

Procurement Services Operational Plan: 2024-27

1. Summary

The Department of Education (DoE) has an objective of “*every student realising their potential*” through the execution of the Strategic Plan 2023-27 and the accompanying Equity and Excellence strategy. In support of this, the Department of Education Procurement Services Branch provides clients across the DoE with a range of core ongoing services.

The Department of Education Procurement Services Branch oversees approximately \$3 Billion per annum in category spend across three sub-categories. Procurement Services categories are Building, Construction and Maintenance, General Goods and Services and Information Communications Technology, including critical services that support the delivery of educational outcomes such as Outside of School Hours Care, Capital Works for schools, Communications and Technology. The Procurement Capability, Compliance, Systems and Regional Support team provide support to categories and the department through procurement analytics and reporting, business intelligence enhancements and automation, governance, whole of government representation and procurement and purchasing capability uplift.

The purpose of this Procurement Services Operational Plan 2024-27 is to provide staff, clients and stakeholders with a document which clearly sets out the major activities planned for the next three years and beyond, in the context of where the Branch has come from and where it is going.

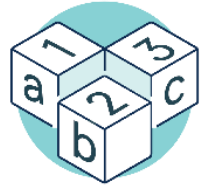
Over the last three years, procurement & purchasing expenditure from both schools and corporate / regional areas has risen from \$2.5B to \$3.2B

This rise can be attributed to...

- Significant increase in the number of and the size of investment in major capital works as well as the inflation of raw materials costs
- Growth in the number of schools across the state
- Broader inflationary price increases and the ongoing effects of market pressures post-pandemic
- Wage increases and cost of living pressures

Procurement Services has a range of focus areas throughout the 2023-24 Financial Year and beyond, detailed throughout the Operational Plan and in accompanying attachments.

Our objectives



A strong start for all children



Every student realising their potential



Capable people delivering our vision

Our Mission: To deliver high quality procurement services and outcomes for Queenslanders and their communities responsive services focused on equity and excellence.

Our Focus

We will provide high quality procurement services to the department by focusing on:

- Sourcing strategies that reflect our clients' priorities, needs and objectives
- Efficient and effective governance frameworks, practices and system controls
- Enhanced contract management practices that maximise procurement benefits
- Development of skilled and knowledgeable procurement and purchasing delegates
- Supporting and uplifting the capability and training for purchasers and buyers in schools, corporate and regional
- Development of a deep understanding of our spend profile and key supply markets
- Advancing the Government's procurement agenda
- Collaboration with other agencies to advance Government priorities

Our Challenges

We will actively manage our key strategic challenges including:

- Delivering a high quality procurement service within the operating constraints of budget and resources
- Raising awareness of the importance of supporting whole of government commitments to economic, environmental, social and community procurement targets and priorities
- Promoting ethical decision-making, probity, and the early identification of, and effective management of conflicts of interest
- Continuing to build systems controls and business intelligence (BI) capabilities to enhance compliance and decision-making
- Enhancing communication channels and engagement between the procurement function and schools
- Improving the procurement and purchasing capabilities of staff
- Engaging with other agencies to ensure whole-of-Government (WoG) policies, systems and contracts support and enhance service delivery

Our Measures

We will measure our performance through:

- Delivering on government targets and commitments, for example, use of Aboriginal and Torres Strait Islander and local businesses
- Delivering on savings plans and benefit methodologies
- Improved customer experience and timeliness of outcomes in purchasing and procurement activities
- DoE policies, procedures and templates reflect current Government policies and priorities
- Enhancements to the procurement systems functionality
- All active purchasing delegates trained and re-trained every three years
- Participation in WoG procurement committees, working groups and initiatives
- Performance against the Government's Performance Management and Reporting Framework

