



# Procurement Policy

## Brief description

This Policy articulates GPC's approach to procurement to ensure that GPC's procurement activities comply with the Queensland Procurement Policy.

### Document information

Current version	#1321861v12
First released	01/07/17
Last updated	23/10/2023
Review frequency	Every 2 years or as required
Review before	23/10/2025
Audience	Officers, Employees, Contractors and Consultants

### Document accountability

Role	Position
Owner	Board
Custodian	Chief Executive Officer

Endorsed by Board on 23/11/2023

If you require any further information, please contact the Custodian.

This document contains confidential material relating to the business and financial interests of Gladstone Ports Corporation Limited. Gladstone Ports Corporation is to be contacted in accordance with Part 3, Division 3 Section 37 of the *Right to Information Act 2009* should any Government Agency receive a Right to Information application for this document. Contents of this document may either be in full or part exempt from disclosure pursuant to the *Right to Information Act 2009*.

The current version of this Policy is available on GPC's Intranet.

© 2020 Gladstone Ports Corporation Limited ABN 96 263 788 242

## 1 Terms and definitions

---

“**Contract Owner**” means the person appointed as the Principal’s Representative under a contract to manage the contract.

“**Low Value Threshold**” means the Low value procurement threshold is defined by GPC purchasing threshold relating to minimal documentation requirements – currently deemed at \$10K for the one quotation threshold as outlined in the Procure to Pay Framework.

“**QPP**” means the Queensland Government’s Queensland Procurement Policy.

Terms that are capitalised and not otherwise defined in this Policy are defined in the GPC Corporate Glossary Instruction (as listed in Appendix 1 – Related documents).

## 2 Introduction

---

### 2.1 Purpose

The purpose of this Policy is to establish a framework for GPC’s procurement activities that complies with the QPP and maximises the benefits that can be delivered through the procurement of goods and services by GPC in accordance with ethical and effective procurement practices.

### 2.2 Scope

This Policy applies to all GPC Representatives who engage in the procurement of all goods and services from vendors external to GPC. All GPC Representatives must comply with this Policy when undertaking procurement activities for and on behalf of GPC.

### 2.3 Objectives

The objective of this Policy is to ensure that GPC conducts its procurement activities in accordance with the QPP, including ensuring that when goods and services are procured:

- (a) a value for money outcome is achieved. Value for money means more than just the lowest price. In measuring value for money it must also advance GPC’s (and the Queensland Government’s where applicable) economic, environmental and social objectives for the long-term wellbeing of our community;
- (b) all of GPC’s procurement activities are conducted within the highest standards of probity and integrity;
- (c) there is a focus on the economic benefits to Queensland – by applying a local benefits test for all significant procurement and supporting secure and fair employment outcomes;
- (d) Queensland suppliers’ opportunity to participate is maximised – by ensuring that for each procurement opportunity, at least one regional and one Queensland supplier, where possible, is invited to submit a quote or tender;
- (e) risk is minimised through the implementation of effective risk management processes that ensure key health and safety, operational, environmental and commercial risks are identified and managed throughout the procurement lifecycle; and
- (f) sustainability principles and practices are integrated into the procurement process.

## 3 Commitments

---

### 3.1 Procurement principles

GPC commits to undertaking its procurement activities in accordance with the following principles:

**(a) Achieve ‘value for money’**

We drive value for money in our procurement.

- We pursue Queensland Government targets (where applicable to GPC) through our procurement decisions.
- We select the option that provides best value for money outcomes, pursuing economic, environmental and social objectives as well as price.
- We deploy the most appropriate strategies to deliver the best procurement outcomes.

**(b) Responsible Public Procurement**

We use our procurement to advance the Queensland Government’s economic, environmental and social objectives, and support the long-term wellbeing of our community.

- We ensure full, fair and reasonable opportunity for Queensland suppliers, including local suppliers and small businesses.
- We do business with ethically, environmentally and socially responsible suppliers.
- We pursue the Queensland Government’s objectives (where applicable to GPC) from a whole-of-government and category perspective, prioritising these in our decision making.

**(c) Behave ethically, and embed integrity, probity and accountability**

We undertake our procurement with integrity, ensuring probity and accountability for outcomes.

