

**4.10 PROCUREMENT VIA PANELS OF PREQUALIFIED SUPPLIERS COMPARISON TABLE**

CURRENT POLICY STATEMENT	PROPOSED	CHANGE NOTES	COUNCILLOR COMMENT
<p><b>SUSTAINABILITY THEME</b></p> <p>Governance</p>	<p><b>SUSTAINABILITY THEME</b></p> <p>Governance</p>	<p>NA</p>	
<p><b>OBJECTIVES</b></p> <p>In accordance with Regulation 24AC of the <i>Local Government (Functions and General) Regulations 1996</i>, a Panel of Pre-Qualified Suppliers ("Panel") may be created where most of the following factors apply:</p> <ol style="list-style-type: none"> <li>1. The City determines that a range of similar goods and services are required to be purchased on a continuing and regular basis;</li> <li>2. There are numerous potential suppliers in the local and regional procurement-related market sector(s) that satisfy the test of 'value for money';</li> <li>3. The purchasing activity under the intended Panel is assessed as being of a low to medium risk;</li> <li>4. The Panel will streamline and will improve procurement processes; and</li> <li>5. The City has the capability to establish, manage the risks and achieve the benefits expected of the proposed Panel.</li> </ol> <p>The City will endeavour to ensure that Panels will not be created unless most of the above factors are firmly and quantifiably established</p>	<p><b>OBJECTIVE</b></p> <p>Unchanged</p>	<p>Unchanged</p>	<p><b>Mayor Shane Van Styn</b> I would like to see how we evaluate the compliance with claims of local content during the project as well as post the project and what consequences for noncompliance could be.</p> <p>Also how do we do due diligence during awarding process of the ability of the tenderer to comply with their local component claim.</p> <p><b>Cr Steve Douglas</b> Agree with Mayor's comments. This is a major issue right across State Govt as well. May be worth looking at how the local Procurement Officer, based I believe in MWDC, is dealing with this. Or DPIRD in Perth may assist.</p>
<p><b>POLICY STATEMENT</b></p> <p>This policy applies to all panels of prequalified suppliers at the City and is binding upon Councilors, City officers, and temporary employees, contractors and consultants while engaged by the City.</p> <p>This policy should be read in conjunction with the City Procurement Procedures and the Procurement Handbook produced by the Western Australian Local Government Association.</p>	<p><b>POLICY STATEMENT</b></p> <p>This policy applies to all panels of prequalified suppliers at the City and is binding upon Councilors, City officers, and temporary employees, contractors and consultants while engaged by the City.</p> <p>This policy should be read in conjunction with the City Procurement Processes and the Procurement Handbook produced by the Western Australian Local Government Association.</p>	<p>Clarified wording to align to procurement processes captured in Promapp</p>	
<p><b>POLICY DETAILS</b></p>	<p><b>POLICY DETAILS</b></p>		
<p><b>POLICY DETAILS</b></p> <p><b>1. Establishing a Panel</b></p> <p>Should the City determine that a Panel is beneficial to be created, it must do so in accordance with Part 4, Division 3 the <i>Local Government (Functions and General) Regulations 1996</i>.</p> <p>Panels may be established for one supply requirement, or a number of similar supply requirements under defined categories within the Panel.</p> <p>Panels may be established for a minimum of two (2) years and for a maximum length of time deemed appropriate by the City.</p> <p>Evaluation criteria must be determined and communicated in the application process by which applications will be assessed and accepted.</p> <p>Where a Panel is to be established, the City will endeavour to appoint at least three (3) suppliers to each category, on the basis that best value for money is demonstrated. Where less than three (3) suppliers are appointed to each category within the Panel, the category is not to be established.</p> <p>In each invitation to apply to become a pre-qualified supplier (through a procurement process advertised through a state-wide notice), the City must state the expected number of suppliers it intends to put on the panel.</p>	<p><b>POLICY DETAILS</b></p> <p><b>1. Establishing a Panel</b></p> <p>Should the City determine that a Panel is beneficial to be created, it must do so in accordance with Part 4, Division 3 the <i>Local Government (Functions and General) Regulations 1996</i>.</p> <p>Panels may be established for one supply requirement, or a number of similar supply requirements under defined categories within the Panel.</p> <p>Panels may be established for a minimum of two (2) years and for a maximum length of time deemed appropriate by the City.</p> <p>Evaluation criteria must be determined and communicated in the application process by which applications will be assessed and accepted.</p> <p>Where a Panel is to be established, the City will endeavour to appoint at least three (3) suppliers to each category, on the basis that best value for money is demonstrated. Where less than three (3) suppliers are appointed to each category within the Panel, the category is not to be established.</p> <p>In each invitation to apply to become a pre-qualified supplier (through a procurement process advertised through a state-wide notice), the City must state the expected number of suppliers it intends to put on the panel.</p>	<p>Wording aligned to the Regulations</p>	