Capability, Compliance, Systems and Regional Support

Building Construction and Maintenance Category

General Goods and Services Category

ICT Procurement Category

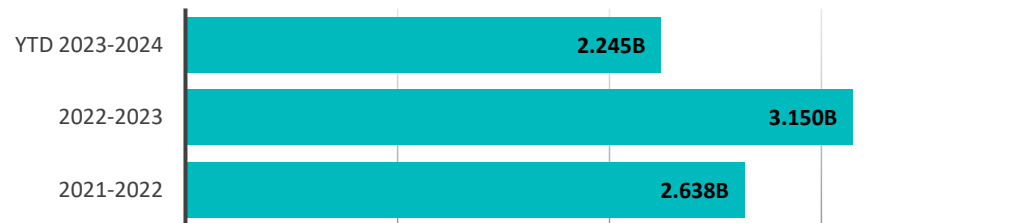
2. Summary of Achievements 2022-2023

Category	Strategic Procurement Planning and Governance	Working with Industry, Suppliers and Stakeholders
Procurement Services wide Achievements	<ul style="list-style-type: none"> Held three Procurement Advisory Council Meetings Represented the department on whole of government committees and councils including the Queensland Government Procurement Committee (QGPC), the Brisbane 2032 Procurement Taskforce, Heads of Procurement Network (HoPN) and Procurement Category Councils for the following categories of spend: ICT, General Goods & Services and Building, Construction & Maintenance 	<ul style="list-style-type: none"> Represented the department at industry forums and events including Indigenous Business Showcases, Buy Queensland Roadshows, BiiG Innovation forum and the Queensland Government Procurement Industry Reference Group (IRG)
Building Construction and Maintenance Category	<ul style="list-style-type: none"> Major review of the infrastructure contract development and engagement process to create a more streamlined and tiered approach to procuring Project Managers, Principal Consultants (Architects) and builders Established Cleaning Chemicals and Consumables supply arrangement which more than doubled SOA usage for cleaning equipment 	<ul style="list-style-type: none"> Continuously working with the contractors to help build their existing capability and Pre-Qualification (PQC) rating. By engaging contractors and consultants for construction projects at a manageable project value, the Department can progressively develop the skill and capacity with a focus on continued growth Engaging local and small to medium enterprises to stimulate local markets and supply chains throughout Queensland Working with First Nations suppliers to ensure an inclusive and equitable project environment to advance on commercial, environmental and social outcomes
Information Communications and Technology Category	<ul style="list-style-type: none"> Awarded \$187 million 5-year contract with Telstra Corporation to upgrade the bandwidth across our state schools network to provide greater equity and access to technology Telstra's 'Community Benefits' obligations built into Data Services Contract and Bandwidth Bank 'Concept' developed with DoE added by Telstra to Whole of Government SOA for other agencies to leverage Supported procurement of Equitable Student Devices in 2021, 2022 and 2023 	<ul style="list-style-type: none"> Invited Queensland SMEs and Indigenous Businesses to be added to existing ICT SOAs, resulting in a total of five (5) new entrants to existing SOAs Four Qld SME's and One Indigenous business was added to Interactive Solutions SOA in 22/23 FY
General Goods and Services Category	<ul style="list-style-type: none"> Continuing with the Equity & Excellence program of work – multiple concurrent procurement underway. Significant procurement plan underway for refresh of the School Uniform and Representative Sport uniform arrangement Development of a new procedure in relation to Retail Entities to address ongoing issues in relation to the acceptance of rebates from uniform and canteen providers 	<ul style="list-style-type: none"> Consultative feedback session run with key Outside School Hours Care providers Stakeholder engagement planning for upcoming refresh of the School Uniforms and Representative Sport Uniform arrangement Delivered Procurement Awareness training to key staff within the Education Futures Institute (Equity & Excellence client)
Procurement Compliance and Capability	<ul style="list-style-type: none"> Implementation of new contractor and consultancy guidance and OnePortal review Capability uplift sessions for 2645 Participants across the department Procurement delegation expiry monitoring process has resulted in a record number of delegation renewals 	<ul style="list-style-type: none"> Process established to approve additional Procurement Delegates in key business areas such as ITB and ISD to create efficiencies for routine procurement activities Increased engagement and collaboration with Financial Advisory Services and Internal Audit in the delivery of training and addressing non-compliance issues
Procurement Systems	<ul style="list-style-type: none"> Implementation of use of consultancies reporting and monitoring Enhancements to data warehouse source data and development of a new Procurement Analytics Dashboard Development and continued enhancements of Indigenous Spend Dashboard 	<ul style="list-style-type: none"> Continue to collaborate with Financial Business Solutions on SAP enhancements Knowledge sharing and with QGP Data Analytics and Insights team and QGP General Goods and Services Category on approaches to spend analytics Delivery of spend analytics training