- We respect the trust placed in us by the community.
- We are accountable for delivering timely outcomes using public resources.
- We ensure our decisions are transparent and defensible.
- We meet expected standards of probity and accountability.
- We actively manage contracts to deliver obligations

**(d) Leaders in procurement practice**

We are leaders in procurement practice — we understand our needs, the market and our suppliers, and have the capability to deliver better outcomes and support our buyers to engage with the market effectively:

- We continuously improve the capability and performance of our agency and people.

- We actively manage the performance of our procurement expenditure.
- We are outcome focused and look for opportunities to innovate, including continuous improvement to our procurement methods and practices.
- We engage with our stakeholders to understand business needs, and seek to exceed expectations.
- We ensure efficient and effective use of valuable resources.
- We work together with industry and key stakeholders, including local workforces, to ensure GPC is an attractive customer.

**(e) Collaborate for more effective outcomes**

We work together across agency boundaries to improve procurement outcomes.

- We take a collaborative approach to planning and managing categories of expenditure.
- We maximise savings and benefits, and reduce duplication.

**(f) Support Strong Governance and planning**

We have the confidence of stakeholders and the community in our management of procurement.

- Our governance structure facilitates consultation and value for money outcomes.
- We take a planned approach to our procurement, ensuring alignment across all levels of planning from whole-of-government (where applicable) to individual procurements.
- We manage risk through effective oversight, accountability and appropriate internal controls.

## **3.2 Procurement planning**

GPC utilises an overarching Agency Procurement Plan in conjunction with a detailed Operational Procurement Plan to:

- 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 GPC's broader objectives;
- provide an analysis of savings and benefits opportunities (economic, social and environmental) and strategies to achieve these; and
- contain measures, targets, performance against targets and GPC's approach to risk management for procurement.

The Agency Procurement Plan and Operational Procurement Plan will be updated annually as part of GPC's business planning cycle and issued in support of the Statement of Corporate Intent.

### 3.3 Procurement approvals

Appendix 2 sets out the approved thresholds and approaches for quotation and tender process approvals, the execution of contracts and agreements and order approvals.

### 3.4 Complaints about procurement activities

A complaint about the conduct of a procurement activity should be referred to the Supply Superintendent initially. However, a complaint may also be reported to GPC's Company Secretary or to the confidential reporting hotline (refer to GPC's website for GPC Hotline details). A complaint may also be referred for external independent review to the Queensland Ombudsman.

Allegations of corrupt conduct in relation to procurement must be reported in accordance with the Fraud and Corruption Policy, including to ensure any reporting obligations are met.

## 4 Implementation framework

---

To support and demonstrate these policy commitments, GPC has a number of strategies, governance arrangements, policies and procedures in place to assist in the effective conduct of ethical and effective procurement activities. These include:

- implementing and maintaining an ethical framework to ensure that probity is incorporated, managed and demonstrated in GPC's procurement processes as outlined in GPC's Probity in Procurement Standard;
- pursuing approaches to procurement that maximise best value for money outcomes as outlined in GPC's procurement procedures;
- undertaking regular procurement planning and publishing its organisational procurement plans to provide information and transparency to the market and other stakeholders;
- allocation of responsibilities and accountability for conducting the various aspects of procurement;
- utilising GPC's Procure to Pay Management System - a suite of documents that GPC Representatives involved in procurement must follow;
- providing training to GPC Representatives involved in procurement so they are adequately trained on the minimum expectations and key principles associated with the procurement process;
- providing effective complaint mechanisms in relation to procurement complaints; and
- periodic reviews and internal audits which will include evaluating the effectiveness of the policies and procedures in place in relation to procurement activities.

## 5 Monitoring and review

---

Conformance to this Policy will be monitored through internal audit processes.

EGMs are responsible for monitoring and reviewing compliance with this Policy within their area.

Actual or suspected breaches of this Policy should be reported to the Supply Superintendent via email, phone or in person. After considering the details of the complaint, if the Supply Superintendent considers that there is a material breach then the breach will be reported to the ELT and if necessary to the Board.

