



CORPORATE PROCUREMENT PLAN
2011/12

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1 Purpose and Scope

The SPARQ Solutions Corporate Procurement Plan is prepared in accordance with Queensland Government State Procurement Policy. The Corporate Procurement Plan provides an overview of SPARQ Solutions procurement objectives, strategies, process and systems.

This plan is for the 2011-12 financial year.

2 Corporate Background

SPARQ Solutions is owned by and operates as the Information, Communications and Technology service provider to government owned corporations ENERGEX Limited and Ergon Energy Corporation Limited. SPARQ Solutions was established in 2004 and details of its operations, including financial statements, can be found at <http://www.sparq.com.au/>

3 Procurement Policy Purpose and Intent

SPARQ Solutions is committed to establishing and maintaining a comprehensive and effective procurement framework to facilitate its business operations, to support its purpose, vision and mission and to underpin its core values of professionalism, teamwork and improvement.

The SPARQ Solutions Procurement Policy aligns closely with the Queensland Government State Procurement Policy and is supported by internal Procurement Guidelines. The guidelines include consideration of how category risk and expenditure levels are used in procurement decision making.

4 Procurement Objectives

SPARQ Solutions procurement objectives are:

1. Ensuring that value for money and commercial sustainability outcomes are achieved through effective procurement capabilities;
2. Supporting the delivery of SPARQ Solutions Corporate and Business Strategies; and
3. Ensuring probity and accountability for outcomes of procurement activities.

5 Procurement Strategies for 2011 / 2012

The following strategies are in place to deliver the Procurement Objectives:

Procurement strategy	Objectives		
	Achievement of value for money and commercial sustainability outcomes	Supporting the delivery of corporate and business strategies	Ensuring probity and accountability for outcomes
Activities specified by the 2011/12 SPARQ Solutions Business Plan	✓	✓	
Support delivery of the ICT Program of Work	✓		✓
Improve vendor performance and outcomes	✓	✓	
State Procurement Policy Compliance			✓

The following actions will deliver the Strategies:

Activities in the SPARQ Solutions Business Plan 2011/12
<ul style="list-style-type: none"> Support the “lead ICT Strategy” by establishing arrangements to support and deliver the Business and Information Blueprinting Program to be undertaken by SPARQ Solutions on behalf of Ergon Energy and ENERGEX.
<ul style="list-style-type: none"> Support the “Manage Information as a Strategic Asset Strategy” by establishing panel arrangement with expert organisations to assist with various Business Intelligence initiatives.
<ul style="list-style-type: none"> Support the “Optimise ICT asset utilisation” strategy by establishing an arrangement for the provision of a new South East Queensland Data Centre.
<ul style="list-style-type: none"> Support the “Enhance client service engagement and delivery” strategy by establishing an arrangement for the provision of Service Desk operations, commencing in July 2012.
Support delivery of the ICT Program of Work
<ul style="list-style-type: none"> Major initiatives are specified in Section 5 – Procurement Profile.
Improve vendor performance and outcomes
<ul style="list-style-type: none"> Enhance vendor performance reporting and monitoring (including leading indicators and value for money propositions) to ensure achievement of commercial and operational outcomes.
<ul style="list-style-type: none"> Establish vendor manager forums (including the appointment of vendor management champions) in order to facilitate the sharing of knowledge, ideas and initiatives.
<ul style="list-style-type: none"> Monitor and improve the vendor management framework through ongoing systematic review and compliance processes.
<ul style="list-style-type: none"> Deliver improve value for money provided by selected arrangements through identification of opportunities to reduce acquisition/delivery costs without impacting service levels.
State Procurement Policy Compliance
<ul style="list-style-type: none"> Establish a new legal and probity panel to support delivery of the ICT Program of Work in consistent with probity requirements.
<ul style="list-style-type: none"> Establish reporting capabilities to meet external disclosure requirements established by the SPP.

6 Procurement Profile

SPARQ Solutions procures products and services in 4 principal domains. These are shown in the table below, which also outlines the supply arrangements in place.

