

BUY

Queensland

Defining value – developments in Queensland Government procurement

IAG Conference

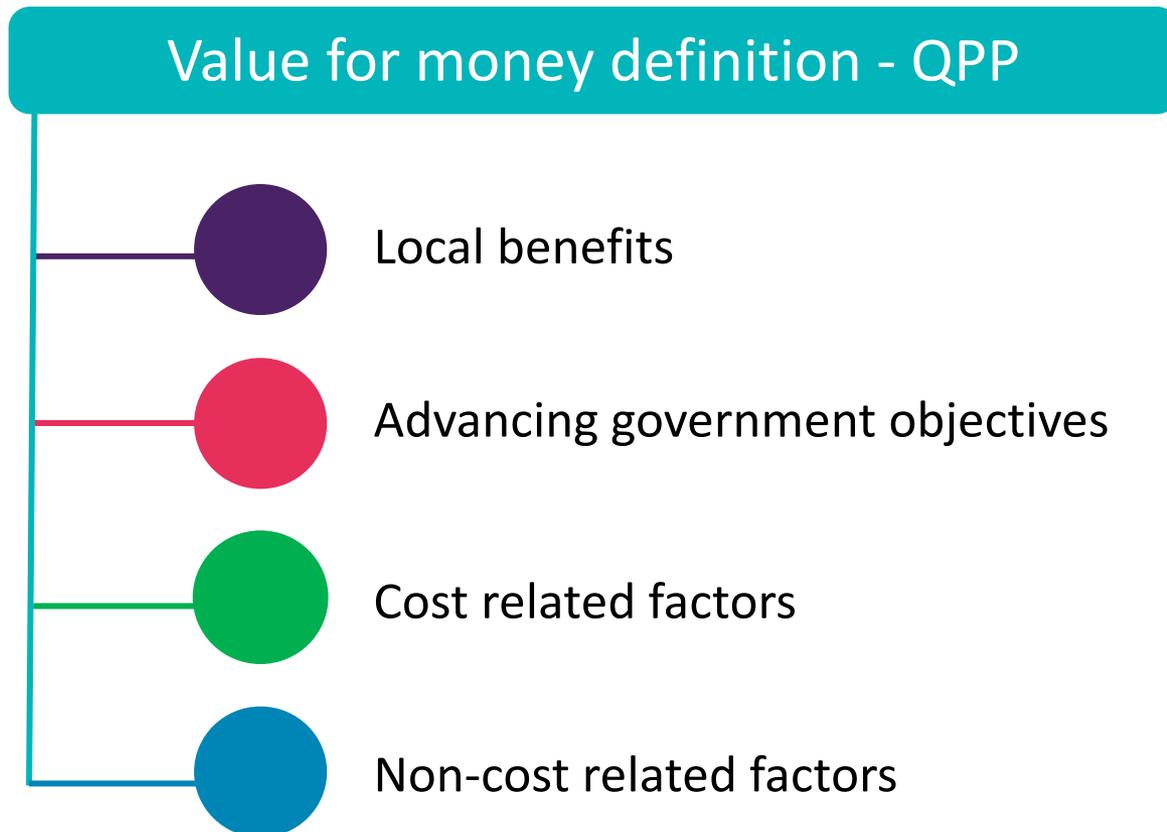
21 November 2019



Queensland
Government

What is value?

For procurement, value has been defined as a combination of traditional factors and government priorities:



Buy Queensland approach to procurement

Use government's significant investment in procurement to:

- pursue **economic, environmental and social** objectives as part of a broader consideration of value for money
- **support genuinely local jobs** and businesses
- **ensure quality, safe workplaces** for those working on government projects
- engage with ethical, environmentally and socially **responsible suppliers**



Updated: Effective 1 August 2019

Delivering government targets and commitments

Queensland Procurement Policy 2019 Principle 2



Examples:

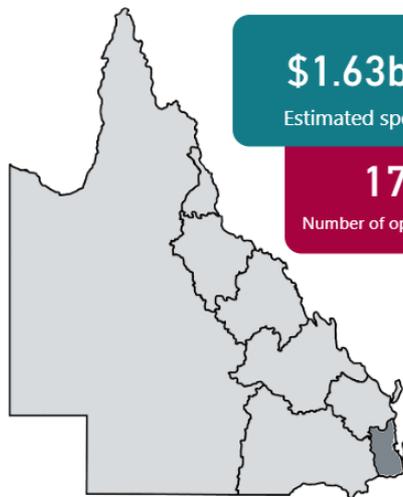
- Queensland food and beverages at government events and corporate functions
- Increasing spend with Aboriginal businesses and Torres Strait Islander businesses
- Increasing spend with genuine, quality, social enterprises
- Taking into account supplier policies and practices aimed at addressing domestic and family violence.