## 6 Appendices

### 6.1 Appendix 1 – Related documents

#### (a) Legislation and regulation

Key relevant legislation and regulation, as amended from time to time, includes but is not limited to:

Type	Legislation/regulation/guidelines
State Acts	<i>Crime and Corruption Act 2001</i> (Qld) <i>Government Owned Corporations Act 1993</i> (Qld) <i>Financial Accountability Act 2009</i> (Qld) <i>Financial and Performance Management Standard 2009</i> (Qld) <i>Right to Information Act 2009</i> (Qld) <i>Competition and Consumer Act 2010</i>
Other	Queensland Procurement Policy  Guidelines and guidance issued from time to time by the Queensland Government - Office of the Chief Advisor – Procurement, including in particular the publication 'Probity and Integrity in Procurement'

#### (b) Gladstone Ports Corporation documents

The following documents relate to this Policy:

Type	Document number and title
<b>Tier 1:</b> Policy	#174070 Conflicts of Interest Policy #1507461 Code of Conduct Policy #1517213 Delegations of Authority Policy #1603663 Fraud and Corruption Policy
<b>Tier 2:</b> Standard/Strategy	#1311978 Probity in Procurement
<b>Tier 3:</b> Specification/ Procedure/Plan	#1256130 Separation of Duties – Procure to Pay #1270682 Purchase Order and Contract Approval Process #1280859 Contract Management Roles

Type	Document number and title
	<p>#1270628 Contract Types: Purchase Order and Contracts</p> <p>#1284312 Procurement of non-Contracted Services and non-Catalogued Goods up to \$20,000</p> <p>#1290628 Emergency Purchase Orders</p> <p>#1297220 Procure to Pay Management System Change Control Procedure</p> <p>#1298768 Purchase Order Receipts Procedure</p> <p>#1326084 Procurement of Goods and Services over \$20,000</p> <p>#1487297 Significant Procurement Procedure</p> <p>#1596480 ICT Contracts and Terms for Negotiation – Waiting on EMT Final Approval</p> <p>#1447372 Conflicts of Interest Procedure</p> <p>#1455068 Gifts and Benefits Procedure</p> <p>#1530656 Delegated Authority Specification</p>
<p><b>Tier 4:</b> Instruction/Form/Template/Checklist</p>	<p>#1543032 Ethical Supplier Threshold Form</p> <p>#1270587 Sourcing Strategy Form</p> <p>#1486980 Standing Offer Purchase Order Approval Form</p> <p>#1281055 Recommendation for Award Form</p> <p>#1621179 GPC Corporate Glossary Instruction</p> <p>#1646940 Position Authority Guide Instruction</p>
<p><b>Other</b></p>	<p>#1619501 Ethical Supplier Form Requirements</p>

## 6.2 Appendix 2 – Approved thresholds and approaches for quotation and tender process approvals and order approvals

This Appendix sets out the approved thresholds and approaches for quotation and tender process approvals and order approvals. The approval limits for ultimately committing to expenditure and approving the execution of contracts are as set out in the Delegated Authority Specification.

### (a) Quotation and tender process approval

Value of procurement (includes approved contingency but excludes GST)	Requirements
Up to \$1,000	<ul style="list-style-type: none"> <li>Verbal or written quote required which the requestor can obtain – No ESTF required</li> </ul>
Over \$1,000 and up to \$10,000 Low Value Threshold	<ul style="list-style-type: none"> <li>A minimum of one written quote required which the requestor can obtain – No ESTF required</li> </ul>
Over \$10,000 and up to \$20,000	<ul style="list-style-type: none"> <li>A minimum of three written quotes required which the requestor can obtain in accordance with GPC Procedures</li> <li>Where a Sole Source or Single Source approach is proposed, a Sourcing Strategy Form (or other form of written confirmation) is to be agreed and approved by the Section Manager and the Supply Superintendent</li> </ul>
Over \$20,000 and up to \$250,000 (for purchase orders under existing standing offer contracts only)	<ul style="list-style-type: none"> <li>Requires the completion of a Standing Offer Purchase Order Approval Form to be approved in accordance with the Delegated Authority Specification (and sub-delegations under that Specification, as recorded in the Position Authority Guide Instruction)</li> <li>A minimum of three written quotes required which the requestor can obtain in accordance with GPC Procedures</li> <li>A Standing Offer Purchase Order Approval form cannot be used for Sole Source or Single Source procurement. Where a Sole Source or Single Source approach is proposed, follow the process described below in “All other procurements over \$20,000 up to \$5M”</li> </ul>
All other procurements over \$20,000 up to \$5M	<ul style="list-style-type: none"> <li>Requires the completion of a Sourcing Strategy Form</li> <li>The Sourcing Strategy Form to be agreed and approved as follows:               <ul style="list-style-type: none"> <li>over \$20,000 and up to \$250,000 - the Section Manager and the Supply Superintendent</li> <li>over \$250,000 to and up to \$2,000,000 - the Section Manager, Department Executive General Manager, Chief Financial Officer and the Supply Superintendent</li> </ul> </li> </ul>

