


**SUBJECT: Revised funding approval and risks/issues with delivery of health services at the quarantine facility at Wellcamp**

<input checked="" type="checkbox"/> Approved	Signed:  Date: 25/1/22 Dr John Wakefield, Director-General, Queensland Health Comments: please ensure the contract has the flexibility to allow for re-purposing the health services to COVID-19 response should the Wellcamp demand not eventuate
<input type="checkbox"/> Not approved	
<input type="checkbox"/> Noted	
<input type="checkbox"/> Further information required (see comments)	

**ACTION REQUIRED BY 25 January 2022**, as delivery of health services at the quarantine facility at Wellcamp ('Wellcamp Facility') is critically important given the Government's recent announcement about the facility opening from 5 February 2022.

**RECOMMENDATION**

It is recommended the Director-General:

- **Note** that following discussions with several Hospital and Health Services, Mater Health Services and considering the growing use of private providers as part of the Omicron variant and timescales involved, a decision was taken to engage Aspen Medical under the Department of Health's Emergency Procurement Procedure to provide the health care services at the Wellcamp Facility (Attachment 1).
- **Approve** a revised non-recurrent funding provision of up to the maximum value of \$103.311 million (excluding GST) across 2021-22 to 2022-24 to outsource health services at the Wellcamp Facility.
- **Approve** for Queensland Health representatives to commence negotiation with the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) to assign the Health Services Agreement over to them once executed.
- **Note** the Service Agreement term has been revised down from 18+12 to 15+12 months since the Director-General was previously briefed (Attachment 2).
- **Note** the maximum value of funding sought within this briefing note is worst case scenario. Negotiations are ongoing with price being a significant focus. The Health Services Agreement will allow for surge up/surge down capacity and contain a suitably defined termination for convenience clause.
- **Note** the costs for 2021-22 up to a maximum of c\$21.733 million (excluding GST) can be claimed from the additional \$200 million State COVID funding announced at the Mid Year Fiscal and Economic Review (MYFER), s.73 50 per cent of these costs can hopefully be claimed from the Commonwealth Government under the COVID NPA.
- **Note** if health services are required past March 2024, a funding source will need to be identified.
- **Note** that, as currently proposed, the Health Services Agreement will allow for expansion of services to additional sites (that is, Pinkenba) via a notice to proceed clause and generation of separate contract, all of which will be subject to obtaining relevant internal approvals.
- **Note** as the appropriate expenditure delegate to bind to the State, the Health Services Agreement will be available for Director-General execution on or before close of business, Thursday 27 January 2022. Key risks and issues regarding the Health Services Agreement are provided at Attachment 3.

**ISSUES** Healthcare Purchasing and System Performance Division, COVID-19 Quarantine Services and Legal Branch are continuing to work collaboratively to engage Aspen Medical to deliver health services at the Wellcamp Facility.

2. As noted in the previous briefing note (CAPS2205, Attachment 2), given the time criticality to operationalise the Wellcamp Facility, Queensland Health worked on the assumption that cost to outsource health services would fall within tolerance of the funding profile used to inform s.73 s.73
3. On 13 January 2022, Aspen Medical submitted its pricing proposal to Queensland Health, which was significantly higher than the funding approved for commitment. Since submission, both parties have held an open dialogue around an appropriate staffing model, supply chain options and surge up/surge down capability to keep cost to a minimum without impacting service delivery.
4. On 19 January 2022, Aspen Medical submitted an updated pricing proposal that factored discussions to date. Finance Branch have been working alongside officers from the COVID Quarantine Services Team to

**DIRECTOR-GENERAL BRIEFING NOTE**

HPSP

undertake comparative analysis on staffing models, funding profiles to assist with informing price negotiations. Analysis to date suggests that, although the baseline comparison assesses an internal model against an outsourcing model, Aspen Medical's costings seem reasonable.

5. The expectation is that as negotiations continue, cost saving can be achieved; however, it is anticipated that final pricing will still exceed the indicative costings which formed the basis of s.73 primarily due to:
  - 5.1. Cost of outsource naturally higher due to additional overheads and profit margin;
  - 5.2. Current phase of the global pandemic is producing price increase in highly relevant goods (Rapid Antigen Tests) and services (labour hire) due to supply shortages; and
  - 5.3. Below the line costs such as a Project Management Office, furlough and staff accommodation require consideration and relevant factoring.