3. Spend Analysis 2022-23 FY

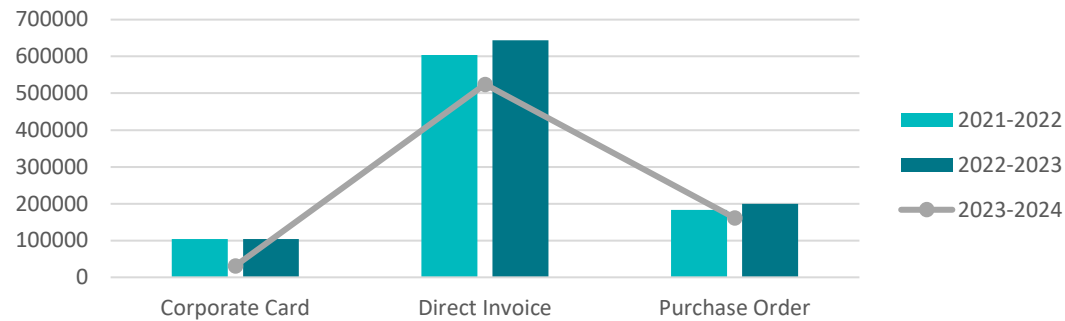
Total Spend (Excl. GST)

Data as at 31/03/2024



Number of Transactions

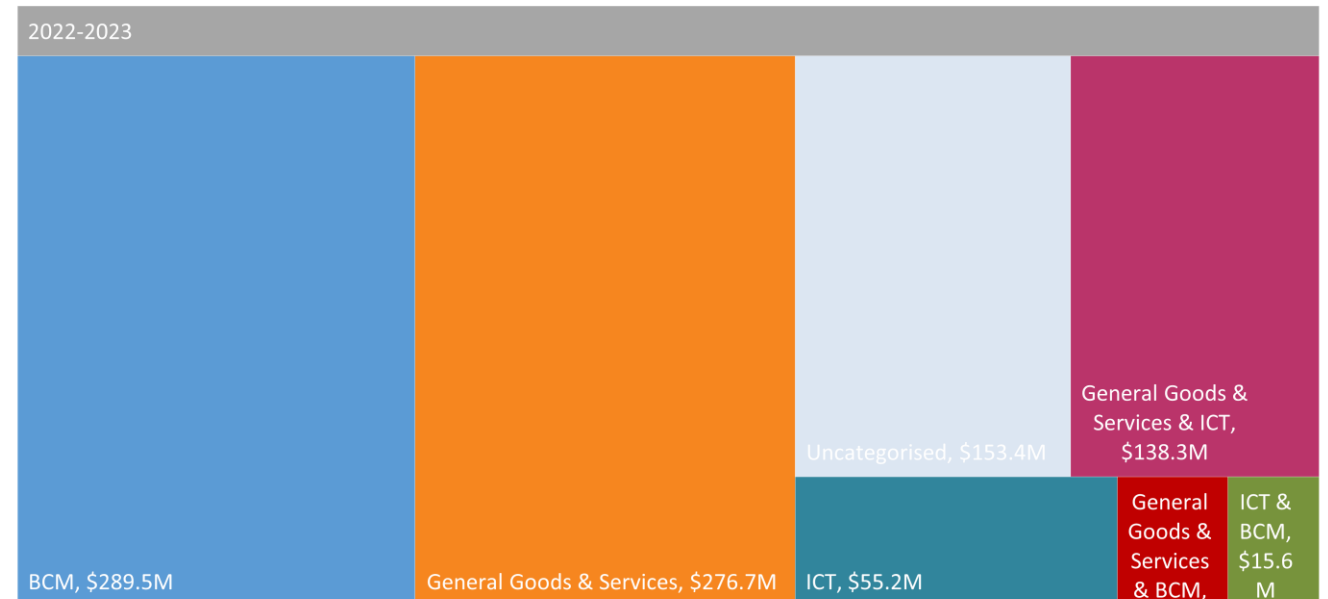
Data as at 31/03/2024



Spend by Category - Corporate



Spend by Category - Schools

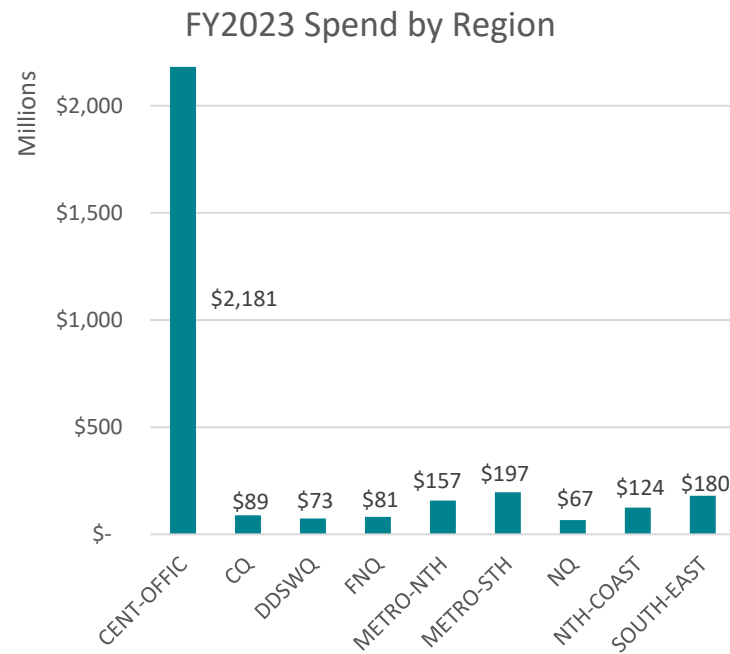


- Year to Date (YTD) spend is as at 31 March 2024 and is calculated using data extracted from SAP/OneSchool Finance.
- Spend has increased year on year with the department on track for a slight increase in spend again in the 2023-24 Financial year.
- The average number of transactions is 920,000 each year across Corporate Credit Card, Direct Invoice and Purchase Orders.
- Category breakdown includes managed and unmanaged spend.
