

## 1.2 C-1PPS02 – Pre-qualified Panels of Suppliers

Previous Policy Number (Part) – 1.15

### **PART A - Policy**

#### **Objective**

The objective of this Policy is to set out how the Shire of Dandaragan (Shire) may create panels of prequalified suppliers in instances where goods or services are required on a continuing basis from multiple suppliers.

In accordance with Regulation 24AC of the *Local Government (Functions and General) Regulations 1996* (the Regulations), a Panel of Pre-qualified Suppliers (“Panel”) may be created where most of the following factors apply:

- the Shire is satisfied that there is, or will be, a continuing need for the particular goods or services to be supplied by pre-qualified suppliers;
- the Panel will streamline and will improve procurement processes; and
- the Shire has the capability to establish, manage the risks and achieve the benefits expected of the proposed Panel

#### **Policy Statement**

The Shire of Dandaragan and Council are committed to operating efficient, effective, economical and sustainable procedures for the procurement of all goods and services.

A key principle of this is the adoption a value for money approach, which allows the best possible procurement outcome to be achieved whilst recognising the need to provide opportunities for local business’ and suppliers to maximise local economic benefit.

To achieve these objectives, the Shire pursuant to regulation 24AC (1) (b) of the Regulations, has satisfied itself that:

- that there is, or will be, a continuing need for the particular goods or services to be supplied by pre-qualified suppliers;
- the panels will streamline and will improve procurement processes;
- it has the capability to establish, manage the risks and achieve the benefits expected of the proposed Panels;

and has therefore resolved to establish panels of at least two suppliers for the following goods and services:

#### **1. Building & Mechanical Services**

|                       |                                |                            |
|-----------------------|--------------------------------|----------------------------|
| 1. Roofing            | 2. Brick Laying and Paving     | 3. Electrician             |
| 4. Demolition Works   | 5. Glazing Works               | 6. Mechanical Services     |
| 7. Registered Builder | 8. Working at Heights Services | 9. Fabrication and Welding |
| 10. Carpenter         | 11. Painting                   | 12. General Handyman       |
| 13. Plumber           |                                |                            |

#### **2. Civil Works**

|   |                                      |                                |
|---|--------------------------------------|--------------------------------|
| 1. Engineering Services                         | 2. Road Building and Bulk Earthworks | 3. Urban Road Construction     |
| 4. Earthmoving Equipment                        | 5. Haulage and Freight               | 6. Road and Street Maintenance |
| 7. Provision of earthmoving Equipment at a Fire | 8. Supply of Bulk Materials          |                                |

### 3. Technical Services

|   |                                     |                                       |
|---|-------------------------------------|---------------------------------------|
| 1. Strategic Community Development Consultancy Services | 2. Engineering Consultancy Services | 3. Environmental Consultancy Services |
| 4. Asset Management Services                            | 5. Architectural Services           |                                       |

### 4. Town Maintenance

|                          |                    |  |
|--------------------------|--------------------|--|
| 1. Vegetation Management | 2. Turf Management | 3. Irrigation Services                 |
| 4. Fencing               | 5. Street Sweeping | 6. Drainage Pipe Clearing and Cleaning |

#### ***Purchasing from a Panel Supplier***

Pursuant to regulation 24AC (2) (a), the following outlines how the Shire proposes to undertake procurement from the Pre-qualified Supplier Panel and how it will endeavour to distribute work amongst panel members accordingly.

Unless otherwise noted, all Shire of Dandaragan Pre-qualified Supplier Panels will be “non-exclusive” and the Shire is under no obligation to use suppliers short listed on the Pre-qualified Supplier Panel, and may use their own plant and workforce, and / or an alternative contractor to complete tasks.

Each Panel will outline a list of pre-qualified suppliers that allows Shire staff the discretion and flexibility to identify and engage a suitable supplier when undertaking procurement of specified goods and services.

The selection and engagement of Panel members will be on a project by project basis, at the relevant Shire officer’s discretion, utilising the thresholds of section 1.9 in Policy 1.1 C-1PAT01 – *Purchasing and Tender* as guidance to provide the best suitable outcome for the Shire of Dandaragan when procuring each individual service.

Shire officers will be encouraged to develop a written Request for Quote (RFQ) documentation and seek multiple quotations from identified Panel members by issuing the RFQ via email. The RFQ should outline specific scope, selection criteria, background information, survey data, maps and/or drawings, timeframe as well as response format as necessary in order to clarify the required scope of works to be delivered. Each RFQ should outline how the respondent Panel member should respond in order to form a written agreement with a clarified scope of works prior to engagement of a Panel member on each individual project.

Where possible Shire officers will endeavour to seek the services of those Pre-qualified Suppliers, however the Shire is under no obligation to do so, should any of the Panel members not be able to carry out the works or supply satisfactory items of plant or services, then the Shire of Dandaragan will go to the industry market to source the appropriate item of plant or service.