6. **s.73**

7. Furthermore, it is important to note that actual cost of this arrangement will likely be offset by claims under the COVID National Partnership Agreement for 50:50 cost share whilst still in operation.
8. The split across financial years is variable and contingent on surge requirements and assignment of blocks (quarantine vs isolation).
9. Both parties are aiming to have the Health Services Agreement in an executable format by Thursday, 27 January 2022.
10. Outside of price, there are several other significant risks/issues relating to this activity that require mention and update on their status (Attachment 3).
11. Once executed, it is proposed ownership and management of the contract be assigned to DSDILGP to ensure consistency across the Wellcamp Quarantine Project. It is proposed Queensland Health remain as Subject Matter Experts for the health services component.

**BACKGROUND**

12. DSDILGP has oversight of the Wellcamp Quarantine Project and has established agreements to support leasing arrangements and facility management which run until 31 March 2023 with optional extension. The term of the Health Services Agreement aligns with duration of DSDILGP contractual arrangements.

**RESULTS OF CONSULTATION**

13. External legal services, COVID-19 Quarantine Services, Legal Branch, Finance Branch and DSDILGP have been consulted and are actively involved in contract negotiations throughout this process.
14. The Healthcare Purchasing and Funding Branch was consulted and provided advice that submission of claim under the COVID-19 NPA is sound; however, acceptance of claim is subject to the Commonwealth Government's decision. The COVID NPA also has an unknown end date.

**RESOURCE/FINANCIAL IMPLICATIONS** In addition to implications raised in this brief, there will be an FTE impact with the Darling Downs Hospital and Health Service's Public Health Unit, which requires additional staff to support the Wellcamp Facility. This will be c\$0.884 million and will be funded from the \$200 million State COVID-19 funding approved as part of MYFER s.73

s.73

**SENSITIVITIES/RISKS**


16. Sensitivities and risks are outlined within Attachment 3.

**ATTACHMENTS**

17. Attachment 1. C-ECTF-22/469  
 Attachment 2. CAPS2205  
 Attachment 3. Key Risks and Issues – Health Service Delivery at the Wellcamp Facility

<p><b>Author</b>                  Name: Tanya Gilchrist                  Position: Manager, Business Services                  Unit: Office of the Deputy Director-General                  Tel No: s.73                  Date Drafted: 24 January 2022</p>	<p><b>Cleared by (Dir/Snr Dir)</b>                  Name: Terri Price                  Position: Director                  Branch: Office of the Deputy Director-General                  Tel No: s.73                  Date Cleared: 25 January 2022</p>	<p><b>Content verified by (DDG/CE)</b>                  Name: Nick Steele                  Position: Deputy Director-General                  Division: Healthcare Purchasing and System Performance Branch                  Tel No: s.73                  Date Verified: 25 January 2022</p>
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**SUBJECT: Approval to Deviate from Department of Health's Emergency Procurement Procedure and waive Issue of Invitation to Offer and Evaluation of Response for Health Service Delivery at the Wellcamp Facility**

<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted <input type="checkbox"/> Further information required (see comments)	Signed  Date 11/01/2022 Dr John Wakefield, Director-General, Queensland Health Comments:
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**ACTION REQUIRED BY** - 11 January 2022 - outsourcing of service delivery at the Wellcamp Facility is critically important to the State's response to the COVID-19 pandemic.

**RECOMMENDATION**

It is recommended the Director-General:

- **Approve** adaptation of the Department of Health's (the Department) Emergency Procurement Procedure (EPP) as outlined within this briefing note.
- **Approve** the waiver of Invitation to Offer (ITO) and evaluation of response given the genuine and escalating need to bring relief to the community via health service delivery at Wellcamp by 17 January 2022.

**ISSUES** Healthcare Purchasing and System Performance Division (HPSP), COVID-19 Quarantine Services and Legal Branch are working collaboratively to engage an external provider to manage health services at the Wellcamp Facility.