Requirement	Status	Description
Telecommunications Services		
Telecommunications Supply Agreement	Contracted until January 2013	Telecommunications infrastructure, services and products
Managed Contract Centre Services	Contracted until July 2012	Contact Centre infrastructure and overflow/avalanche capacity
Services		
Service Desk	Contracted until July 2012	Outsourced service desk infrastructure and services
Contractor and recruitment Panel	Contracted until December 2013	Panel contract that facilitates the engagement of contractors or recruitment of employees through an established panel of recruitment organisations.
Hardware and Infrastructure		
Desktop computers, portable computers, and servers	Purchased using State Government contracts	Full suite of desktops, laptops and servers for SPARQ Solutions and the business

Requirement	Status	Description
Network/ Communications Hardware, Software & Supporting Services	Purchased using State Government contracts	Full suite of data communications and network routers, switching infrastructure hardware, software and services
Critical Hardware Infrastructure Support	Various vendor support agreements	Support, maintenance and upgrades for critical hardware infrastructure
Applications - Software Licenses, Enhancements/Services and Support		
SPARQ Solutions owns and operates various corporate and operational applications on behalf of Ergon Energy and ENERGEX. New and/or enhanced applications are delivered through implementation projects under the ICT Program of Works and are acquired following the principles of the State Purchasing Policy. Where ongoing support and maintenance of these applications is required, arrangements are typically entered into at the time of acquisition of the application.		

The following table lists significant procurement initiatives planned to be undertaken in 2011/12 to support delivery of the SPARQ Solutions ICT Program of Work:

Project
Distribution Management System Implementation (ENERGEX)
Ellipse 8 Upgrade – Design and Implementation (joint Ergon Energy and ENERGEX)
National Energy Customer Framework (joint Ergon Energy and ENERGEX)
Next Generation Desktop (joint Ergon Energy and ENERGEX)
Enterprise Performance Management (ENERGEX)
Business & Information Blueprint (joint Ergon Energy and ENERGEX)
Field Force Automation v9 Upgrade (ENERGEX)
Field Force Automation Toughbook Replacement (ENERGEX)
Relay Model Repository (ENERGEX)
Exchange eMail Upgrade (joint Ergon Energy and ENERGEX)
Service Interactions (ENERGEX)
WAN LAN Asset Renewal (SPARQ Solutions)
Customer Information System (Ergon Energy)
Wintel Server Asset Renewal (SPARQ Solutions)
Tariff Reform Implementation (Ergon Energy & ENERGEX)
Primary Data Centre - South East Queensland (SPARQ Solutions)
Callout and Logistics Management (ENERGEX)

7 Systems and Procurement Skills

7.1 Procurement Systems

The procurement system used by SPARQ Solutions is the Mincom Ellipse ERP system and utilises its purchase order, accounts payable, inventory and accounts receivable functions. This system is supported by the Spendvision product which is used to manage low value credit card transactions.

End users with SPARQ Solutions utilise a self-service portal for the requesting and approving the purchase of ICT software, desktops/laptops, hardware and telecommunications. The Marvel Service Desk tool is used to manage procurement request and provisioning queues and to ensure the provision of goods is achieved within specified service level timeframes.

7.2 Procurement Skills

Within SPARQ Solutions, procurement functions are provided by two distinct teams, which focus respectively on establishing supply arrangements (procurement) and the provisioning of user requests (purchasing) against established contractual arrangements. The two procurement teams are:

- Strategic Contracts; and
- Operational Procurement

The *functions* performed by each team are:

