Sourcing strategy

Template

(Insert procurement activity and reference number)

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| **When to use this template**  This template can be used when planning for the procurement of goods or services It should be used and read together with the guide [Planning for significant procurement](https://www.hpw.qld.gov.au/__data/assets/pdf_file/0016/3355/procurementguidesignificantprocurement.pdf). Users of this template should also refer to Appendix 1 and 2 of the guide for further information on the contents that can be contained in a significant procurement plan.  **Please delete this text box and remove any User note before use.**  Use of this template is optional – remember to check your agency’s policies and procedures to check whether your agency has a standard template available that you are required to use.  **For more information on the *Buy Queensland* approach to procurement please visit** [www.qld.gov.au/buyqueensland](http://www.qld.gov.au/buyqueensland).  Get involved! This document is part of the Procurement Resource Centre. We would love to hear what you think, so please email your feedback to [betterprocurement@hpw.qld.gov.au](mailto:betterprocurement@hpw.qld.gov.au).  **Disclaimer**  This document is intended as a guide only for the internal use and benefit of government agencies. It may not be relied on by any other party. It should be read in conjunction with the Queensland Procurement Policy, your agency’s procurement policies and procedures, and any other relevant documents.  The Department of Housing and Public Works disclaims all liability that may arise from the use of this document. This document should not be used as a substitute for obtaining appropriate probity and legal advice as may be required. In preparing this document, reasonable efforts have been made to use accurate and current information. It should be noted that information may have changed since the publication of this document. Where errors or inaccuracies are brought to attention a reasonable effort will be made to correct them. |

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# Executive summary

[User note: the executive summary should provide a brief summary of this strategy. It is often easiest to complete after the rest of the document has been completed.]

(Insert executive summary).

# Background and objectives

## Background

This sourcing strategy has been prepared in accordance with the requirements of the Queensland Procurement Policy (QPP). The QPP presents buyers with an opportunity to contribute to government’s priorities by putting Queenslanders first when securing value for money and pursuing the advancement of economic, environmental and social objectives.

The aim of this document is to develop a procurement strategy based on, among other things, demand and supply market analysis, the consideration of relevant procurement objectives and the identification and evaluation of strategy options.

(Insert additional background information specific to the procurement activity).

## Objectives

The objectives of this sourcing activity are:

* (Insert objective)
* (Insert objective)
* (Insert objective).

## Budget

(Insert budget details and confirmation of the funding source).

# Scope of the required goods/services

(Insert details of the goods or services required).

[User note:

* provide a comprehensive description of the goods or services to be procured
* provide details of any out-of-scope goods or services
* refer to the [Developing specifications](http://www.hpw.qld.gov.au/SiteCollectionDocuments/ProcurementGuideDevelopingSpecifications.pdf) guidance for further assistance.]

# Demand analysis

(Insert demand analysis).

[User note: this section describes the internal (agency) demand for the good/service and how the demand has been calculated. Potential sources of data may include:

* historical spend (both on-contract spend and any leakage)
* consultation with key stakeholders, including end users
* overarching category plans.

The demand analysis can include information on:

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| * how the requirement for the good/service arises, and how is it used to support the agency’s operations * how critical the good/service is to the agency’s operations * whether there are other alternative options for satisfying demand, including in-house provision (as opposed to buying/leasing) * whether demand is fluctuating, seasonal, one-off or stable * whether alternative goods/services have been considered * whether there are options for reducing demand * the total current spend (by supplier, if possible) and/or forecast spend on the good/service.   For further information about demand analysis please refer to the relevant section in the [Planning for significant procurement](https://www.hpw.qld.gov.au/__data/assets/pdf_file/0016/3355/procurementguidesignificantprocurement.pdf) guidance.] |

# Supply market analysis

[User note: to assist in the preparation of this section, refer to the [Supply market analysis](http://www.hpw.qld.gov.au/SiteCollectionDocuments/ProcurementGuideSupplyMarketAnalysis.pdf) guidance. The below sections are a guide only and should be modified as required depending on the sourcing activity.]

## Market structure

[User note: this section can include determining the relevant market or market segments, total size of the market, key suppliers in the market and their respective market shares, existing ownership structures in the market and profitability of the different suppliers.]

(Insert details).

## Degree and type of competition between suppliers

[User note: this section can include details on the basis and level of competition in the market between suppliers, barriers to entry and exit, and possible future changes to the supply market.]

(Insert details).