2. A decision to outsource service delivery was made after consultation with Hospital and Health Services' revealed that internal capacity cannot be scaled up in time to operationalise the Wellcamp Facility.
3. Subsequent consultation occurred with Mater Misericordiae Limited (Mater) to determine the likelihood of leveraging an existing arrangement. Mater advised it was unable to scale and mobile its health services within the emergent timeframe.
4. Private health providers, particularly those engaged under the Surgery Connect Standing Offer Arrangement and Private Hospital Facility Funding Arrangements (COVID-19), were considered but excluded on the basis that they will be required to manage the delivery of increased referral volumes as the public system, at the peak of the current Omicron surge, will need to restrict core services to urgent and emergent care.
5. As a result and factoring that the system is in a Level 1 Emergency as defined in the Department's Financial Management Practice Manual (FMPM), a decision was made to directly negotiate with Aspen Medical via the Department's EPP.
6. Aspen Medical is a known performer for delivering world-class healthcare in Australia and overseas, particularly with regards to deployment of multidisciplinary healthcare teams and mobile hospitals in challenging or under-resourced environments such as a global pandemic.
7. Section 7.3 of the FMPM states that for a declared emergency situation, departmental officers are permitted to forgo routine procurement processes in these times. There is permission to purchase direct from a supplier without conducting a routine procurement if the process will prevent the goods/services being delivered in time to bring relief.
8. The Department's EPP also states officers are permitted to forgo standard procurement procedures, prescribing waiver of requirements such as the use of designated approval forms and minimum number of quotes. The EPP requires email Request for Quote, use of Queensland Health's basic purchasing conditions and purchase order to procure and form an agreement.
9. Strategic Procurement Services (SPS) have previously advised that when applying the EPP for significant procurement activities greater rigour should be applied, with deviation to strengthen our approach and ensure the process undertaken is defensible. For other significant procurement activities applicable to EPP, SPS have settled that the use of an ITO and evaluation against defined criteria is appropriate.
10. Whilst the above advice from SPS is acknowledged it is not possible to apply this level of process to the significant procurement activity that is emerging. There is a genuine and escalating need to bring relief to the community via health service delivery at Wellcamp by 17 January 2022.

11. The proposed procurement process requires truncation to ensure already constrained departmental resources can apply adequate focus on agreement negotiations to ensure service delivery is fit-for-purpose.
12. In considering the need to act without delay against overarching public sector obligations, this brief seeks Director-General approval to waive issue of an ITO and evaluate Aspen's offer via defined criteria using an evaluation panel. On balance, it is proposed that the following adapted EPP be applied to this significant procurement:
  - 12.1 seek Project Commencement Approval or exemption, whichever is applicable;
  - 12.2 seek funding commitment from relevant expenditure delegate;
  - 12.3 s.73
  - 12.3 issue draft Services Agreement to Aspen Medical via email seeking review, mark-up and response within one-week timeframe;
  - 12.4 s.73
  - 12.5 negotiate as required to reach treaty;
  - 12.6 supplier execution of Agreement;
  - 12.7 procurement and expenditure approvals (expenditure delegate to bind the State); and
  - 12.6 pay invoices via Non-Purchase Order. Given materiality of service delivery and inability to accurately predict service demand to inform the financial commitment across financial years, recommendation is to refrain from raising a purchase order in S4/HANA.
13. In accordance with the FMPM, the following non-negotiables when procuring goods and/or services under an emergency situation will be adhered to:
  - 13.1 awareness of the possibility of conflicts of interest and appropriate management;
  - 13.2 apply reasonable steps throughout the accelerated procurement process to safeguard against risks of inflated pricing, fraud, bribery and corruption;
  - 13.3 maintain an auditable trail with sufficient, appropriate audit evidence to support the process undertaken; and
  - 13.4 publish award of contract at a later date when resourcing permits. Include a clear statement activity was an emergency procurement.

**BACKGROUND** The Department of State Development, Infrastructure, Local Government and Planning has oversight of the Wellcamp Facility quarantine project and has already established agreements to support leasing arrangements and facility management.

**RESULTS OF CONSULTATION**

15. No consultation was required for this brief.

**RESOURCE/FINANCIAL IMPLICATIONS**


16. Director-General approval provided for funding up to the value of \$79.522 million (excluding GST) across 2021-22 to 2023-24 to outsource service delivery at the Wellcamp Facility on 7 January 2022, within briefing note CAPS2205 which is not attached due to being cabinet in confidence.
17. There will be an FTE impact with the Public Health Unit within Darling Downs Hospital and Health Service requiring additional staff to support the Wellcamp facility. Cost of impact on Public Health Unit funded in 2021-22 from \$17.2 million (excluding GST) to support the Wellcamp Facility for 2021-22 approved within 2021-22 MYFER bid. Out year funding source yet to be identified.