Future procurement opportunities – for suppliers



Future procurement opportunities for suppliers

Filter by regions



\$1.63bn
Estimated spend

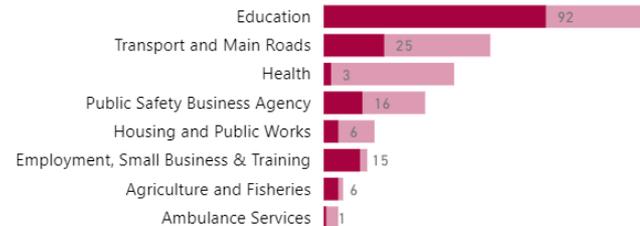
178
Number of opportunities

- Queensland outback
- Cairns
- Townsville
- Mackay - Isaac - Whitsunday
- Central Queensland
- Wide Bay
- Darling Downs - Maranoa
- South East Queensland
- Multiple locations

Filter by procurement category

- Building Construction and Maintenance
- General Goods and Services
- Information and Communication Technology
- Medical
- Transport and Infrastructure Services

Filter by agency



Filter by spend range (GST exclusive)



Link	Timing	Opportunity for supplier description	Region	Spend range
🔗	1/08/2019	Office Cleaning Contract (FPP00874)	South East Queensland	Less than \$1M
🔗	27/09/2019	Scarborough Barge Expression of Interest (FPP00719)	South East Queensland	N/A
🔗	27/09/2019	Second sink installation at 61 Mary Street (FPP01197)	South East Queensland	Less than \$1M
🔗	30/06/2020	Development of good practice guidelines for off-road driver training for young drivers (FPP00701)	South East Queensland	Less than \$1M
🔗	30/06/2020	Outboard Replacement "Kooopa" (FPP00783)	South East Queensland	Less than \$1M
🔗	30/08/2019	Pinkenba fire hydrant replacement to wharf (FPP00904)	South East Queensland	Less than \$1M

PRD 1.0

- [Data info](#)
- [Full data set](#)
- [Reset filters](#)

Local spend

Queensland Government procurement spend – FY2018-19

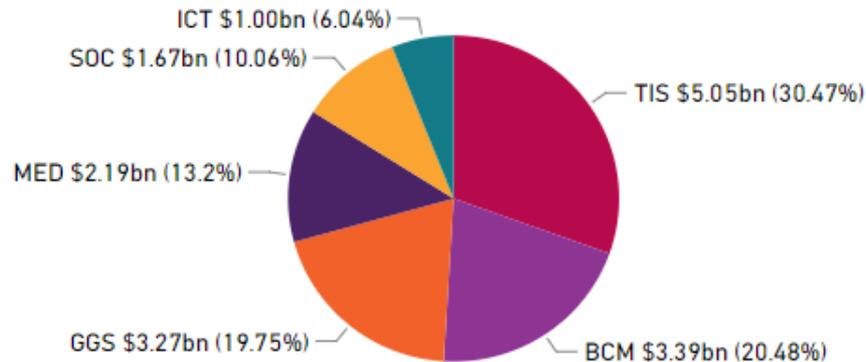
~ \$16.57bn

Total Procurement Spend

32,849

Number of Businesses

By Category Groups



Gold Coast region procurement spend – F/Y 2018-19

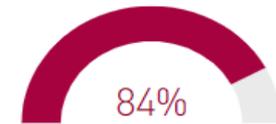
~ \$0.50bn

Procurement with QLD Businesses

1,875

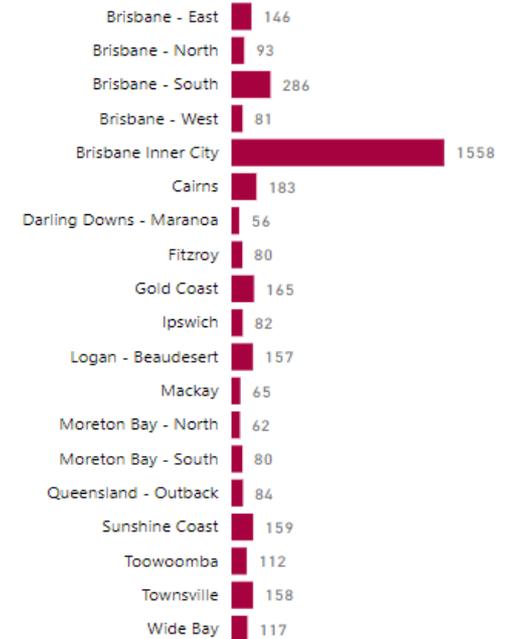
Number of QLD Businesses

Number of contracts awarded by region



Number of Contracts

Number of Contracts By Regions





About the local benefits test

- Applies to significant procurement
- Weighting of up to 30 per cent
- Other factors such as capability, quality and price remain critical
- Key focus of the test is on activities which ‘have the potential to be local’

Examples:

- opportunities to engage local businesses in supply chains
- use of a genuinely local workforce
- employment of Aboriginal people and Torres Strait Islander people
- apprenticeships and trainees

Buy Queensland first for food and beverages

The Food and Beverage Supplier Directory is one of the ways we put Queenslanders first.

