

Procurement approval

Department of Health Guideline

QH-GDL-474:2023

1. Statement

The Department of Health Procurement Approval Policy ensures all procurement will comply with the Queensland Procurement Policy, demonstrate delivery of best value outcomes and be undertaken with integrity, probity, and accountability.

This guideline supports the Procurement Approval Policy and addresses requirements and processes for nominating and managing the Schedule of Procurement Approvers (Schedule) by System Procurement, Corporate Services Division.

This guideline applies to all staff (permanent, temporary, casual, consultants or contractors) engaged by, or associated with the Department of Health who are involved in any procurement or contracting activity, or part thereof, on behalf of, or as agents for the Department of Health.

To achieve compliance with the Procurement Approval Policy, it is recommended that this guideline is adhered to.

2. Requirements

2.1. Procurement approvals

- 2.1.1. The Procurement Approval Policy identifies the requirements for procurement approvers to comply with, in exercising their authority to approve procurement and related activities.
- 2.1.2. The Procurement Framework, Procurement Guide and associated procedures outline the standards of integrity, probity, and accountability in accordance with the Queensland Procurement Policy, that must be complied with, for exercising procurement approvals.
- 2.1.3. Procurement approval authority is only assigned to public service employees employed by Queensland Health in designated public service position. Public service employees are defined under the Section 13 of the *Public Sector Act 2022* (Qld).
- 2.1.4. An employee undertaking a procurement approver authority cannot be assigned to consultants, contractors, or other non-public savants (such of those persons engaged through recruitment agencies).
- 2.1.5. A procurement approval cannot be exercised by an employee who is the expenditure delegate or is a scoring member of the evaluation panel for the same procurement activity. This requirement extends for the life of the contract.



2.1.6. Procurement approvals will be undertaken on the relevant procurement approval forms published by System Procurement on QHEPS. Alternate documents or mechanisms for applying approvals, for example, IT systems, must be submitted to the Chief Procurement Officer for review and approval to ensure there are appropriate controls captured and retained for compliance/audit purposes.

2.2. Schedule of procurement approvers

2.2.1. The Schedule details the current list of approved positions within each division and business area that are assigned a procurement approval authority and value threshold, excluding GST, for that position. A procurement approver cannot sub-delegate their authority to another officer.

2.2.2. Procurement approval value threshold can vary to meet specific operational requirements. The indicative value thresholds applied to positions are outlined in **Attachment A**.

2.2.3. A position is assigned a threshold limit of authority to approve all procurement activities for establishing one-off procurements and/or supply arrangements (also known as standing offer arrangements). The procurement approval threshold value also applies for approving contract variations and exercising extension options.

2.2.4. When exercising a procurement approval for a one-off contract or for the establishment of a supply arrangement, the approval is for the total value of the procurement (excluding GST), including all extension options over the entire contract period.

2.2.5. For variations to the contract or the supply arrangement, the procurement approval is for the value of the variation or extension option (excluding GST).

2.2.6. Procurement approvals granted to a position remain valid in circumstances where the position is redesignated and/or changes title and there is no change to the classification level or position duties. These changes must subsequently be updated in the Schedule.

2.3. Schedule of procurement approvers review

2.3.1. Review of the Schedule is coordinated by System Procurement, Corporate Services Division twice yearly. It is the responsibility of business areas to take all necessary steps during each review to ensure proposed organisational changes have been considered and changes are reflected in the Schedule.

2.3.2. All Schedule reviews are approved by the Deputy Director-General, Corporate Services Division or the Director-General.

2.3.3. Requests for new positions or changes in threshold values will be considered based on risk and business impacts. The Procurement

Approval profiling guide in **Attachment B** will assist in profiling positions. Any employees undertaking a revised procurement approval authority should complete the iLearn Procurement Approval module and understand their responsibilities under the Procurement Approval Policy and this Guideline.

2.3.4. Ad hoc requests for updates to the Schedule shall only be considered where there is significant impact on health service delivery or business outcomes. In such circumstances:

- a formal request must be made in writing to the Chief Procurement Officer, System Procurement, Corporate Services Division. This must be supported by providing the rationale, risk and impacts to justify the request
- Pending endorsement, the Chief Procurement Officer will progress for approval by the Deputy Director-General, Corporate Services Division, or the Director-General.

2.3.5. Refer to **Attachment C** for the schedule process flow.

2.4. Procurement approval compliance and monitoring

2.4.1. It is the responsibility of the divisional Procurement Contact to review the contents of any potential non-compliance reports for their area of responsibility and take the necessary action to ensure procurement activities have been appropriately approved by the procurement approver, where required.

2.5. Responsibilities

Position	Responsibility
Director-General or Deputy Director-General, Corporate Services Division	Approve positions assigned a procurement approval authority in the Schedule
Deputy Directors-General/equivalents	Endorse positions assigned a procurement approval authority in the Schedule
Chief Procurement Officer, Corporate Services Division	Review requests for procurement approval authority and provide recommendations to the Director-General or Deputy Director-General, Corporate Services Division
Executives/senior management	Ensure staff with procurement approval authority: <ul style="list-style-type: none"> • understand their responsibilities under the Procurement Approval Policy • have the skills and knowledge to understand the requirements of the Queensland Procurement Policy and the Department of Health's Procurement Framework, Procurement Guide, and associated procedures

