertaken by a panel of participants who agree to act impartially when assessing the tenders received

All tender documentation should be clear and unambiguous, and all tenders should include conditions of tender, tender evaluation criteria and the proposed conditions of contract. In particular, any mandatory criteria must be identified.

Accountability and transparency of decisions and process

Accountability and transparency in Procurement is delivered by ensuring evaluations are properly planned and executed in accordance with that plan.

Do not speak with possible tenderers during the tender period. All queries to come back through the Tender Manager.

Multiple Officers must be involved in the evaluation of tenders and agree on the evaluation process.

Accurate records should be kept at all stages to demonstrate the process and evaluation support the outcome.

Appropriate records of any communication with prospective suppliers should be maintained.

Confidentiality and conflict of interest deeds must be obtained from all participants in significant tender evaluations in line with their agency's specific requirements.

Conflict of interest management

Obtain conflict of interest declarations, as per agency requirements, from all personnel involved in significant tender activities as soon as possible.

Where conflicts exist, they either need to be appropriately managed, or if fundamental then the panel member replaces by a person who is not conflicted or appropriately managed.

Gifts should only be accepted in accordance with the DDHHS Gifts and Benefits Procedure. During a tender process from the time of issue to the time of award of the contract, all offers of Gifts or other Benefits should be refused outright. The perception created by accepting a gift is that of a biased process and should be avoided at all cost.

Ask potential suppliers to disclose all actual, perceived or potential conflicts of interest at the time they provide an offer.

Managing probity relative to value and risk

The higher the value of the project and the greater the risk to service delivery, the more important probity becomes.

Where projects are considered high risk then possible ways to improve probity include:

- A full probity plan
- Using an external probity auditor
- Formal briefing from a probity auditor
- Increase the size of the evaluation panel

I, _____ have read and understood the above guidelines relating to the maintenance of probity in procurement processes. As an evaluation panel member for the following procurement, DD2021-385 – Medical Transcription Services, I acknowledge my responsibility to maintain probity throughout the procurement process.

Signature: _____

Date: _____

Appendix E — Type 4 procurement delegation brief template

**Darling Downs
Health**

Commercial Management Unit

Exercise of Type 4 Procurement Delegation

Name of provider being engaged?			
What Goods or Services are they providing?			
What is the purpose of the Procurement?			
What has been done to date in order to determine who can provide the Goods or Services?			
Is this an emergency purchase?	If yes, explain the circumstances		
Is this entity a sole provider?	If yes, explain what has been done to search for other providers		
Is this a restricted market situation that does not meet the DDH Procurement Policy?	If yes, explain why the DDHHS Procurement Policy has not been complied with		
Are there any concerns that there may be issues regarding any of the following? <ol style="list-style-type: none"> 1. conflict of interest resulting from a relationship between this provider and the DDH, 2. a failure to test the market as required; or 3. other Probity issue(s)? 			
How has value for money been assessed?			
What is the total cost of the engagement?			
Has Financial Delegation been exercised? <i>Please ensure Financial Delegation has been exercised prior to submission of form</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, who is the Financial Delegate? Name: Position:		
What is the source of Funding?	Recurrent <input type="checkbox"/> (budgeted annually)	Non-recurrent <input type="checkbox"/> (once off)	Revenue <input type="checkbox"/>
	Capital <input type="checkbox"/>	Cost Centre:	

Procurement

Page 88 of 96

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Finance Manager confirmation of Funding:	Name: Position: Signature:
Will a formal agreement be entered into or will only a Purchase Order be issued?	

List and attach any supporting documents which may include:

- the prior approval to proceed/sourcing strategy with this procurement process (where relevant);
- the evaluation report approved by the evaluation panel summarising the selection process (if more than one provider was considered e.g. a confined process); and
- any financial approvals where this is a separate brief.

Recommendation

It is recommended that the Health Service Chief Executive approve this Brief and exercise Type 4 Procurement Delegation on the basis of a <<sole supply situation>> <<confined market>><<genuinely urgent situation>> to engage <<name>> from <<start date>> to <<end date>>, against the approved funding.

Note that financial delegation for the non-recurrent expenditure of <<\$ incl. GST>> for these Goods or Services for the entire term <<including the option periods>> has been authorised by <<position/division>> in signing this brief.

Signed:

[insert name]
[insert Executive position]

Date: / /

Supported:

David Turner
Director, Commercial Management

Date: / /

Approved:

Dr Peter Gillies
Health Service Chief Executive

Date: / /

Appendix F — Evaluation and recommendation report template

Darling Downs
Health

Commercial Management Unit

Darling Downs Hospital and Health Service

NAME OF TENDER:	
TENDER REF:	DD2020-
DATE OF TENDER:	February 2020
BRIEF DESCRIPTION:	
TENDER MANAGER:	Director, Commercial Management