Where Shire officers require contractor input into the development of the scope for specific projects they may issue a Request for Proposal asking the contractor/s to develop a cost estimate which includes clarification of scope and a delivery methodology

### ***Invitation to Panel Suppliers for Quotations***

Pursuant to regulation 24AC (2) (b), should the Shire determine that a Panel is beneficial to be created, it must do so in accordance with Part 4, Division 3 the Local Government (Functions and General) Regulations 1996.

Panels may be established for one supply requirement, or a number of similar supply requirements under defined categories within the Panel. This will be undertaken through a public invitation process.

Panels may be established for a minimum of two (2) years and for a maximum length of time deemed appropriate by the Shire.

Evaluation criteria must be determined and communicated in the application process by which applications will be assessed and accepted.

Should a Panel member leave the Panel, they may be replaced by the next ranked Panel member determined in the value for money assessment. Should the supplier agree to do so, this intention is to be disclosed in the detailed information set out under Regulation 24AD(5)(d) and (e) when establishing the Panel.

### ***Distribution of Contracts for Work amongst Panel Suppliers***

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 either prescribe whether the Shire intends to:

- a) Obtain quotations from each pre-qualified supplier on the Panel with respect to all purchases; or
- b) Purchase goods and services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances; or
- c) Develop a ranking system for selection to the Panel, with work awarded in accordance with the Regulations.

In considering the distribution of work among Panel members, the detailed information must also prescribe whether:

- d) each Panel member will have the opportunity to bid for work under the Panel, with predetermined evaluation criteria forming part of the invitation to quote to assess the suitability of the supplier for particular items of work. Contracts under the pre-qualified panel will be awarded on the basis of value for money in every instance; or
- e) work will be awarded on a ranked basis, which is to be stipulated in the detailed information set out under Regulation 24AD(5) when establishing the Panel. The Shire is to invite the highest ranked Panel member, who is to give written notice as to whether to accept the offer for the work to be undertaken. Should the offer be declined, an invitation to the next ranked Panel member is to be made and so forth until a Panel member accepts a Contract. Should the list of Panel members invited be exhausted with no Panel member accepting the offer to provide goods/services under the Panel, the Shire may then invite suppliers that are not pre-qualified under the Panel, in accordance with the Procurement Thresholds stated in section 4.5 of this Policy. When

a ranking system is established, the Panel must not operate for a period exceeding 12 months.

In every instance, a contract must not be formed with a pre-qualified supplier for an item of work beyond 12 months, which includes options to extend the contract.

### ***Communication with Panel Suppliers***

Pursuant to regulation 24AC (2) (c), the Shire will ensure clear, consistent and regular communication between the Shire and pre-qualified suppliers.

### ***Enactment of Policy***

This Policy is to be enacted in accordance with the procedures detailed in Part B.

## **PART B - Management Procedures**

### **Definitions**

Nil.

### **Detail**

#### ***Requirements when inviting persons to apply to join Panels***

Pursuant to regulation 24AD, the Shire will assess applicants to join a Pre-Qualified Panel against the following criteria:

| <b>Description of Qualitative Criteria</b>   | <b>Weighting %</b>   |
|--|--|
| <p><b>A) Capabilities</b><br/><b>Outline the key services, skills, personnel and equipment that your company can provide the Shire of Dandaragan.</b></p> <p>i. Key services and skills (10%)<br/>ii. Key personnel (10%)</p>  | 25%  |
| <p><b>B) Relevant experience in providing this service (include referees)</b><br/><b>Provide details of previous successful delivery of services:</b></p> <p>i. Up to a maximum of 5 projects (20%)<br/>ii. 1 paragraph description outlining scope of work (10%),<br/>iii. Cost (5%),<br/>iv. Timeframe (5%)<br/>v. Referee (10%) - Must include referee details.</p> <p><b>Scaling of Project Clients</b></p> <ul style="list-style-type: none"> <li>- Shire of Dandaragan (scale 1).</li> <li>- Regional WA local government authorities (scale 0.8).</li> <li>- WA local government authorities (scale 0.6).</li> <li>- State Government agencies (scale 0.4)</li> </ul> | 50%  |
| <p><b>C) Local Supplier</b><br/><b>Outline the primary location of your business</b></p> <p>i. Shire of Dandaragan (max 25%)<br/>ii. Neighbouring local government authority (max 20%)<br/>iii. Regional WA (max 15%)<br/>iv. Perth (max 10%)<br/>v. Other (max 5%)</p>  | 25%  |
| <p><b>D) Price</b><br/><b>Provide unit rates for the following relevant items where applicable</b></p> <p>i. Service<br/>ii. Personnel<br/>iii. Equipment<br/>iv. Other</p>  | For reference purposes only use to compare Similar Applications. |

***Minimum time to be allowed for submitting application to join Panel Suppliers***

Pursuant to regulation 24AE, the minimum time provided by the Shire for suppliers to submit applications will be forty two (42) days.

### ***Recordkeeping Requirements***

Pursuant to regulation 24AC (2) (e), all staff are to ensure that:

- Records of all communications with Panel members, with respect to the quotation process and all subsequent purchases made through the Panel, must be kept in accordance with the *State Records Act 2000 (WA)* and the Shire's Policy 1.2.10 – Records Management.
- 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 officers and employees of the Shire.