**SENSITIVITIES/RISKS**

18. The escalating case numbers in Queensland mean that it is increasingly likely that the Wellcamp Facility will be utilised to support isolation of COVID-19 positive people that are well but are unable to isolate appropriately at home due to their individual circumstances.

<p><b>Author</b>                  Name: Tanya Gilchrist                  Position: Manager, Business Services                  Unit: Office of the Deputy Director-General                  Tel No: s.73                  Date Drafted: 10 January 2022</p>	<p><b>Cleared by (Dir/Snr Dir)</b>                  Name: Terri Price                  Position: Director                  Branch: Office of the Deputy Director-General                  Tel No: s.73                  Date Cleared: 10 January 2022                  *Note clearance contact is also key contact for brief queries*</p>	<p><b>Content verified by (DDG/CE)</b>                  Name: Nick Steele                  Position: Deputy Director-General                  Division: Healthcare Purchasing and System Performance Branch                  Tel No: s.73                  Date Verified: 10 January 2022</p>
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**SUBJECT: Funding to Support Service Delivery at Wellcamp**

<input checked="" type="checkbox"/> Approved	Signed  Date 7/01/2022 Dr John Wakefield, Director-General, Queensland Health Comments:
<input type="checkbox"/> Not approved	
<input type="checkbox"/> Noted	
<input type="checkbox"/> Further information required (see comments)	

**ACTION REQUIRED BY** 7 January 2022 as confirmation of funding source to support the proposed contractual obligation to outsource service delivery at Wellcamp is critically important to the State's response to the COVID-19 pandemic.

**RECOMMENDATION**

It is recommended the Director-General:

- **Approve** a non-recurrent funding provision of up to \$16.789 million (excluding GST), from the approved **s.73** for additional COVID funding, to outsource service delivery at Wellcamp.
- **Approve** non-recurrent funding provisions of up to \$62.733 million (excluding GST) across 2022-23 to 2023-24 to outsource service delivery at Wellcamp.
- **Approve** a subsequent submission to **s.73**
- **Note** that Queensland Health (QH) will propose a service agreement term of 18+12 months. Funding provisions outlined above will cover the entire term, including optional extension should it require enactment.

**ISSUES**

1. Healthcare Purchasing and System Performance Division (HPSP), COVID-19 Quarantine Services and Legal Branch are working collaboratively to engage an external provider to manage health services at Wellcamp.
2. A decision to outsource service delivery was made after consultation with Hospital and Health Services' revealed that internal capacity cannot be scaled up in time to operationalise Wellcamp.
3. As part of the **s.73**

**s.73**

4. At the time of the **s.73**, all estimated costs were based on utilising QH staff with a note that if Health overlay requires outsourcing, the cost would require review.
5. Although there has been a decision to outsource, a review of the cost estimate has not yet been undertaken.
6. Given the time criticality to operationalise Wellcamp, QH is working on the assumption that the cost to outsource will be within tolerance of funding approved for **s.73**
7. To observe the adopted emergency procurement process to engage an external provider under a Level 1 Emergency, HPSP is required to seek funding commitment for the Total Estimated Cost of the proposed service agreement (initial term + optional extension) from an appropriate officer before proceeding to offer evaluation and contract award.
8. In accordance with advice provided by Finance Branch, HPSP seeks Director-General approval to internally provision the sum value of \$79.522 million (excluding GST) across 2021-22 to 2023-24 noting that:
  - 8.1 Approved **s.73** funding will offset 2021-22 component;
  - 8.2 **s.73**
  - 8.3 The proposed term of service agreement has been revised down from 23+12 to 18+12 since initial consultation with Finance Branch;
  - 8.4 A portion of cost will likely be claimable under the COVID-19 National Partnership Agreement. At this point in time it is difficult to estimate the sum of claim as it will be based on cohort of admission

(quarantine/isolation vs COVID positive patients). Ms Toni Cunningham, Senior Director, Healthcare Purchasing and Funding Branch has confirmed that only COVID positive patients will be in-scope of claim;

- 8.5 The Total Estimated Cost outlined within this briefing note aligns with costs estimated in the s.73 (operating and below-the-line costs) minus costs identified for the Public Health Unit. The Public Health Unit is to be managed outside of the proposed outsourcing arrangement;
- 8.6 The financial year split is based on straight apportionment of costs estimated in s.73 Actual split may be subject to change; and
- 8.7 It is unclear whether cost escalation was factored into the recurrent costs outlined within the s.73 If escalation is raised as an issue during negotiation of the service agreement, cost estimates may need to be revisited.

