

Objectives: Progressive

Outcome: 4.1 - A resilient, efficient and effective organisation.

Strategy: 4.1.1 - Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources.

Purpose

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

- The Shire demonstrates that similar goods and services are required to be purchased on a continuing and regular basis;
- The Shire has identified that there are numerous potential suppliers available locally and regionally that may be interested in supplying goods and services to the Shire;
- The Shire has assessed the supply requirements under the intended Panel as being low to medium risk;
- The Shire has determined that creating a Panel will deliver operational efficiency and other value benefits; and
- The Shire is satisfied that it has the capability to consistently establish, manage the risks and achieve the benefits expected of the proposed Panel, including all auditory requirements.

Definitions

Not applicable

Policy

Establishing a Panel

The Shire must establish and manage Panels in accordance with Part 4, Division 3 the *Local Government (Functions and General) Regulations 1996*.

Panels may be established for one type of supply requirement, or a number of similar types of supply requirements under defined categories within the Panel.

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 invitation process by which applications will be assessed and accepted.



Where a Panel is to be established, the Shire will endeavour to appoint at least three (3) suppliers to the Panel (or each category under the Panel), on the basis of offer of best value for money. Where less than three (3) suppliers are determined as offering value for money, either per category or the Panel, the Panel or category of the Panel is not to be established.

In each invitation to apply to become a pre-qualified supplier (through a state-wide notice), the Shire must state the number of suppliers it intends to pre-qualify onto the Panel, or to each category under the Panel.

Should a Panel member leave the Panel during its operation, they may be replaced by the next ranked supplier as determined in the original value for money assessment to join the Panel of Pre-qualified Suppliers (should the supplier agree to do so), with this intention to be disclosed in the detailed information set out under Regulation 24AD(5)(d) and (e) when establishing the Panel.

Distributing Work Amongst Panel Members

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:

- i. Obtain quotations from each pre-qualified supplier on the Panel with respect to all purchases, in accordance with Clause 0; or
- ii. Purchase goods and services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances (e.g. emergency purchases, etc).

In considering the distribution of work among Panel members, the detailed information must also prescribe whether each Panel member will have the opportunity to bid for each item of work under the Panel, with pre-determined evaluation criteria forming part of the invitation to quote to assess the suitability of the pre-qualified supplier for each supply requirement. Contracts under the Panel will be awarded on the basis of value for money.

Contracts under the Panel must not be formed with a pre-qualified supplier for an item of work beyond 12 months, which includes any options to extend the contract.

Purchasing from the Panel

All purchases made under the Panel must be made in accordance with the method prescribed in the Invitation to Join a Panel of Pre-qualified Suppliers, and applied in a consistent fashion.

Recordkeeping

Each quotation process, including the invitation to quote, communications with panel members, quotations received, evaluation of quotes and notification of award communications must all be captured on the Shire electronic records system. A separate file is to be maintained for each quotation process made under each Panel that captures all communications between the Shire and Panel members.



For the creation of a Panel, this includes:

- The Procurement initiation document such as a procurement business case which justifies the need for a Panel to be created;
- Procurement Planning and approval documentation which describes how the procurement is to be undertaken to create and manage the Panel;
- A copy of the Invitation to Apply to Become a Pre-qualified Supplier documentation;
- Copy of public advertisement inviting applications;
- Copies of all applications received;
- Evaluation documentation, including clarifications sought;
- Negotiation documents such as negotiation plans and negotiation logs;
- Approval of award documentation;
- All correspondence to applicants notifying of the establishment and composition of the Panel such as award letters;
- Copies of framework agreements entered into with pre-qualified suppliers; and
- Records of orders issued under the Panel and any subsequent performance details of works undertaken.

The Shire is also to retain itemised records of each invitation to quote process, including quotations received from pre-qualified suppliers and contracts awarded to Panel members. A unique reference number shall be applied to all records relating to each quotation process, which is to also be quoted on each purchase order issued under the Panel Contract.

Information on each Panel of Pre-qualified Suppliers, including scope of the Panel, details of pre-qualified suppliers under each Panel and term of the Panel must be maintained and made available for access by all officers across the Shire.

**References**

Name of Policy	3.3.2 Panels of Pre-Qualified Suppliers
Previous Policy	New Policy
Date of Adoption and Resolution Number	Adopted OCM179/12/17 18/12/2017 Ordinary Council Meeting
Review dates and Resolution Numbers	
Next review date	
Related documents	<p>Acts/Regulations <i>Local Government Act 1995</i></p> <p>Plans/Strategies Strategic Community Plan 2017 - 2027</p> <p>Policies Council Policy 3.2.4 – Purchasing Business Operating Policy (BOP) 3.1.3 - Records Management Guidelines Business Operating Policy (BOP) 3.3.4 - Probity and Procurement</p> <p>References Nil</p> <p>Delegations Nil</p> <p>Work Procedures Nil</p>

Note: changes to references may be made without the need to take the Policy to Council for review.