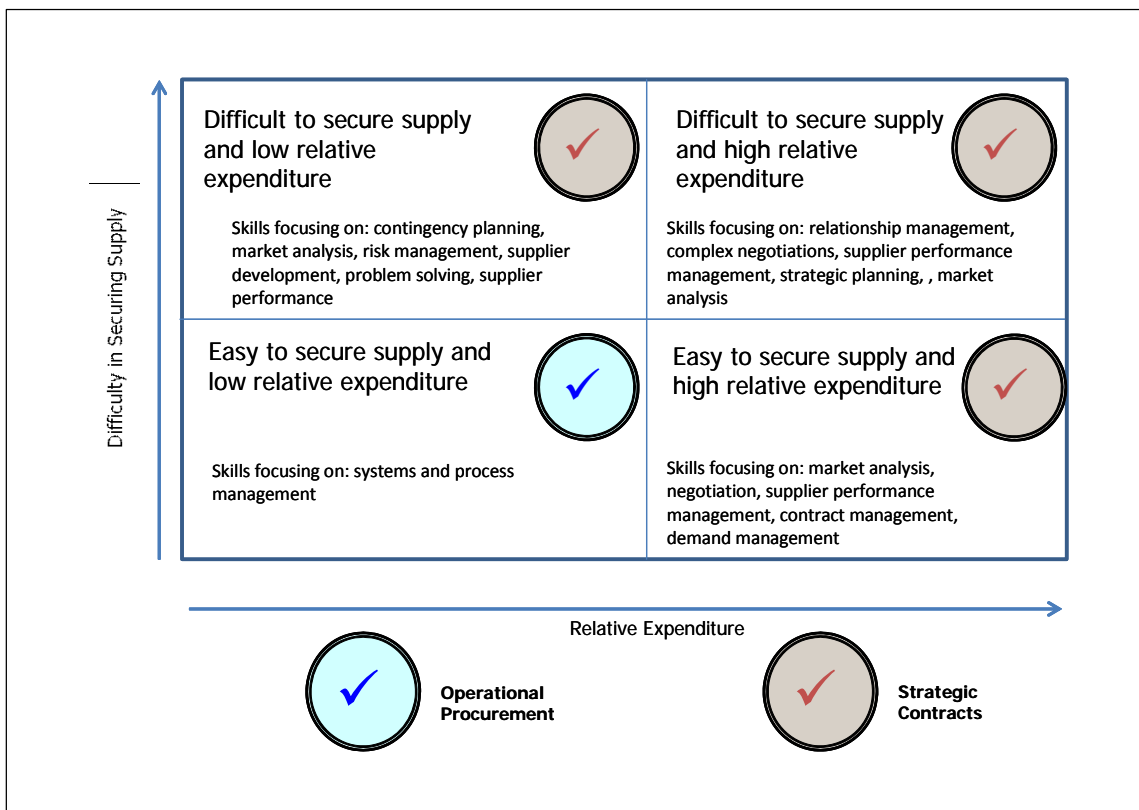
Strategic Contracts:

- deliver the objectives and strategies within this plan;
- ensure compliance with the State Procurement Policy;
- maintain and manage the SPARQ Solutions procurement policy and guidelines;
- procurement planning (including strategic planning, significant purchase plans, evaluation plans, probity plans, risk and market assessments, creation of further value with existing arrangements);
- contract establishment (including management of the Request for Tender/Expression of Interest process, negotiation and establishment of contracts, utilisation of existing government arrangements)

Operational Procurement

- Procurement of software, hardware and telecommunications products;
- Payment of Support and Maintenance;
- Management of relationships with vendors for telecommunications and commodity transaction;
- Software Compliance.

The *skills* required of each team are shown below:



Employee skills and development needs are reviewed six monthly through the SPARQ Solutions Performance Management framework; which incorporates preparation of individual Training Plans as is part of their Individual Performance Agreements.

The Strategic Contracts Team is located within the Corporate Support function managed by the Chief Financial Officer. The Operational Procurement Team is managed by the Service Delivery Manager.

8 Procurement Measurement

SPARQ Solutions has a well developed vendor management framework which forms the basis of measuring and assessing vendor performance. This framework is directed at those vendors who have a material operating and/or financial impact upon SPARQ Solutions, Ergon Energy or ENERGEX.

The framework considers:

- Cost reduction and containment
 - Level of savings due to initiatives
 - Value of negotiated additional benefits
- Performance against Service Levels
- Health of the relationship
- Continuous improvement