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<p>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, with this intention to be disclosed in the detailed information set out under Regulation 24AD(5)(d) and (e) when establishing the Panel</p>	<p>Should a Panellist leave a Panel within 6 months of the public invitation, the City may replace the leaving Panellist with the next most advantageous Panellist. The invitation to join the Panel must be determined following a value for money assessment 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.</p>		
<p><b>2. Distributing Work Amongst Panel Members</b></p> <p>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 City intends to:</p> <ul style="list-style-type: none"> <li>Obtain quotations from each pre-qualified supplier on the Panel with respect to all purchases, in accordance with Clause <b>Error! Reference source not found.</b>; or</li> <li>Purchase goods and services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances; or</li> <li>Develop a ranking system for selection to the Panel, with work awarded in accordance with Clause <b>Error! Reference source not found.</b>(b).</li> </ul> <p>In considering the distribution of work among Panel members, the detailed information must also prescribe whether:</p> <ul style="list-style-type: none"> <li>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 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</li> <li><del>work will be awarded on a ranked basis, which is to be stipulated in the detailed information set out under Regulation 24AD(5)(f) when establishing the Panel. The City 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 City may then invite suppliers that are not pre-qualified under the Panel, in accordance with the Purchasing Thresholds stated in section 5.5 of this Policy. When a ranking system is established, the Panel must not operate for a period exceeding 12 months.</del></li> </ul> <p><del>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.</del></p>	<p><b>2. Distributing Work Amongst Panellist's</b></p> <p>To satisfy Regulation 24AD(5) of the Regulations, when establishing a Panel, the detailed information associated with each invitation to apply to join the Panel must prescribe how the City intends to:</p> <ul style="list-style-type: none"> <li>Obtain quotations from each pre-qualified supplier on the Panel with respect to all purchases,</li> <li>Acceptance of the quote, and</li> <li>Distribution of works to Panelists</li> </ul> <p>In considering the distribution of work among Panellist's, the detailed information must prescribe how;</p> <ul style="list-style-type: none"> <li>each Panellist 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 supplier for particular items of work.</li> </ul> <p>Contracts under the pre-qualified panel will be awarded on the basis of value for money in every instance.</p>	<p>Prior policy wording was aligned to WALGA processes, this policy review clarified wording and aligned to the Regulations.</p> <p>Note the 12 month contract clause has been taken from this section and is now detailed speciality in the new section 4 Contracts with pre-qualified suppliers</p>	
<p><b>3. Purchasing from the Panel</b></p> <p><del>The invitation to apply to be considered to join a panel of pre-qualified suppliers must state whether quotations are either to be invited to every member (within each category, if applicable) of the Panel for each purchasing requirement, whether a ranking system is to be established, or otherwise.</del></p> <p>Each quotation process, including the invitation to quote, communications with panel members, quotations received, evaluation of quotes and notification of</p>	<p><b>3. Purchasing from the Panel</b></p> <p>Each quotation process, including the invitation to quote, communications with Panellist's, quotations received, evaluation of quotes and notification of award communications must all be made through eQuotes.</p>	<p>Removed first paragraph as it is dealt with in regulations and in section 1</p>	

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award communications must all be made through eQuotes, or any other electronic quotation facility.			