Value of procurement (includes approved contingency but excludes GST)	Requirements
	<ul style="list-style-type: none"> <li>- over \$2,000,000 - the Section Manager, Department Executive General Manager, Supply Superintendent and CFO/CEO (Jointly)</li> <li>• A minimum of three written quotes or offers must be obtained by the Supply team in accordance with GPC Procedures (except where a Single / Sole Source approach has been approved in the Sourcing Strategy)</li> <li>• Requires the completion of a Recommendation for Award Form (except for a purchase order following a Single / Sole Source approach)</li> <li>• The Recommendation for Award Form is to be approved in accordance with the Delegated Authority Specification (and sub-delegations under that Specification, as recorded in the Position Authority Guide Instruction)</li> <li>• A single purchase order from a standing offer panel arrangement cannot exceed \$500,000 unless approval has been given by the Chief Executive Officer and/or GPC Board as required</li> <li>• For tenders above \$5,000,000 a recommendation is made to the Board for approval</li> </ul>
Over \$5M	<ul style="list-style-type: none"> <li>• Requires the completion of a Sourcing Strategy to be agreed and approved by the Section Manager, Department General Manager, Supply Superintendent and CFO/CEO</li> <li>• Where directed by the CFO for higher risk projects, a Significant Procurement Plan is to be agreed and approved (in lieu of a Sourcing Strategy) by the Section Manager, Department General Manager, Supply Superintendent and CFO</li> <li>• A minimum of three written quotes or offers must be obtained by the Supply team in accordance with GPC Procedures (except where a Single / Sole Source approach has been approved in the Significant Procurement Plan / Sourcing Strategy)</li> <li>• Requires the completion of a Recommendation for Award Form</li> <li>• The Recommendation for Award Form is to be approved in accordance with the authorities listed in the Delegated Authority Specification</li> <li>• A recommendation is made to the Board for approval – exception relates to business as usual Standing Offer arrangements which provides CFO to \$2m, Joint</li> </ul>

Value of procurement (includes approved contingency but excludes GST)	Requirements
	<p>CFO/CEO up to \$10M and Board approval for any increase above \$10M</p> <ul style="list-style-type: none"> <li>An independent probity auditor is to be appointed when dealing with tenders deemed to be high value and/or high risk procurement project (value above \$5m and presented to Board for approval, or identified as high risk regardless of value and deemed significant procurement). An independent probity auditor may be appointed for other procurements at the discretion of the CFO, Chief Executive Officer or the Board</li> <li>The financial limit on “business as usual” total accumulated value of a Standing Offer Arrangement – CFO approval up to \$2m, Joint CFO/CEO approval up to \$10M and Board approval for any increase of value exceeding \$10M.</li> </ul>
<p>Any Value – For Purchase Orders on Vendors for goods and/or services included within the Nominated Vendor Register</p>	<ul style="list-style-type: none"> <li>A minimum of one written quote is required from the nominated vendor which the requestor can obtain</li> <li>Neither a Sourcing Strategy Form nor a Standing Offer Purchase Order Approval Form is required</li> <li>A Recommendation for Award Form is not required</li> </ul> <p>The purchase order is to be approved in accordance with the Delegated Authority Specification (and sub-delegations under that Specification, as recorded in the Position Authority Guide Instruction) Note: These arrangements apply to purchase orders on nominated vendors only. For contracts, refer below.</p>

