

Health Service Directive

Directive # QH-HSD-009:2012
Effective Date: 1 July 2012
Review Date: 1 July 2014
Supersedes: Nil

Procurement and Logistics - Use of Contract and Supply Arrangements

Purpose

The purpose of this Health Service Directive is to direct Hospital and Health Services to use Department of Health contract and supply arrangements. These arrangements are intended to provide reliable and best value-for-money procurement and logistics services across all Hospital and Health Services.

Scope

This Health Service Directive applies to all Hospital and Health Services.

Principles

- Value for money - Effective use of resources to ensure the efficient use of public funds and obtaining best value for money in the procurement and supply of goods and services.
- Consumer focus - Contract and supply arrangements are consumer focussed, address business, operational and clinical needs and contribute to high quality healthcare services.
- Ethics and accountability - The application of the highest standards of probity, propriety, transparency, defensibility and accountability.

Outcomes

- All Hospital and Health Services shall achieve compliance with the Department of Health's program of contracts and supply arrangements.
- The Department will provide quality products as outlined below which have been developed in a cost effective and cost efficient manner, with due recognition of the need for cross-subsidisation to deliver the product/s equitably across Queensland.

Mandatory requirements

- All Hospital and Health Services shall procure a range of goods and services from the following contracts and supply arrangements:
 - Whole of Queensland Public Sector Health System contracts and supply arrangements.
 - Service level agreements established by the Funding and Contract Management Unit, Department of Health (for the procurement of community and human services).
 - Whole of Government supply arrangements for goods and services as listed at -
<http://www.hpw.qld.gov.au/supplydisposal/GovernmentProcurement/SupplyArrangements/SupplyArrangementsStandardConditions/WholeOfGovernmentArrangements/Pages/default.aspx> with the exception of the following –
QGCPO 812-10 - “Employee Assistance Services” (Hospital and Health Services are required to utilise HSPL Arrangement No. 169 “Queensland Health Employee Assistance Services” as it mandates a significantly higher minimum level of experience for professional counselors and more stringent employee confidentiality provisions than QGCPO 812-10); and
QGCPO 250-10 - “Salary Packaging Services” for the salary packaging requirements of Visiting Medical Officers (VMOs) only. (Hospital and Health Services are required to direct their VMOs to utilise HSPL SOA No. PL116 “Provision of Salary Sacrificing Bureau Services for Visiting Medical Officers” which includes unique provisions for VMOs. Hospital and Health Services are required to direct all other staff to utilise QGCPO 250-10).
 - Whole of Government panel arrangements for electricity supply and metering.
 - Health Technology Equipment (HTE) supply and maintenance arrangements including those funded by the Health Technology Equipment Replacement (HTER) Program.
 - Hospital and Health Services and Department of Health commissioned supply arrangements already established by 30 June 2012 or commissioned by the Hospital and Health Services or Department of Health over the life of this Directive.
 - The Memorandum of Understanding between the Department of Health and the Queensland Ambulance Service for the provision of linen services.
 - Transactional procurement services, contract management services, warehousing and distribution services and imprest management services provided by the Chief Procurement Officer, Health Services Support Agency
 - The Queensland Health Linen Catalogue - procurement, warehousing and distribution services, for both theatre and general linen, provided by Group Linen Services shall be used (Note: There are broader services provided by

Group Linen Services to specific Hospital and Health Services which are dealt with in Health Service Directive [QH-HSD-012](#)).

- All Hospital and Health Services shall report on performance against the Strategic Energy Efficiency Policy targets and timeframes and use carbon management services, including relevant Energy Performance Contracts. ¹⁶³³²³¹
- If a Hospital and Health Service wishes to be exempt from the requirements of this Directive, the Hospital and Health Service's Chief Executive Officer may apply for an exemption to the Director General of the Department of Health.

Related or governing legislation, policy and agreements

- *Hospital and Health Boards Act 2011*
- *Financial Accountability Act 2009*
- Financial Performance and Management Standard 2009
- *Public Sector Ethics Act 1994*
- Queensland Government State Procurement Policy 2010
- Queensland Health Procurement Policy 2009
- Queensland Health Procurement Procedures 2009
- Queensland Government Strategic Energy Efficiency Policy
- *Public Interest Disclosure Act 2010*
- Government Information Technology Contracting (GITC) framework
- Financial Management Practice Manual

Supporting documents

- General Conditions of a Purchase Order
- Arrangement and Service Agreements

Business area contact/s

Chief Procurement Officer, Health Services Support Agency

Review

This Directive will be reviewed prior to 1 July 2014.

Date of last review: N/A

Supersedes: New Health Service Directive



Approval and Implementation

Directive Custodian

Chief Executive, Health Services Support Agency

Approval by Chief Executive

Dr Tony O'Connell

Director-General, Department of Health

Approval date:

8 June 2012

Issued under section 47 of the *Hospital and Health Boards Act 2011*

Definitions of terms used in this directive

Term	Definition / Explanation / Details	Source
Contracts / Supply Arrangements	<p>Contracts / Supply arrangements contracts are defined as any contractual agreement that binds the State of Queensland for the supply of goods and/or services. These include –</p> <ul style="list-style-type: none">• standing offer arrangements;• panel arrangements;• service agreements;• pre-qualified or preferred supplier arrangements;• maintenance agreements; and• contracts for the acquisition of Information and Communications Technology (ICT) products and services.	Health Services Support Agency