We look for businesses that:

- Have a physical presence in Queensland
- Employ Queenslanders
- Grow, make or produce products in Queensland

**Use the directory online at
qld.gov.au/buyqueensland**

Atomic Coffee in Brisbane has received four to five additional catering orders a week since being listed on the directory and a number of enquiries from 5-star hotels and corporate businesses through the directory.



Best practice principles application

- Applicable to projects valued at \$100 million or more
- Projects can be declared

Best practice principles:

- Workplace health and safety
- Commitment to apprentices and trainees
- Best practice industrial relations
- History of compliance

What is the Ethical Supplier Mandate (ESM)?

How will it work?

DEMERITS

Demerits will expire 12 months from the date they are issued.

-  Minor breach
-  Moderate breach
-  Major breach
-  Sanction
if accumulated in a 12 month period

A sanction may apply for up to 12 months.

The mandate ensures that only ethical, environmentally and socially responsible suppliers do business with the Government, and removes unethical behaviour from the supply chain.

The mandate is the transparent and fair approach government buyers use to decide who to do business with.

The Mandate does not apply to:



Honest mistakes, oversights or accidents

The Mandate applies to:



Repeated and wilful action

What is the Ethical Supplier Threshold (EST)?

How will it work?



Threshold met



Threshold **not** met

Non-compliant suppliers will not be eligible to tender or receive government contracts.

The threshold has been developed in response to the Queensland Parliamentary report *A fair day's pay for a fair day's work?: Exposing the true cost of wage theft in Queensland*.

It expresses the wage and entitlement standards expected of suppliers who want to do business with the Queensland Government.

Meeting the threshold is a precondition for supply.

What should you look out for?

Areas covered by the threshold

Areas covered by the threshold:

- Contraventions of the *Fair Work Act 2009* (Cth) or *Industrial Relations Act 2016*
- Superannuation
- Treating employees as contractors, or using unpaid work trials or interns, when they should be employees
- Labour hire
- Wage payment less than the applicable modern award.

An example...

A procuring agency calls for tenders.

The invitation to offer requires tenderers to confirm that they meet the Ethical Supplier Threshold, including paying employees' wages that are not below the applicable modern award.

The procuring agency discovers that a supplier pays their employees with pay rates below the applicable modern award.

The agency finds the supplier's offer to be non-conforming and excludes them from the tender process.

When will these initiatives apply?

Review process:
2020

Ethical Supplier Mandate

The Mandate will apply progressively to **all suppliers** to the Queensland Government:

- budget sector agencies
 - building, construction and maintenance suppliers – **1 August 2019**
 - transport infrastructure and services suppliers – **1 October 2019**
 - other categories – **determined in 2020**
- government owned corporations, statutory bodies, special purpose vehicles – **determined in 2020**

Ethical Supplier Threshold

The Threshold will apply to **all suppliers** to the Queensland Government:

1 August 2019

Ethical Supplier Mandate and Threshold

Committing to our suppliers who deliver genuine, quality, secure, ongoing jobs with fair pay and safe working conditions

4,315

ONLINE ACN SUPPLIER
COMPLIANCE CHECKS PERFORMED

21

EDUCATIONAL ITEMS
PRODUCED FOR STAKEHOLDERS

525

EMAIL ENQUIRIES ABOUT
THRESHOLD RECEIVED

8,238

BUYER WEBSITE VIEWS

85

STAKEHOLDERS BRIEFINGS
DELIVERED ACROSS
QUEENSLAND

7,682

SUPPLIER WEBSITE VIEWS

Supplier Code of Conduct

The Queensland Government wants to do business with ethically, environmentally and socially responsible suppliers.

Ethical
Good business
practices



Environmental
Sustainability, waste
minimisation

Social

WHS; No supply chain human rights
abuses, local employers



Stay tuned for updates on Queensland Government's
approach to addressing modern slavery

QPP Compliance Unit

The QPP Compliance Unit offers a central escalation point for procurement complaints. It's the check on whether *Buy Queensland* is operating correctly.



128

Complaints and enquiries received from community, suppliers and unions

100

Assessment, referral and resolution of complaints

Relating to: supplier conduct, government as a buyer, tender processes, and local benefits.

Results from compliance referrals to regulators:

47

Improvements

3

Infringements

6

Prohibitions

Next steps



**Understand what's
expected of your
business**

**Work collaboratively
with procurement**

**Be a reputation
builder**

Resources

www.qld.gov.au/buyqueensland

<https://foodandbeverage.hpw.qld.gov.au/directory>

[hpw.qld.gov.au/Procurement/ProcurementStrategy/Policy/Pages
/EthicalSupplierMandateThreshold](http://hpw.qld.gov.au/Procurement/ProcurementStrategy/Policy/Pages/EthicalSupplierMandateThreshold)

<https://www.hpw.qld.gov.au/qtenders/fpp/>

BPPqueries@hpw.qld.gov.au

Questions

