



Panels of Pre-Qualified Suppliers

Responsible Areas	Administration
Responsible Officer	Chief Executive Officer
Affected Staff	NL

OBJECTIVE

To set out the Shire's policy with respect to the establishment of panels of pre-qualified suppliers (contract panels) in accordance with Part 4, Division 3 of the *Local Government (Functions and General) Regulations 1996*.

STATUTORY CONTEXT

Head of Power: *Local Government Act 1995*

Subsidiary Legislation: *Local Government (Functions and General) Regulations 1996 Division 3 – Panels of Pre-qualified suppliers*

Influencing Legislation: *State Records Act 2000*

CORPORATE CONTEXT

Policy manual

3.1 – Purchasing Framework

POLICY STATEMENT

Definitions

Contract Panel: Is a panel made up of pre-qualified suppliers. May also be referred to as “panel” throughout the policy.

Pre-qualified Supplier: A supplier who meets the requirements (specification) to be on a contract panel.

Shire: Means the Shire of Victoria Plains.

Time Period: The minimum time period a contract panel is established for is two (2) years.

General

The Shire may establish panels of pre-qualified suppliers where:

- Goods and/or services are likely to be purchased on a continuing and regular basis;
- There are sufficient suppliers and a competitive market for the goods or services concerned;
- The scope of activity for the goods and/or services covered by the procurement activity is assessed to be of low risk;
- There are efficiencies that will be gained by establishing a panel; and
- The Shire has the capacity and capability to establish a panel and manage the risks associated with doing so.



Before establishing a contract panel

Before establishing a contract panel the Shire must satisfy itself that there is, or will be a continuing need for the particular goods and services to be supplied by pre-qualified suppliers. This may be done by searching records for the frequency, type and cost of goods supplied or work undertaken in two (2) or more prior financial years.

What must be included in the written specification

Council (or the CEO if delegated authority) must approve a specification before seeking submissions for the establishment of a contract panel. The specifics will vary depending on the nature of each panel, but as a minimum each specification must include:

Key requirements

- The specification requirements in Policy 3.1 - Purchasing Framework applies in the first instance;
- The scope of goods or services covered;
- The potential volume of work that may be procured under the panel;
- A stipulation that there is no guarantee that the Shire will purchase goods or services from pre-qualified suppliers on a panel;
- The time period covered, which shall be for a minimum period of two (2) years;
- The criteria for deciding how applications will be assessed and accepted;
- The Shire employee or other person who will manage the panel and contracts on behalf of the Shire;
- The process to remove a prequalified supplier from a panel;
- What record keeping requirements a panel member is to meet; and
- That the Shire may vary the information referred to in:
 - Invitations for submission to join a panel; and
 - Schedule 1 attached to this policy.

When the panel has been established

- How quotes will be obtained from pre-qualified suppliers. This must be in accordance with the Shire's criteria under Policy 3.1 – Purchasing Framework;
- Any particular contract entered into with a pre-qualified supplier must not be for longer than 12 months including any options to extend it. Subject to these factors, each panel specification will set out whether the Shire intends to:
 - Obtain quotations from each pre-qualified supplier on the panel with respect to all purchases; or
 - Purchase goods or services exclusively from any pre-qualified supplier appointed to the panel, and under what circumstances (eg what provisions will apply where a panel member is unable to or declines to supply the goods or services and the Shire might then move to the next highest ranked pre-qualified supplier); or
 - Develop a ranking system for the supply of goods or services with work awarded in accordance with a set process and which could be rotational, subject to a time constraint or any other matter relevant to the goods or services supplied.
- How pre-qualified suppliers will be invited to quote for the goods and services that they are expected to supply – which will be by email unless exceptional circumstances apply such as an IT outage, power interruption or emergency;
- How the Shire will communicate with pre-qualified suppliers in a clear, consistent and regular way - which



will be by email unless exceptional circumstances apply such as an IT outage, power interruption or emergency. Information sent to one supplier must be provided to all if quotes or proposals are being sought from more than one panel member; and

- The number of pre-qualified suppliers the Shire intends to put on the panel.

Invitations for submissions to join a panel

Once a specification has been approved, State-wide public notice is to be given inviting applications to join a panel. Regulation 24AE provides for a minimum of 14 days for submissions, unless there is an emergency or genuine urgency involved.

Each invitation must:

- Include a brief description of the goods or services required;
- Identity a person from whom more detailed information may be obtained, including the list of detailed information. The list of detailed information is set out in Schedule 1 to this policy;
- Where applications may be submitted;
- The date and time after which applications cannot be submitted.

Receiving, opening and assessing applications to join or form a panel

Regulation 24AF provides that Regulation 16 applies to the receipt and opening of applications to join a panel.

Regulation 24AI requires the Shire to notify applications of the outcome of their application to join a panel.

Record keeping requirements

Tender Register

Information about panels must be recorded in the Shire's tenders register in accordance with Regulation 24AG. This includes:

- A brief description of the goods or services required;
- A copy of the State-wide public advertisement inviting applications;
- The name of each application received and opened;
- The name of the successful applicant; and
- The pricing schedule, or a summary of the amount of the consideration sought.

Records for each Panel and Contracts Awarded

Although Policy 3.1 – Purchasing Framework sets out the record keeping requirements for purchasing matters, the CEO will ensure other information as set out below is kept on file for each Panel as follows:

- Initiation documentation which justifies the need for a Panel to be created and approval of the draft specification by Council (or the CEO under delegated authority)
- A copy of the State-wide public advertisement inviting applications;
- Requests for applications documentation;
- Copies of applications received;
- Evaluation and negotiation documentation, including clarifications sought;



- Approval and award documentation;
- Correspondence to applicants notifying of the establishment and composition of the panel;
- Subject to the provisions of each panel, requests for quotation sought pre-qualified suppliers and contracts awarded to panel members; and
- Purchase orders issued under the contract.

Information with regards to the panel offerings, including details of suppliers appointed to the panel, must be kept up to date, consistent and made available for access by all employees of the Shire.

Contract management and monitoring panel performance

The CEO is responsible for ensuring that contracts established with pre-qualified suppliers are performed in accordance with the specification. As a minimum, the criteria regarding contract monitoring and/or performance measurement is set out in Policy 3.1 – Purchasing Framework.

APPLICATION

Applies to those who are deemed suitable as pre-qualified suppliers.

HISTORY

OCM 26 February 2020: New Policy

NOTES

Schedule 1

To satisfy Regulation 24AD(5) of the Regulations, when establishing a panel of pre-qualified suppliers, the detailed information associated with each invitation to apply to join the panel must also prescribe references to:

- The Shire's written policy re prequalified suppliers and purchasing framework;
- Such information the Shire decides should be disclosed to those interested in applying to the Panel;
- The detailed specifications of the goods or services to be supplied;
- The criteria for deciding which applications to joining the Panel should be accepted;
- An explanation how the panel will operate;
- Whether or not the Shire intends to buy the goods exclusively from pre-qualified suppliers on the
- A statement to the effect that there is not a guarantee that the Shire will purchase goods or services from pre-qualified suppliers on the Panel;
- The period for which the Panel will be established;
- The number of pre-qualified suppliers the local government intends to put to the panel.

Office Use Only			
Relevant delegations			
Initial Council adoption	Date	26 February 2020	Resolution# 2002-11
Last reviewed	Date	Insert date here	Resolution#
Next review due	Date	Insert date here	