



POLICY 5-2-3

VERSION 3

PURCHASING POLICY

Approved by Board Minute: 5351

Date: 25/03/2008

Tina Marsh
Board Secretary

PURPOSE:

To ensure PCQ's purchasing provides value for money through a fair, effective and accountable process.

POLICY FRAMEWORK:

PCQ is a company Government Owned Corporation pursuant to the *Government Owned Corporations Act 1993*. The Corporation is bound by *the Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*.

PCQ is required to comply with the State Procurement Policy.

APPLICATION:

This policy applies to all Ports Corporation employees and relates to any work undertaken by PCQ.

POLICY:

PCQ is required to comply with the State Procurement Policy, which has three equally ranking objectives:

- to advance Government priorities;
- to achieve value for money; and
- to ensure probity and accountability for outcomes.

The policy is provided to www.qgm.qld.gov.au

Implementation of Procurement Policy

PCQ will:

- plan purchasing requirements to provide a structure and considered approach to the management of procurement activities – including preparation of Corporate Procurement Plan, Significant Procurement Plans and Minor Procurement Plans;
- ensure competitive local firms that comply with relevant legislation are given full, fair

- and reasonable opportunity to supply;
- deal with firms which treat their employees fairly;
- consider fitness for purpose, quality, service and support sustainability considerations;
- consider whole of life costs and transaction costs associated with acquisition, use, holding, maintenance and disposals; and
- establish a complaints process.

Sustainability

PCQ will integrate the practice of sustainability into the procurement of goods, services and construction. Purchasing decisions will minimise environmental impact of goods and services over their whole-of life, including the considerations of:

- energy and water efficiency;
 - waste reduction and use of products made from recycled materials; and
 - reduced use of hazardous materials and hazardous waste generation.
- Preference in purchasing will be given to lower impact goods, including those made from recycled products, where price, performance, quality and other evaluation criteria are comparable. Major equipment purchases will include consideration of greenhouse gas emissions as one of the weighted evaluation criteria.

Local Industry Participation Plan

GOC's are required to comply with the Local Industry Policy.

Reporting requirements include the preparation of Local Industry Participation Plans (incorporated in the project's Significant Purchase Plan) and annual reporting on the level of local industry involvement in projects over \$5m (\$2.5m in relation to infrastructure projects).

Assessment

PCQ will develop specific measures and targets to assess procurement processes. These may include:

- projects completed on time;
- on budget;
- delivering required functionality;
- purchasing plans met (no deviation from planned procurement strategy);

Project Close Out Reports are required to assess the procurement processes for Significant Purchases.

Non significant purchases will be assessed against the policy considerations above and planned procurement strategies.

Any procurement activities that do not comply with planned procurement strategies will need approval by CEO.

Procedural Implications

PCQ's purchasing procedures should be read in conjunction with the State Procurement Policy and related guidelines.

Related Policies:

- Use and Engagement of Consultants
- Use and Engagement of Contractors

REVIEW DATE:

This policy must be reviewed 30 June 2010.