



## INSTRUCTIONS AND GUIDELINES

### Purchasing and Supplier Evaluation

March 2011

**This Instruction & Guideline refers to Practice Statement No:  
PS2009/22 –inspection and Examination of Sea Cargo**

**Published date:** 14 July 2011  
**Availability:** Internal and External  
**Subject:** Purchasing and Supplier Evaluation  
**Purpose:** This Guideline sets out the Commonwealth Purchasing and Supplier requirements  
**Owner:** National Director Cargo  
**Category:** Operational  
**Contact:** National ISO coordinator, Sea Cargo Improvement

***The electronic version published on the intranet is the Instruction and Guideline***

### **Summary of main points**

- Commonwealth Procurement Guidelines
- Contractors-Logistics/Equipment

### **This National Guideline applies to staff in:**

- Container Examination Facilities in Brisbane, Fremantle, Melbourne and Sydney
- Cargo Examination Facilities in Adelaide, Darwin, Launceston, Newcastle, Townsville

*The Quality Management system is applied in Cargo Examination facilities in Launceston, Newcastle, Townsville and Darwin although these sites are not required to be certified.*

### **Introduction**

This guideline should be read in conjunction with the Practice statement 2009/22. This Instruction and Guideline describes the procedures to be followed at CEFs for purchasing and evaluation of goods and services provided.

### **Instructions and Guidelines**

#### **PURCHASING**

Commonwealth Procurement Guidelines (CPGs) have been issued by the Minister for Finance and Administration and govern the way in which Commonwealth Agencies procure goods and services. The CEO of Customs and Border Protection has issued Chief Executive Instructions (CEIs) detailing how the CPGs relate to the Customs and Border Protection environment. To this end, all purchasing at the CEFs is to be done in accordance with Chapter 4 "Spending Public Money" of the CEIs. A list of the CEIs can be accessed via the *Financial Services Division (FSD)* webpage on the Customs and Border Protection Intranet.

The CEF Manager has financial responsibility for the administration of the facility. Only officers delegated by the CEF Manager are authorised to manage the purchasing of goods and services. Any staff wishing to request goods for CEF use should consult with their Team Leader or Supervisor for further information.

All purchases and financial data must be input into the QSP system. Nominated purchasing officers can gain access to the *QSP Financials* system via the Customs and Border Protection desktop.

#### **PURCHASED SERVICES**

To manage the flow of containers and sea cargo through the CEF sites, Customs and Border Protection has contracted a number of Service Providers to deliver essential logistics and equipment maintenance support to the CEFs. These services are to be

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provided in accordance with the conditions and service level standards set out in the relevant contracts.

The following contracts have been established:

## **LOGISTICS**

### ***Container Handling Services***

The stevedores in all CEF ports are responsible for providing container handling services for the loading and unloading of containers at their respective wharves.

### ***Transport Services***

Transport Contractors are responsible for the movement of containers to and from the wharf or warehouse and form an integral part of the CEF supply chain.

### ***Unpack/Repack Services***

The Unpack/Repack Service Providers are responsible for performing the unpack and repack of containers and cargo under the direction of Customs and Border Protection officers.

### ***Equipment Maintenance***

Customs and Border Protection has established contracts with a variety of local and national service providers to manage the maintenance of specialist CEF machinery/equipment.

## **SUPPLIER EVALUATION AND CONTRACT MANAGEMENT**

When a product or service provided to the CEF by a third party fails to meet agreed expectations, immediate action must be taken to identify the source of the problem and to implement steps to rectify the situation. Instances of service/product underperformance may be evidenced through poor work outcomes, failure to meet KPIs, unsafe working practices, inferior products being delivered, incorrect orders and/or regular equipment breakdowns.

CEFs are responsible for keeping ongoing records of any identified instances of supplier underperformance, and the manner in which this information is recorded will be appropriate to the product or service being reported on. The primary forum for the evaluation of supplier performance is the CEF Regional Management Review Meetings (RMRMs). To this end, information from the following sources may be tabled in RMRMs:

- Issues & incidents registers;
- Log books;
- Equipment checklists;
- CEF databases;
- Direct staff/stakeholder feedback;
- CRE/monthly reports.

As part of the CEFs' commitment to continuous improvement, the RMRM Minutes should record the following details when documenting issues of non-conformance from any supplier:

- The specific issue identified;
- The action proposed to rectify the problem;
- The name of the nominated action officer; and
- A timeframe for a review of the effectiveness of the action.

CEF contracts with external service provider outline the scope of these services and stipulate KPIs for measuring contractor performance. These contracts are managed centrally by the *Sea Cargo Improvement (SCI)* Section of the Cargo Branch, Canberra or for equipment maintenance by detection and Identification Technologies section in Border Enforcement Division, Canberra.

Service Level Agreements (SLAs) have been written into the contracts to benchmark the minimum level of service that is expected. Contractors are responsible for providing monthly and quarterly reports to SCI, providing detailed information on their performance against SLAs.

Any specific issues or concerns with supplier performance are to be raised by CEF Managers through the CEF Managers' Meetings or in direct communication with the Director SCI. Quarterly Contract Management Meetings are held to address any contractual issues that are identified and ensure continuous improvement to the provision of logistics services.

### **Related Policies and References**

#### **Practice Statements:**

- Inspection and Examination of Sea Cargo

### **Other Instructions & Guidelines**

- Managing the Quality Management System
- Performance Measures and Clients
- Auditing and Monitoring
- Control of Nonconformity, Continuous Improvement & Corrective/Preventative Actions
- Document Control and Record Management

### **Key Roles and Responsibilities**

National ISO Coordinator, Sea Cargo Improvement, Canberra  
CEF Managers

Copies of this document are controlled. Master copies of the document are on the Intranet. National ISO coordinator is responsible for version control.

### **Consultation**

#### **Internal**

The following internal stakeholders have been consulted in the development of these Instructions and Guidelines.

- CEF Management and staff
- ISO Coordinators
- Sea Cargo Improvement

### **Approval**

<b>Approved on</b>	<b>12 July 2011</b>	
<b>By</b>	National Director Cargo Raelene Vivan	
<b>Review Period</b>	This National Guideline is to be formally reviewed biennially by Sea Cargo Improvement	