## Supply chain

[User note: this section describes the supply chain. This can include identifying the level of value-adding, supply chain dependencies, and where to buy in the supply chain. It should also consider supply chain risks and issues, such as modern slavery.]

(Insert details).

## Substitute goods or services

[User note: this section can focus on the outcome sought from the procurement, and whether substitute goods or services exist that could meet the outcome sought.]

(Insert details).

## Agency/government’s value as a customer

[User note: this section details the value of the agency/government as a customer to the supply market.]

(Insert details).

## Other market context factors

[User note: this section can be used to detail any other relevant market context factors not otherwise covered. This can include political, economic, social/cultural, technological, environmental/sustainability and/or legal factors.]

(Insert details).

# Key findings

[User note: evaluate key findings from the demand and market analysis. The findings should help identify key insights for the development of the procurement objectives and strategy. For more information refer to the [Supply market analysis](https://www.hpw.qld.gov.au/SiteCollectionDocuments/ProcurementGuideSupplyMarketAnalysis.pdf) guidance.

(Insert details).

# Procurement strategy options

## Available options and analysis

[User note: use this section to develop and evaluate the possible procurement strategy options. Refer to the [Planning for significant procurement](https://www.hpw.qld.gov.au/__data/assets/pdf_file/0016/3355/procurementguidesignificantprocurement.pdf) guidance for further information, including examples of procurement strategy options and different ways to evaluate these.]

(Insert details).

## Recommended procurement strategy

[User note: use this section to document the preferred procurement strategy, and how it will best satisfy the procurement objectives.]

(Insert details).

# Contract management

[User note: use this section to outline the contract management arrangements required following the award of any contract. This includes detailing what specific measures (key performance indicators) are needed, and how they will be monitored and managed.]

(Insert details).

# Implementation plan

[User note: use this section to set out the steps that are needed to successfully implement the preferred procurement strategy. Some areas to be covered are suggested below – these can be amended or added to as required.]

## Resources

[User note: use this section to identify the human, physical and financial resources required to implement the strategy.]

(Insert details).

## Roles and responsibilities

[User note: this section can be used to summarise the roles and responsibilities of key stakeholders. This can include any relevant governance bodies, program/project directors, project managers and team members.]

(Insert details).

## Implementation schedule

[User note: this section outlines the key activities, target dates and those responsible for the activity. This can be presented in table form, below, if desired.]

(Insert details).

|  |  |  |
| --- | --- | --- |
| **Key activity** | **Target date** | **Action officer** |
| **Approval of the sourcing strategy** | (Insert date) | (Insert action officer) |
| **Specifications completed and endorsed** | (Insert date) | (Insert action officer) |
| **Request documentation complete and endorsed** | (Insert date) | (Insert action officer) |
| **Request advertised** | (Insert date) | (Insert action officer) |
| **Request closes** | (Insert date) | (Insert action officer) |
| **Offer evaluation and recommendation** | (Insert date) | (Insert action officer) |
| **Evaluation report completed and endorsed** | (Insert date) | (Insert action officer) |
| **Contract negotiations** | (Insert date) | (Insert action officer) |
| **Contract award** | (Insert date) | (Insert action officer) |
| **Contract commencement date** | (Insert date) | (Insert action officer) |
| **(Insert any additional requirements)** | (Insert date) | (Insert action officer) |

## Communication strategy

[User note: this section outlines who the key stakeholders are and how they will be communicated with during the procurement. This should include the:

* aim/objective of the communication
* method of communication (e.g. written, face-to-face)
* responsible officer for the communication
* frequency of communication.]

(Insert details).

## Risk management

[User note: this section identifies any risks and mitigation strategies to the procurement strategy. This should be based on the applicable agency’s risk management framework, and should include:

* a brief description of the risk
* the consequences of the risk occurring
* the likelihood of the risk occurring
* the overall rating of the risk (e.g. high, medium, low)
* options for managing the risk
* party or parties responsible for managing the risk.]

(Insert details).

Signatories and sign off

|  |  |
| --- | --- |
| **Sourcing strategy author** |  |
| **Name** |  |
| **Position title** |  |
| **Division and department** |  |
| **Signed** |  |
| **Date** |  |

|  |  |
| --- | --- |
| **Endorsing officer** |  |
| **Name** |  |
| **Position title** |  |
| **Division and department** |  |
| **Signed** |  |
| **Date** |  |

|  |  |
| --- | --- |
| **Approval officer** |  |
| **Name** |  |
| **Position title** |  |
| **Division and department** |  |
| **Signed** |  |
| **Date** |  |

(Insert any additional signatories, if applicable).