- Approximately \$153M of school spend remains uncategorised however work continues to improve data models and data quality to enhance confidence in reporting, including improved mapping of GL Codes to each category for more accurate analysis and identifying unmanaged spend.
- The highest category of spend across corporate and schools in 2022-23 was infrastructure / capital works which falls within the Building, Construction & Maintenance (BCM) category.

4. Procurement key policy focus areas

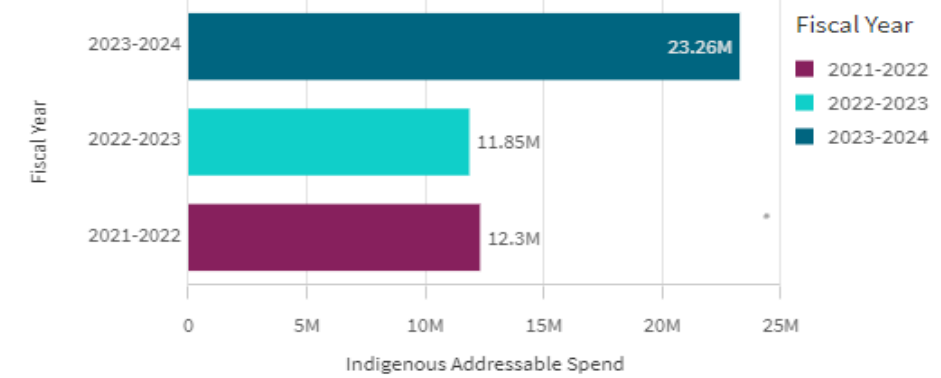
Local Engagement

- Regional spend is based on cost centre location for both schools and corporate.
- The majority of spend is in South East Queensland with \$434M spend (14%) occurring in regional areas.
- Work continues to develop a methodology to identify spend based on supplier location.
- Local spend is expected to increase as BQ23 initiatives are realised through purchasing activities.