	<ul style="list-style-type: none"> receive training on applying a procurement approval.
Procurement Contact	<p>Coordinate divisional Schedule of procurement approvers review for assessment and assignment to roles.</p> <p>Coordinate and respond to review of potential non-compliance.</p>
System Procurement, Corporate Services Division	<p>Coordinate updates and briefings for approvals of procurement approvers on behalf of the Department of Health.</p> <p>Provide a central point of coordination for procurement approvers.</p> <p>Undertake compliance and monitoring activities.</p> <p>Maintain and ensure reviews are undertaken of the Schedule.</p>
Procurement approvers	<p>Understand their responsibilities in accordance with the Procurement Approval Policy and any local business rules before exercising procurement approval.</p> <p>Undertake training on procurement approvals and procurement processes.</p>

3. Legislation

- *Financial Accountability Act 2009*
- Financial and Performance Management Standard 2009
- *Information Privacy Act 2009*
- *Public Sector Act 2022 (Qld)*
- *Public Sector Ethics Act 2008*
- *Public Records Act 2002*
- *Right to Information Act 2009*
- *Industrial Relations Act 2016 (Qld)*

4. Supporting documents

- [Procurement Approval Policy QH-POL-474](#)
- [Code of Conduct for the Queensland Public Service](#)
- [Department of Health Procurement Framework](#)
- [Financial Accountability Handbook](#)
- [Financial Management Practice Manual](#)
- [Queensland Procurement Policy](#)
- For further supporting documents please refer to the [Department of Health Procurement Guide](#)

5. Definitions

Further definitions are as outlined in Financial Management Practice Manual.

Term	Definition
Procurement	means the whole process of obtaining goods and services. Beginning with the identification of needs, procurement can include the functions of planning, design, standards determination, specification writing, selection of suppliers, financing, contract management, disposals and other related functions. For clarity, 'procurement' under this document does not include 'grants' as defined in the Financial Accountability Handbook administered by Queensland Treasury.
Procurement Approval	means assessing and approving a procurement activity in compliance to the Queensland Procurement Policy for high value one-off procurement >\$250,000 (GST exclusive) and establishing a supply arrangement (including variations) to ensure value for money outcomes. Procurement approval is not required for contracts of any value established under an existing supply arrangement. A procurement approver may have regard to the Department of Health's Procurement Framework and Guide. All approvals are to be evidenced in the relevant procurement approval forms as provided in the Procurement Guide.
Procurement Approver	means an authorised employee who has been approved in accordance with the Procurement Approval Policy.

Version Control

Version	Date	Comments
1.0	20 March 2020	New guideline
2.0	11 November 2020	Responsibility to approve positions assigned a procurement approval amended and reflect change in organisational structure
3.0	09 July 2021	Updated scope to reflect Procurement Approver delegations can only be assigned to public service employees
4.0	17 October 2022	Revised section 2.4 procurement approval compliance and monitoring and Procurement Approval definition.
4.1	27 February 2023	Updated document to integrate industrial obligation considerations and update reference to <i>Public Sector Act 2022</i> (Qld).

Attachment A: Indicative* Procurement Approver Thresholds

Procurement approval threshold (ex GST)		Position Title	Indicative Level	Functionality
To source or vary one-off contracts	To establish or vary supply arrangements			
Unlimited	Unlimited	Director-General	HES/SES	Director-General
Unlimited	Unlimited	DDG or equivalent	HES/SES	Deputy Directors-General (DDGs) or equivalent or a direct report to the DG. Operational responsibility for a division/business unit.
\$10,000,000	Unlimited	Chief Procurement Officer, System Procurement, Corporate Services Division	HES/SES	Chief Procurement Officer for the System Procurement function of Corporate Services Division.
\$10,000,000	\$10,000,000	Chief Officer/ Executive Director	HES/SES	A Chief Officer / Executive Director with a direct reporting relationship to a DDG or equivalent. Operational responsibility for a Branch
\$1,000,000		Executive Director / Senior Director	SES/SO/ DSO	Executive or Senior Director or equivalent with significant budget and leadership responsibilities within a division/business unit.
\$500,000		Director / Manager	SO/DSO/ AO	Director or Manager or equivalent with direct reporting relationship to a Director or Senior Director equivalent.

*This table identifies an indicative value threshold assigned to positions that have responsibility for approving procurement activities on behalf of the Department of Health. Exceptions to the indicative procurement approval thresholds may apply to meet the specific operational procurement needs of the business area.

Attachment B: Procurement Approver profiling guide

This guide is to assist divisional and business unit staff involved in profiling positions for the Schedule of Procurement Approvals. Additional guidance and profiling support can be provided by System Procurement, Corporate Services Division.

Review relevant position threshold material including current Schedule of Procurement Approvers, Procurement Approval Policy and Guideline.

1. Review

When reviewing approval requirements, consider the following:

1.	Have all business areas been considered?
2.	Does a position that currently does not have a procurement approval authority now require one?
3.	Does a position that currently has a procurement approval authority still require it?
4.	Is the position number current / correct, in the correct personnel area and assigned to the correct position title?
5.	Is the allocated threshold sufficient?
6.	Position number is a permanent or temporary position (not a contractor)
7.	Check for duplicate position numbers

2. Assess and Assign

Individually assess each position within your division / business unit that may require a procurement approval authorisation. Consider:

1.	What levels of accountability are appropriate?
2.	The empowerment of staff to operate whilst enabling efficient and effective use of resources.
3.	The mix and profiling of positions that require procurement approval authority.
4.	Whether the position has responsibility for procurement

Use the Procurement Approvals Guideline to assign a threshold that has the appropriate level of procurement authority to positions that may require it. Many positions will not require a procurement approval authority. Consider:

1.	What functions the position performs.
2.	What value of procurements the position undertakes?

3. Recommend and Submit

Attachment C: Procurement approver schedule review process