NA	<p><b>4. Contracts with pre-qualified suppliers</b></p> <p>The City may enter into a contract for the provision of goods or services under a panel in accordance with Regulation 24AJ. Such a contract may only be established with the following conditions;</p> <ul style="list-style-type: none"> <li>• The contract may only be for a maximum of a 12 month terms; and</li> <li>• Is prohibited from having any extension of term provisions.</li> </ul> <p>When establishing a contract in accordance with Regulation 24AJ the initiating invitation must be issued to all Panelists.</p>	New clause which clarified the old policies section 2. <i>Distributing Work Amongst Panel Members</i>	
<p><b>4. Other Procurement Policies</b></p> <p>This policy is to be read in conjunction with Policy 4.9 Procurement of Goods &amp; Services, and CP046 Regional Pricing Preference.</p>	<p><b>5. Other Procurement Policies</b></p> <p>This policy is to be read in conjunction with Policy 4.9 Procurement of Goods &amp; Services, and Policy 4.11 Regional Pricing Preference.</p>	Correct Policy reference	
<p><b>4. Record Keeping</b></p> <p>Records of all communications with Panel members, with respect to the quotation process and all subsequent purchases made through the Panel, must be kept.</p> <p>For the creation of a Panel, this includes:</p> <ul style="list-style-type: none"> <li>5.1 The Procurement initiation document such as a procurement business case which justifies the need for a Panel to be created;</li> <li>5.2 Procurement Planning and approval documentation which describes how the procurement is to be undertaken to create and manage the Panel;</li> <li>5.3 Request for Applications documentation;</li> <li>5.4 Copy of public advertisement inviting applications;</li> <li>5.5 Copies of applications received;</li> <li>5.6 Evaluation documentation, including clarifications sought;</li> <li>5.7 Negotiation documents such as negotiation plans and negotiation logs;</li> <li>5.8 Approval of award documentation;</li> <li>5.9 All correspondence to applicants notifying of the establishment and composition of the Panel such as award letters;</li> <li>5.10 Contract Management Plans which describes how the contract will be managed; and</li> <li>5.11 Copies of framework agreements entered into with pre-qualified suppliers.</li> </ul> <p>The City is also to retain itemised records of all requests for quotation, 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 Contract.</p>	<p><b>6. Record Keeping</b></p> <p>Records of all communications with Panellist's, with respect to the quotation process and all subsequent purchases made through the Panel, must be kept.</p> <p>For the creation of a Panel, this includes:</p> <ul style="list-style-type: none"> <li>5.1 The Procurement initiation document such as a procurement business case which justifies the need for a Panel to be created;</li> <li>5.2 Procurement Planning and approval documentation which describes how the procurement is to be undertaken to create and manage the Panel;</li> <li>5.3 Request for Applications documentation;</li> <li>5.4 Copy of public advertisement inviting applications;</li> <li>5.5 Copies of applications received;</li> <li>5.6 Evaluation documentation, including clarifications sought;</li> <li>5.7 Negotiation documents such as negotiation plans and negotiation logs;</li> <li>5.8 Approval of award documentation;</li> <li>5.9 All correspondence to applicants notifying of the establishment and composition of the Panel such as award letters;</li> <li>5.10 Contract Management Plans which describes how the contract will be managed; and</li> <li>5.11 Copies of framework agreements entered into with pre-qualified suppliers.</li> </ul> <p>The City is also to retain itemised records of all requests for quotation, including quotations received from pre-qualified suppliers and contracts awarded to Panellist's. 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 Contract.</p>	No change	



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<p>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 City.</p>	<p>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 City.</p>		
<p><b>KEY TERM DEFINITIONS</b></p> <p><b>Construction (including works):</b> For the purpose of this policy a work (construction) is defined as the carrying out of any improvement on or over any area of land, lake, river or ocean, and any services related to that activity in the prescribed area. This includes the construction of buildings, housing and other public infrastructure as well as related services such as architectural, surveying, facilities management and general maintenance.</p> <p><b>Goods:</b> includes tangible, quantifiable material requirements usually capable of being moved or transported that are purchased, rented, leased or hired by the City.</p> <p><b>Purchasing or Procurement</b> is defined as the entire process by which all classes of resources (including but not necessarily restricted to human, material, plant, equipment, facilities and services) are obtained generally for a local government activity, function or specific project by payment. This can include the functions of planning, design, standards determination, specifications writing, selection of suppliers, financing and other related functions. Procurement methods can include:</p> <p>8. Direct Purchase – use existing supply agreements, e.g. Annual contracts, State/Commonwealth Government contracts; WALGA preferred suppliers; from Retail or Wholesale outlets.