**(b) Execution of contracts and agreements**

For the execution of contracts or agreements for the supply of goods or services, the following conditions and process is to be followed:

- Procurements up to \$250,000 may be by purchase order where there is low contractual risk as determined in the Sourcing Strategy Form.
- Medium and high contractual risk procurements above \$20,000 and up to \$250,000 require a contract to be executed and a purchase order issued prior to work commencing.
- All procurements above \$250,000 are preferred to be by contract however issuance of a standard purchase offer for funds in excess of \$250K can be accepted upon approval by appropriate Executive General Manager after appropriate commercial risk assessment.
- Variations to contracts can only be approved by the Contract Owner when the total approved contract spend is less than the approved procurement value. If the variation will exceed the approved procurement value, approval must be obtained in accordance with the Delegated Authorities Specification.

- Notwithstanding the above, catalogued goods shall be procured by purchase order regardless of value.
- The GPC standard contract or agreement Terms and Conditions are not to be altered in any way without approval. Where departures from standard Terms and Conditions are required:
  - if the departure has been previously approved, it must be endorsed by the Supply Superintendent; or
  - if the departure has **not** been previously approved, it must be endorsed by the Supply Superintendent and approved by the CFO.

The departures must be included in the Recommendation for Award Form prior to execution of the contract. The CFO can delegate this authority to the Supply Superintendent.

- Before being presented for execution, every contract is to have been reviewed, verified and approved (with evidence of such approval) by the Supply Superintendent – confirmation of this review occurs upon signing of the Recommendation for Award (RFA) Form and Document Approval Form (DAF) documentation when presenting to Power of Attorney (POA) for execution.

**(c) Order approvals**

The following table sets out the detailed arrangements applicable for the approval of various order types via GPC’s JD Edwards (**JDE**) system:

Procurement type	JDE order type	Order approval requirements in JDE
Catalogued goods which are under contract	O1 Purchase Order	No approval is required prior to release
Catalogued goods which are not contracted	O1 Purchase Order	Approval by the Supply Superintendent of purchase orders up to \$75,000. Purchase orders exceeding \$75,000 require approval from both the Supply Superintendent and the CFO
Goods or services procured under an existing performance contract	O2 Purchase Order (draw down)	Order is approved using the JDE approval route in accordance with the Delegated Authority Specification
Goods or services procured under an existing standing offer contract	O4 Purchase Order (draw down)	Order is approved using JDE approval route in accordance with the Delegated Authority Specification. Supply Superintendent approves final order release
New Contract for goods and/or services	New Contract Card	Contract card is approved using the JDE approval route in accordance with the Delegated Authority Specification
Changes to orders and contract cards	All	Changes to order / contract card are approved based on total amended value using JDE approval route in accordance with the Delegated Authority Specification
Direct Purchase Order for Goods or Services which are not catalogued nor under an existing contract	O3 and O5 Purchase Orders	Order is approved using JDE approval route in accordance with the Delegated Authority Specification

### 6.3 Appendix 3 – Revision history

Revision date	Revision description	Author	Endorsed by	Approved by
07/06/17	v3 Published			
07/05/19	v6 Published			
20/06/19	v7 Published		Jason Cooney, Commercial General Manager	Board
20/08/19	v8 Published	Gary Larsen, Supply Superintendent	Jason Cooney, Commercial General Manager	Board
20/04/2020	v9 Published			
07/10/2020	v10 Reviewed in accordance with Governance Documentation Framework Standard and legal review by Herbert Smith Freehills	Gary Larsen, Supply Superintendent	Gary Larsen, Supply Superintendent	Rufus Gandhi, Company Secretary and Company Secretary
26/08/2022	v11 Reviewed and updated for Board approval relating to authority and delegation policy changes and improvements to P2P framework	Gary Larsen, Supply Superintendent	Jenelle Druce, CFO	Board
23/11/2023	v12 – Align QPP principles to GPC policy – change in principle title	Gary Larsen, Supply Superintendent	Ashely Dinning – EGM Trade and Development / Jenelle Druce, CFO	Board