Indigenous Spend

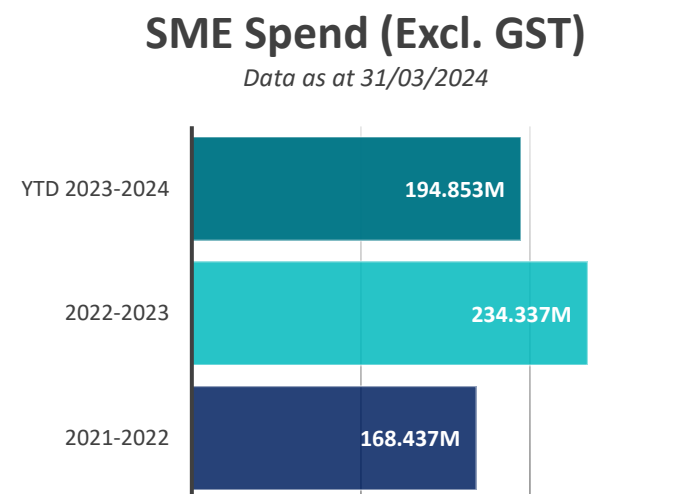
Indigenous Addressable Spend Rate (3 Years)



- Spend with Indigenous businesses is increasing year on year.
- In the 2022-23, DoE entered into contractual commitments with Indigenous businesses to a further value of \$20.64M (target was \$20M), combined total (payments and commitments) for 2022-23 was \$32.60M (1.4%).
- The target for 2023-24 is \$40M with significant investment through the BCM Category. Spend as at 31 March 2024 was \$23.3M (1.33%)

Small-medium sized enterprises

- Spend with SMEs currently sits at 9% for the 2023-24 financial year, an increase from 7% in 2022-23.
- Spend is increasing year on year with the department on track to exceed 2022-23 totals.
- It is expected that this trajectory will continue as BQ23 initiatives are rolled out and the future procurement system is implemented, enabling easier identification.



Ethical suppliers

- Over 700 checks were conducted on suppliers engaged to provide services to or sponsor departmental activities.
- 2024 will see the implementation of the Ethical Supplier Mandate across the ICT and General Goods and Services categories of spend.
- Suppliers continue to be held to abide by the Queensland Government Supplier Code of Conduct and the DoE Supplier Code of Conduct.

Compliance Checks



5. Five Year Strategic Planning Timeframe Summary

This Operational Plan outlines the annual activities that Procurement Services will undertake to ensure spend achieves value for money, is collaboratively planned and maximises opportunities through local job creation and improved social outcomes.