**BACKGROUND** The Department of State Development, Infrastructure, Local Government and Planning has oversight of the Wellcamp quarantine project and has already established agreements to support leasing arrangements and facility management.

**RESULTS OF CONSULTATION**

- 10. The Department of Health Acting Chief Finance Officer and Finance Branch have been consulted on 5 and 6 January 2021 with recommendations provided factored into this briefing note.

**RESOURCE/FINANCIAL IMPLICATIONS**

- 11. There will be an FTE impact with the Public Health Unit within Darling Downs Hospital and Health Service requiring additional staff to support the Wellcamp facility.
- 12. Financial implications have been outlined above.

**SENSITIVITIES/RISKS**

- 13. The escalating case numbers in Queensland mean that it is increasingly likely that the Wellcamp facility will be utilised to support isolation of COVID-19 positive people that are well but are unable to isolate appropriately at home due to their individual circumstances.

**ATTACHMENTS**

<b>Author</b>	<b>Cleared by (Dir/Snr Dir)</b>	<b>Content verified by (DDG/CE)</b>
Name: Tanya Gilchrist Position: Manager, Business Service Unit: Office of the Deputy Director-General Tel No: s.73 Date Drafted: 6 January 2022	Name: Tim Moroney Position: Director Branch: Contracting and Performance Management Branch Tel No: s.73 6 Date Cleared: 6 January 2022 <i>*Note clearance contact is also key contact for brief queries*</i>	Name: Nick Steele Position: Deputy Director-General Division: Healthcare Purchasing and System Performance Branch Tel No: s.73 Date Verified: 6 January 2022

# DOH DISCLOSURE LOG

# COMMERCIAL IN CONFIDENCE

## Attachment 2: Key Risks and Issues – Health Service Delivery at the Wellcamp Facility

Risk/Issue	Detail	Status	Mitigation
Utilisation	The Wellcamp Facility may not be fully utilised over the life of the agreement.	Mitigated	<ul style="list-style-type: none"> <li>• Scope Development (clause 8) and Contract Control meetings (clause 22) to review resources and costs in the Budget (clause 13). CCG to meet weekly from 7/2/22, then monthly once operations have settled.</li> <li>• Managing capacity to surge up and down and up to 20 days exposure for changes in resources including staff. Provider must take reasonable measures to mitigate, including redeployment (clause 8(1)).</li> <li>• Termination for Convenience (clause 35).</li> </ul>
Term	The Service Agreement term has been revised down to 15+12 months.	Mitigated	<ul style="list-style-type: none"> <li>• The term of the contract has been aligned to the Agreement for Lease (Sch 1).</li> <li>• Extensions.</li> </ul>
Funding	Funding for optional extension if required	Mitigated	<ul style="list-style-type: none"> <li>• The Provider must submit pricing based on agreed principles rather than capped indices (i.e. CPI) as the labour market is too dynamic for the supplier to commit to pricing over 2 years (clause 6.11).</li> <li>• The contract owner will need to negotiate funding for services post March 2024, if need arises to continue service provision past contract term.</li> </ul>
Additional sites	Provision of health services at Pinkenba	Mitigated	<ul style="list-style-type: none"> <li>• If services at Pinkenba are required, a separate contract will be developed on the same principles. Notice to proceed clause (clause 7) settled.</li> <li>• Expansion to additional site/s will require requisite internal approvals (procurement and expenditure) to be sought before making commitment to Supplier.</li> </ul>

