

Procurement Policy

Section 1 - Purpose

(1) The purpose of this Policy is to provide a framework for the delivery of best value procurement in a consistent and transparent manner, embracing the principles of the [Queensland Procurement Policy 2021](#).

Section 2 - Application

(2) This Policy applies to the acquisition and supply of all goods and services to QUT, including contractors and consultants, regardless of the source of funding.

(3) It applies to all staff members, contractors and consultants working for, or on behalf of, QUT, that may undertake procurement and/or purchasing activities.

Section 3 - Roles and Responsibilities

Position	Responsibility
All staff undertaking procurement activities at QUT	Ensures all purchasing and procurement activities are conducted in line with QUT's Procurement Policy and procedures. Ensures funds are available and appropriate approval is obtained from the relevant financial delegate before entering into financial commitments.
Heads of organisational areas	Ensures compliance of their organisational area with QUT's procurement procedures and processes. Ensures staff undertaking procurement activities have adequate training on relevant financial procedures. Provides information on significant procurement activities for QUT Strategic Procurement Plan.
Associate Director, Finance Services	Develops, implements, and administers QUT's procurement processes, procedures, systems and reporting. Monitors compliance with QUT's procurement policy, procedures and processes. Prepares and reviews QUT's Strategic Procurement Plan. Co-ordinates suitable training for staff undertaking procurement activities to assist them in understanding their responsibilities under this policy.

Section 4 - Procurement Principles

(4) QUT will ensure its procurement activities (including contract management) contribute to achieving sound commercial outcomes and enable efficient delivery of goods and services in line with the priorities outlined in QUT's strategic priorities. Procurement will be conducted in an ethical, transparent and responsible manner, with a focus on value for money, improved sustainability, service and quality.

(5) QUT's procurement principles align to the [Queensland Procurement Policy](#), while ensuring a focus on QUT's strategic direction and core business of teaching, learning, and research.

(6) QUT is committed to:

Making sound Commercial Decisions

(7) QUT will deliver value-for-money solutions, taking into account total, whole-of-life costs, aligned to QUT's strategic direction, where risks are effectively managed, while ensuring safe and sustainable outcomes. Decisions will not be made on lowest cost alone.

Advancing Local, Socially Responsible, Indigenous, Environmental and Sustainable Outcomes

(8) QUT will conduct business with ethically, environmentally and socially responsible suppliers (including Indigenous and social enterprises), and provide a fair and reasonable opportunity for Queensland suppliers, including local suppliers and small and medium enterprises. QUT will pursue these objectives in its procurement decision making, both holistically and in individual procurement activities. QUT will actively seek to improve sustainable development by engaging businesses and industries that demonstrate sustainability.

Acting with Integrity

(9) QUT will conduct procurement activities in a transparent manner, ensuring that the procurement process is appropriately documented and defensible and undertaken in accordance with the probity and accountability standards set out in the [Finance Manual](#).

(10) QUT will manage any conflicts of interests in accordance with the [Conflict of Interest Policy](#). QUT will handle complaints effectively, manage confidentiality matters appropriately and behave fairly, impartially, lawfully, ethically and responsibly.

Effectively Governing, Planing and Managing Contracts

(11) QUT will plan in advance (where possible) and manage risk through effective oversight, accountability and appropriate internal controls. Its approach to governance facilitates consultation and value for money outcomes.

(12) QUT will take the size, complexity, risk, criticality and value of what is being procured into account when buying goods and services in order to manage the procurement and contract management process in an effective manner.

(13) QUT sets clear performance measures and effectively monitors and manages contracts to ensure high quality delivery, commercial benefits and consider opportunities for improvement.

Innovating and Engaging with Stakeholders

(14) While seeking the best value, QUT will look for opportunities to innovate, do things differently and build our procurement capability. QUT continually improves its procurement practices and provides visibility internally and externally to ensure an enterprise-wide view to procurement. QUT communicates and engages with stakeholders, as early as possible, in an open and effective manner.