</p> <p>9. Oral Quotations.</p> <p>10. Written Quotations – dated and signed by the Supplier.</p> <p>11. Direct Negotiation.</p> <p>12. Lease/Hire Agreements.</p> <p>13. Public Tender.</p> <p>14. Petty Cash.</p> <p><b>Services or Provision of Services:</b> means any task, consultancy, work or advice to be performed or provided that is procured by the City. Included are services such as management consultancies, outsourcing, maintenance contract/ agreement, cleaning, waste removal, equipment repairs, external auditors, utilities and services acquired by a private sector provider for the City.</p> <p>Excluded are payments made directly to employees, superannuation and pension payments, statutory or involuntary payments and grants, subsidies and transfer payments.</p>	<p><b>KEY TERM DEFINITIONS</b></p> <p><b>Construction (including works):</b> For the purpose of this policy a work (construction) is defined as the carrying out of any improvement on or over any area of land, lake, river or ocean, and any services related to that activity in the prescribed area. This includes the construction of buildings, housing and other public infrastructure as well as related services such as architectural, surveying, facilities management and general maintenance.</p> <p><b>eQuotes</b> means the electronic procurement application utilised to invite Panellists to provide goods or services under the Panel arrangement</p> <p><b>Goods:</b> includes tangible, quantifiable material requirements usually capable of being moved or transported that are purchased, rented, leased or hired by the City.</p> <p><b>Panel</b> means a Panel of Pre-Qualified Suppliers established under Regulation 24AC of the <i>Local Government (Functions and General) Regulations 1996</i></p> <p><b>Panellist</b> means a Pre-qualified Supplier that is an approved member of a Panel.</p> <p><b>Purchasing or Procurement</b> is defined as the entire process by which all classes of resources (including but not necessarily restricted to human, material, plant, equipment, facilities and services) are obtained generally for a local government activity, function or specific project by payment. This can include the functions of planning, design, standards determination, specifications writing, selection of suppliers, financing and other related functions. Procurement methods can include:</p> <p>8. Direct Purchase – use existing supply agreements, e.g. Annual contracts, State/Commonwealth Government contracts; WALGA preferred suppliers; from Retail or Wholesale outlets.</p> <p>9. Oral Quotations.</p> <p>10. Written Quotations – dated and signed by the Supplier.</p> <p>11. Direct Negotiation.</p> <p>12. Lease/Hire Agreements.</p> <p>13. Public Tender.</p> <p>14. Petty Cash.</p> <p><b>Services or Provision of Services:</b> means any task, consultancy, work or advice to be performed or provided that is procured by the City. Included are services such as management consultancies, outsourcing, maintenance contract/ agreement, cleaning, waste removal, equipment repairs, external auditors, utilities and services acquired by a private sector provider for the City.</p> <p>Excluded are payments made directly to employees, superannuation and pension payments, statutory or involuntary payments and grants, subsidies and transfer payments.</p>	<p>Additional Policy specific terms, and removed reference to 4.11 regional pricing preference policy terms not used in this policy</p>	
<p><b>ROLES AND RESPONSIBILITIES</b></p>	<p><b>ROLES AND RESPONSIBILITIES</b></p> <p>It is the responsibility of all City employees undertaking procurement activities to comply with this policy and it's supporting systems and procedures. All City employees when undertaking procurement activities are required to observe</p>	<p>No change</p>	

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<p><b>WORKPLACE INFORMATION</b>                      Local Government Act 1995                      Local Government (Function and General) Regulations 1996 – Divisions 1 and 2.                      Council Policy 016 Regional Price Preference                      Operational Policy 004 Tendering, Contracts, Contract Management                      Operational Policy 046 Staff Purchasing                      Operational Policy 023 Petty Cash                      Procurement Guidelines                      WALGA Procurement Handbook</p>	<p><b>WORKPLACE INFORMATION</b>                      Local Government Act 1995                      Local Government (Function and General) Regulations 1996 – Divisions 1 and 2.                      CP 4.9 Procurement of Goods &amp; Services                      Council Policy 4.11 Regional Price Preference                      Operational Policy 046 Staff Purchasing                      Operational Policy 023 Petty Cash                      City Procurement Processes                      WALGA Procurement Handbook</p>	<p>Updated references</p>																																	
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