Reputation risks	Media articles were located during due diligence checks regarding issues with care provided by Aspen at s.47(3)(b) during the Covid-19 pandemic, which resulted in s.47(3)(b).	In-progress	<ul style="list-style-type: none"> <li>QH has been in contact with DSDILGP Communications Team who are managing the overall media response to Wellcamp facility.</li> <li>Statement to be prepared to respond if/when need arises.</li> </ul>
	Website s.47(3)(b) created by third party alleging several negative aspects.	In-progress	<ul style="list-style-type: none"> <li>QH has been in contact with DSDILGP Communications Team who are managing the overall media response to the Wellcamp Facility.</li> <li>Statement to be prepared to respond if/when need arises.</li> </ul>
	Guests in isolation and quarantine are 'COVID-well' and the demand for accommodation is not based on need for clinical care or as an alternative to hospital.	In-progress	<ul style="list-style-type: none"> <li>DSDILGP is governing the operation of the facility to achieve the government policy objective of providing facilities for individuals to effectively complete the directed time out of the community.</li> <li>QH has designed the clinical service delivery model, including audit and assurance practices to be implemented to manage and oversee health and clinical risk.</li> <li>The Master Service Agreement can be effectively assigned to DSDILGP (clause 52.1) to enable overall management of the facility.</li> </ul>
Health and Safety Risk	<p>Due diligence checks revealed the following:</p> <ol style="list-style-type: none"> <li>The TGA has identified defects with face masks supplied by Aspen Medical Pty Limited. Some of these defects include missing or incomplete labelling information, and Aspen Medical Pty Limited created a leaflet saying that the masks are not sterile or to be used for surgical masks, and do not provide protection from liquid splashes. We note that this may have only impacted certain batches of face masks.</li> </ol>	Mitigated	<ul style="list-style-type: none"> <li>Appropriate clause added to Health Services Agreement to ensure Aspen supply face masks in accordance with QH direction (TGA approved level P2/N95 masks) (Sch 2).</li> </ul>



	2. Our searches also identified issues with masks supplied by 'Aspen Medical Manufacturing Pty Ltd', which appears to be a subsidiary of Aspen Medical Pty Limited. These masks were recalled for showing 'inconsistent testing results, specifically for Particulate Filtration Efficiency (PFE), which measures the efficiency of the respirator to filter fine particles from inspired air.'		
Financial Risk	Company search shows that all shares in Aspen Medical Pty Limited are owned by 's.47(3)(b) s.47(3)(b)', with no parent company involved.	Mitigated	<ul style="list-style-type: none"> <li>• 3 years of audited financial statements obtained from Aspen Medical with financial assessment undertaken by Finance Branch.</li> <li>• s.47(3)(b) worth of insurance bonds provided as performance security (Sch 1 / clause 10).</li> </ul>
Performance Risk	Contractual arrangement needs to appropriately address performance against performance measures aligned to infection control risk.	In-progress	<ul style="list-style-type: none"> <li>• s.47(3)(b) temporarily withheld each month until appropriate audits/reports are provided and rectifications made (Sch 3).</li> </ul>

# Emergency Procurement

## Procedure

SP-PRO-00045-v2.1

This procurement procedure can be used by all officers in the Department of Health who need to undertake a procurement in emergency situations. This procedure applies where the risk or threat is a sudden unforeseen event which can result in injury, loss of life or critical damage to property or infrastructure.

An emergency can include:

- **critical health or environmental emergencies:** such as a pandemic or critical food safety incident
- **natural or manmade disasters:** such as cyclones, floods, fires, earthquakes, tsunamis, contaminations
- **critical security emergencies:** such as a major cyber security incident or terrorist attack
- **failures of critical infrastructure or equipment:** such as failure of a critical security system or critical hospital infrastructure
- **political emergencies:** such as a war, coup, or civil insurrection in Australia or countries where the Australian/Queensland governments offer support.
- **unanticipated events** that make it impossible for the department to perform a statutory or critical function in the necessary timeframe.

In emergency situations, the Department of Health needs to be flexible and responsive in how it procures any products/services needed to respond to the emergency.

In these cases, officers will be permitted to forgo standard procurement procedures, such as approval forms and/or minimum number of quotes, where the standard procedures will inappropriately hinder efficient and effective delivery of the products and/or services.

Emergency situations are distinct from situations of genuine urgency under the [Limited Market Procurement Factsheet](#).

It is important that all staff make themselves familiar with the Financial Management Practice Manual [Expenses 7.3, Attachment C, Emergency approvals](#) in declared emergency situations.