Section 5 - Procurement Approach

(15) QUT will use a consistent, five-stage procurement process to assist in achieving its procurement principles:

Stage	Purpose
1. Identify need	Identify the need, including assessing the size, value, complexity and risk of the procurement activity for QUT.
2. Plan	Plan the procurement and the essential elements needed. Based on the value and risk, develop the strategy (including analysis and research) to ensure best commercial outcomes, and develop the relevant market and contract documentation.

Stage	Purpose
3. Evaluate and negotiate	Execute the procurement strategy including evaluation in an open, transparent manner. Negotiate to ensure the best outcomes for QUT.
4. Execute and transition	Approval and award of contract/s, transition and communication to key stakeholders.
5. Manage (contracts and suppliers)	Effectively manage contracts over their life cycle including optimising value, ensuring objectives are realised and delivered, performance is managed and supplier relationships are maximised and continuous improvement embedded.

Section 6 - Delegations and Purchasing Thresholds

(16) QUT's expenditure and contract signing delegations ([Register of Authorities and Delegations](#) (QUT staff access only)) set out dollar thresholds and mandate the correct oversight, contractual protection and ensure risks are managed appropriately. Approval for procurement activities must be in line with this schedule.

(17) Staff with an expenditure delegation must ensure:

- Value within delegation – the total accumulated value of the procurement activity does not exceed a delegate's specified financial limit. This total value includes total cost of ownership, all significant costs, total aggregate value (if the contract has multiple year options), whole of life costs and transactions costs. Wherever possible, requirements of a similar nature should be aggregated to achieve best value for money.
- No disaggregation – the value of a procurement activity is not disaggregated or split to reduce the expenditure to within a delegate's financial limit, or to avoid a specific process.
- Within budget – the availability of existing funds within an approved budget, or source of funds, are identified and/or established prior to the commencement of any procurement activity.

Variations

- Any variation or change to a procurement activity that has an impact on the procurement value (including an existing procurement activity) must be approved by the original financial delegate.
- Where a variation or change to a procurement activity results in an increase of the total procurement value that exceeds the original authorised financial delegate's delegation amount, approval must be escalated to the next highest authorised financial delegate.

(18) The value of the procurement activity dictates the procurement method required to ensure the best commercial outcome is achieved for QUT. QUT has set quotation thresholds that apply to the procurement process to ensure the principles of this policy are met. Further information is available in QUT's [Finance Manual](#) – Chapter 4.1 Procurement and purchasing (QUT staff access only).

Section 7 - Definitions

Term	Definition
Commercial decisions/outcomes	Means getting the best result that meets QUT's business needs. Commercial outcomes are achieved by taking into account a range of factors including (but not limited to): 1. value for money (cost and non-costs factors including advancing social, environmental and local outcomes); 2. alignment to QUT's vision and strategic direction (as outlined in Connections - the QUT Strategy 2023 to 2027); 3. knowledge of supply markets and supply chains including the risks associated with these; 4. understanding the effects of cost reductions, pricing models and exchange rate fluctuations; 5. understanding regulatory requirements and the impact for QUT if changes occur; 6. creating outcomes that are suitable for QUT, as well as the suppliers; and 7. ensuring all of QUT's procurement principles are taken into account.
Procurement	Encompasses the whole process of obtaining goods and services. Beginning with the identification of needs, procurement can include the functions of planning, design, standards determination, specification writing, selection of suppliers, financing, contract management, disposals and other related functions. Procurement does not include grants.
Significant Procurement	Includes goods and services identified by QUT as being high expenditure and/or for which there is a high degree of business risk. Value for money means more than the lowest price, including: 1. cost-related factors (such as up-front price, whole-of-life costs and transaction costs associated with acquisition, holding, maintenance and disposal); 2. non-cost factors (such as fitness for purpose, quality, delivery, service and support); 3. local benefits/outcomes that may be achieved through procurement; and 4. advancing social, environmental, sustainable and economic outcomes.
Total cost of ownership	Includes all significant costs, total aggregate value (if the contract has multiple year options), whole of life costs and transactions costs.

Section 8 - Delegations

(19) Refer to [Register of Authorities and Delegations](#) (VC042, VC043, VC044, VC045, VC046, VC047, VC048, VC049) (QUT staff access only).

Status and Details

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Policy Owner	Tivolee Spragg Associate Director, Finance Services
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