Contents

1. PURPOSE	3
2. EXECUTIVE SUMMARY	3
3. EVALUATION PANEL	5
4. EVALUATION CRITERIA	5
5. RESPONSES	6
6. NON-COMPLIANCES	6
7. PRICING	6
8. EVALUATION PANEL MEETINGS	6
9. FINANCIAL ASSESSMENT	6
10. CLARIFICATIONS	6
11. DETAILS OF THE OFFERS	6
12. NEGOTIATIONS	7
13. REFEREE REPORTS	7
14. CONCLUSION	7
15. RECOMMENDATION	8

Procurement

Page 90 of 96

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1. PURPOSE

The purpose of this Evaluation Report is to:

- detail the process undertaken by the Darling Downs Hospital and Health Service ("DDHHS") and the Commercial Management Unit (CMU) to evaluate the Offers received for the provision of *Works* (the "Services") in response to a Request for Tender; and
- make a 'best value for money' recommendation for entering into contractual arrangements with an Offeror for provision of the Services.

2. EXECUTIVE SUMMARY

Tenderers	Weighted Score	Final Ranking	Price Offered

*Amended pricing submission after further clarifications included.

The panel agreed that the contract should be awarded **successful tenderer** at **\$amount** GST excl.

Recommendation:

On behalf of the Evaluation Panel, the Chair recommends that be awarded the provision of **Tender name** for a price of (GST Exclusive) or (GST incl.).

Approval:

The Executive Director Infrastructure accepts the recommendation of the Panel Chair and approves the award of the provision of works *for a price of (GST Exclusive) or (GST incl.)* exercising Type 5 Procurement Delegation.

Dr Paul Clayton

Executive Director Infrastructure

Date: _____

3. EVALUATION PANEL

The Evaluation Panel members for this Request for Quotation were as follows:

Procurement Oversight and Advice

David Turner – Director, Commercial Management, DDHHS (Procurement and Probity Advisor)

Probity Auditor

No external probity auditor or advisor was engaged for the purpose of this Request for Tender.

4. EVALUATION CRITERIA

Criteria		Weighting
Criteria 1 - Capacity	Capacity to undertake work	35%
Criteria 2 - Capability	Experience on similar projects	30%
Criteria 3 – Key Personnel	Experience of the nominated project manager on similar projects	20%
Criteria 4 – Local Benefits		15%
Criteria 5 - Pricing		0%

Price was not included as a weighted criterion for the purposes of determining the initial non-priced criteria ranking of Offerors. The ranking of Offerors was then discussed by the Panel to ensure that the decision supported the majority view of the Panel.

MARKET APPROACH

- The approach to market was conducted through an open public tender through the Q Tenders website.
- This approach was undertaken in order to drive competition in terms of pricing through a well-established industry.

5. RESPONSES

Responses were received from six companies.

6. NON-COMPLIANCES

All responses were compliant

7. PRICING

- Pricing ranged from \$x to \$x. The average price was \$x.

Following revised pricing,

8. EVALUATION PANEL MEETINGS

The evaluation panel met on Monday 6 April 2020. All Panel members had submitted their scores prior to the meeting and were collated by the A/Assets and Procurement Officer CMU.

9. FINANCIAL ASSESSMENT

No financial assessment has been conducted on the successful Offeror. Gray Brothers Pty Ltd agreed to provide further financial information if required as well as indicating a preparedness to provide an unconditional financial guarantee if needed.

10. CLARIFICATIONS

A total of 8 clarifications were issued during the tender period with all being uploaded to the QTender Portal.

Following the evaluation meeting, 2 post tender clarifications were issued to x and x.

The panel reconvened on Tuesday 14 April 2020 to review the post tender responses.

Following revised pricing requested in post tender clarifications, x original offer was still \$x less than the NRG offer.

11. DETAILS OF THE OFFERS

All Offers were initially assessed according to their submissions on the non-price criteria. Scores were assigned by individual panel members and the average score assigned for each was used in the ranking of Offers. The final ranking also included consideration to pricing offered.

Tenderers	Weighted Score	Final Ranking	Price Offered

12. NEGOTIATIONS

No negotiations have been undertaken.

13. REFEREE REPORTS

Nil referee reports were conducted.

14. CONCLUSION

Although not the highest ranked Offeror, Gray Brothers provided comprehensive responses to all the non-price criteria questions, demonstrated their experience in live hospital environments and satisfied the panel that they can complete the works to a high standard. The panel believes that x represented the best value for money for DDHHS.

15. RECOMMENDATION

On behalf of the Evaluation Panel, the Chair recommends that **successful tenderer** be awarded the provision of **Works** for a price of **\$amount** ex GST (\$amount GST incl.)

Recommendation by

Evaluation Panel Chair: Approved via email

Supported by Panel Member: Approved via email 20/4/20

Supported by Panel Member: Approved via email 20/4/20

Procurement Oversight:

This Request for Quote and the subsequent evaluation process have been carried out in accordance with the requirements of the Queensland Procurement Policy 2019 and the Darling Downs Hospital and Health Service Procurement Procedure. Probity has been maintained throughout the process and there were no conflicts of interest issues that required noting.

David Turner
Director, Commercial Management

Date: xx/xx/xxxx