## Emergency procurement process

Officers should adhere to the following procurement process in emergency situations:

1. The requesting officer will email or seek verbal approval (where verbal approval occurs, follow up with an email or file note) from an expenditure delegate.
2. Where verbal approval is provided, request the expenditure delegate to confirm the approval in writing by return email. A record of this information must be maintained. Where practicable, consider the record of this information being maintained on the Limited Market Register within your respective business area.

The email **must** contain the following information:

- a description of the emergency situation

- the implications if the products and/or services are not procured urgently
  - the details of any existing contracts or supply arrangements that can be used (or why not being used)
  - the reasons for selecting the supplier (where there is more than one that is suitable)
  - the estimated total value of the procurement.
3. The requesting officer will contact the supplier by phone to discuss the emergency requirements for the products/services. Officers should consider and discuss with the supplier the following:
- what is being delivered and to what specification and industry regulation (e.g. Therapeutic Goods Administration)?
  - when is it being delivered?
  - where is it being delivered (discuss with relevant stakeholders to consider logistics and storage provisions)?
  - Freight (Do not use INCO Terms or Quasi INCO Terms, such as FIS, be specific in the delivery requirements)
  - who is delivering it?
  - the total price
  - what contract terms and conditions will apply? e.g. by stating the SOA reference number to apply SOA terms and conditions (if there is one) OR purchase order terms and conditions;
  - is insurance registered in Australia – APRA ([www.apra.gov.au](http://www.apra.gov.au)), if not look on the approved Insurance Provider register. If the insurance provider is not on either lists please contact the [Insurance Service Team](#) for advice;
  - any other charges or freight.

The requesting officer should take reasonable steps to ensure the supplier is not price gauging.

4. After the phone discussion, the requesting officer is required to:
- send an email to the supplier confirming the discussion and attach a copy of the specification for the goods/service and a copy of the [Basic Purchasing terms and conditions](#) for the supplier's prompt review and action

***For Strategic Procurement only:***

- Complete the Emergency Procurement Approval Form
  - Seek approvals, as required on the form (this includes any prepayment or special payments)
5. **Procurement Approval is required for all Emergency Procurement valued over \$250,000 (ex GST).** *(For Strategic Procurement only, there is a requirement that all Emergency Procurements regardless of value requires Procurement Approval. On approval of the products/services being purchased upload the revised Emergency Procurement Approval form in S/4HANA)*
6. A purchase order will then be issued to the supplier with notation that the order was placed verbally or in writing.
7. Document the procurement process either during or immediately after the event for audit purposes.

The products/services purchased should be appropriately receipted to enable reconciliation of a supplier's invoice. Invoices must reference the purchase order number.

The supplier can then submit invoices which will be paid using the standard Vendor Invoice Management (VIM) process.

## Maintaining probity and accountability

Even in emergency situations, officers are required to balance the need to act without delay with the overarching public sector obligation to act lawfully and with integrity, accountability and transparency. Officers will need to document their justification as to why the procurement is reasonable and appropriate given all the facts and circumstances of the situation.

Emergency procurement activities are at a much higher risk of inflated pricing, fraud, bribery and corruption. Officers should ensure that reasonable steps are taken throughout the accelerated procurement process to safeguard against these risks.

Officers must maintain accurate records in order to satisfy audit requirements, including but not limited to a copy of:

- expenditure delegate's email/file note approval to purchase. (For Strategic Procurement, a copy of the Emergency Procurement Approval Form)
- emails/record of phone conversations to and from the supplier outlining the agreement reached.
- executed contract/statement of work/proposal, or a bill of materials (where required). Contracts formed under an emergency procurement process will be dated as at the date of signing (that is, the date of execution cannot be backdated to a date prior to the date the contract was signed).
- supplier's invoice referencing the purchase order number.

## Out of scope

Urgent situations that are created through lack of risk management, lack of planning and/or matters of convenience and **DO NOT** constitute an emergency, must not utilise this procedure.

For the avoidance of doubt, the following examples are **not** considered to be an emergency:

- where a lack of planning to source an identified need for a product/service has compromised timeframes
- where a contract that is sought to be used for the procurement was not extended and has now expired
- where there is a requirement to expend funding before the end of the financial year.

## Contact for enquiries

If you have any queries regarding this procedure, or suggestions for improvement, please contact [SPS-GOV@health.qld.gov.au](mailto:SPS-GOV@health.qld.gov.au).