	Horizon	Short Term - Next 12 – 18 months	Medium Term Next 3 Years	Long Term Next 5 Years
Building Construction and Maintenance Category	Key outcomes	<ul style="list-style-type: none"> Increase spend with First Nations suppliers within BCM to 3% addressable spend. Continue to provide procurement advice and support to Infrastructure Services Division (ISD) on the following programs plus ongoing support; <ul style="list-style-type: none"> Go for Gold Youth Engagement Tuckshops and Playgrounds Asbestos Resilience Flood Resilience 	<ul style="list-style-type: none"> Increase spend with First Nations suppliers within BCM to 6% addressable spend. 	<ul style="list-style-type: none"> Increase spend with First Nations suppliers within BCM to 9% addressable spend.
	Major Planned Activities	<ul style="list-style-type: none"> Complete a bulk activity process for adding new suppliers to existing supply arrangements to ensure coverage of key capability across all regions and avoid saturation of suppliers. Finalise and establish new DoE and whole of government standing offer arrangement for Industrial Machinery. Finalise and establish new DoE and whole of government standing offer arrangement for, Furniture. Finalise and establish new DoE and whole of government standing offer arrangement for and Relocatable Buildings. Refresh of cleaning Chemicals and Consumables. Refresh whole of government Sanitary and Nappy Waste Disposal. 	<ul style="list-style-type: none"> Establish new whole of government prequalified panel for Minor Works and Asset Maintenance. 	
General Goods and Services Category	Key outcomes	<ul style="list-style-type: none"> Improved data analytics and reporting to enable improved category management and planning Increased spend with local and indigenous suppliers and Small to Medium Enterprises (SMEs) by highlighting these suppliers within the supplier search tools for each supply arrangement Review of the process for adding new suppliers to existing supply arrangements to ensure fairness and transparency and avoid saturation of suppliers Supplier segmentation activity to develop a strategic approach to managing key suppliers 	<ul style="list-style-type: none"> Increase opportunities for Indigenous businesses to be part of Departmental Supply Arrangements Explore opportunities for new panel or supply arrangements for goods/services in common use. 	<ul style="list-style-type: none"> Increased managed spend under all supply arrangements
	Major Planned Activities	<ul style="list-style-type: none"> Refresh of School Uniforms arrangement Refresh whole of government office supplies and stationery arrangement Refresh of Curriculum Resources arrangement Contribution to the implementation of the WOG Future Procurement System 	<ul style="list-style-type: none"> Review and potential rationalisation of suppliers on the Professional Development supply arrangement Refresh Food and Tuckshop Supplies arrangement 	<ul style="list-style-type: none"> Refresh Trade and Hardware Supplies arrangement
Information and Technology Category	Key outcomes	<ul style="list-style-type: none"> Implement Supplier Scorecards as part of contract management activities for Strategic ICT Contracts 	<ul style="list-style-type: none"> Collaborate with Digital Solutions and Governance, Cyber & Policy to further optimise processes relating to WCAG, Privacy and Security requirements 	<ul style="list-style-type: none"> Review ongoing use and scope of PurchaseIT
	Major Planned Activities	<ul style="list-style-type: none"> Refresh Microsoft Enterprise Licensing Agreement Refresh Contract for OneSchool Finance System Establish contract for Web Content Filtering Managed Service Establish contracts for Human Capital Management Solution (HCMS) software and implementation services Establish contract for the Enterprise Data Platform for Education Queensland Insights Platform (EQIP) Program Establish contract for uplift of International Student Management System (ISMS) 	<ul style="list-style-type: none"> Refresh hardware SOAs, including End User Computing and Apple Products Refresh contract for Billing, Inventory, Provisioning System (BIPS) with Analytical Services for Voice, Data and Mobile Refresh contract for Managed Print Services for Corporate Office Locations Refresh SOA for Microsoft Licensing Solutions Provider 	<ul style="list-style-type: none"> Refresh contract for Project and Portfolio Management System Review status and roadmap of Data Services Contract
Procurement Capability, Compliance, Systems and Regional Support	Key outcomes	<ul style="list-style-type: none"> Improved compliance through the review of Minimum Quote Thresholds to reduce red tape and align better to school purchasing practices and demands Enhanced reporting and monitoring of Contractor and Consultancy use across the department through a new SAP User Interface Implementation of BQ23 in all processes and procedures 	<ul style="list-style-type: none"> Increase spend with local suppliers across department purchasing activities to 15% Increase department spend with Aboriginal and Torres Strait Islander businesses to 5% Procurement Services Capability Framework results are realised and achieve a higher procurement score through Gartner 	<ul style="list-style-type: none"> Continued investment in Artificial Intelligence and Robotic Process Automation
	Major Planned Activities	<ul style="list-style-type: none"> Go live of Future Procurement System and implementation within DoE procurement function Review of Low Value and Intermediate training courses Development of category dashboards to enable greater insight and analysis of managed and unmanaged spend 	<ul style="list-style-type: none"> Full implementation of Future Procurement System and roll out to schools and business units Initial implementation of Artificial Intelligence / Machine Learning tools into our suite of reporting tools Transition all purchasing forms to online/automated forms 	<ul style="list-style-type: none"> Full implementation of Artificial Intelligence / Machine Learning tools into our suite of reporting tools