

City of Greater Geraldton

4.10 PROCUREMENT VIA PANELS OF PREQUALIFIED SUPPLIERS

SUSTAINABILITY THEME

Leadership

OBJECTIVES

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 most of the following factors apply:

1. The City determines that a range of similar goods and services are required to be purchased on a continuing and regular basis;
2. There are numerous potential suppliers in the local and regional procurement-related market sector(s) that satisfy the test of 'value for money';
3. The purchasing activity under the intended Panel is assessed as being of a low to medium risk;
4. The Panel will streamline and will improve procurement processes; and
5. The City has the capability to establish, manage the risks and achieve the benefits expected of the proposed Panel.

The City will endeavour to ensure that Panels will not be created unless most of the above factors are firmly and quantifiably established.

POLICY STATEMENT

This policy applies to all Panels of prequalified suppliers at the City and is binding upon Councillors, City officers, and temporary employees, contractors and consultants while engaged by the City.

This policy should be read in conjunction with the City Procurement Processes and the Procurement Handbook produced by the Western Australian Local Government Association.

POLICY DETAILS

1. Establishing and Managing a Panel

Should the City 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.

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

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

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.

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.

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 the intention to be disclosed in the detailed information set out under Regulation 24AD(5)(d) and (e) when establishing the Panel.

The Panel contract arrangement needs to ensure that the performance of the Panel Contract and the Panellist's are monitored and managed. By establishing a contract management plan that outlines the requirement of the Panel contract it will ensure that risks are managed and benefits are achieved.

2. Distributing Work Amongst Panellist's

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:

- 2.1 Obtain quotations from each pre-qualified supplier on the Panel with respect to all purchases;
- 2.2 Acceptance of the quote; and
- 2.3 Distribution of works to Panellist's.

In considering the distribution of work among Panellist's, the detailed information must prescribe how:

- 2.4 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.

Contracts under the pre-qualified Panel will be awarded on the basis of value for money in every instance; refer to section 4 below for contract requirements.

3. Purchasing from the Panel

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.

4. Contracts with pre-qualified suppliers

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:

- 4.1 The contract may only be for a maximum of a 12 month terms; and
- 4.2 Is prohibited from having any extension of term provisions.

When establishing a contract in accordance with Regulation 24AJ the initiating invitation must be issued to all Panellist's.

5. Other Procurement Policies

This policy is to be read in conjunction with Policy 4.9 Procurement of Goods & Services, and Policy 4.11 Regional Pricing Preference.

6. Record Keeping

Records of all communications with Panellist's, with respect to the quotation process and all subsequent purchases made through the Panel, must be kept.

For the creation of a Panel, this includes:

- 6.1 The Procurement initiation document such as a procurement business case which justifies the need for a Panel to be created;
- 6.2 Procurement Planning and approval documentation which describes how the procurement is to be undertaken to create and manage the Panel;
- 6.3 Request for Applications documentation;
- 6.4 Copy of public advertisement inviting applications;
- 6.5 Copies of applications received;
- 6.6 Evaluation documentation, including clarifications sought;
- 6.7 Negotiation documents such as negotiation plans and negotiation logs;
- 6.8 Approval of award documentation;
- 6.9 All correspondence to applicants notifying of the establishment and composition of the Panel such as award letters;
- 6.10 Contract Management Plans which describes how the contract will be managed; and
- 6.11 Copies of framework agreements entered into with pre-qualified suppliers.

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.

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.

KEY TERM DEFINITION

eQuotes means the electronic procurement application utilised to issue and receive request for quotations.

Goods: includes tangible, quantifiable material requirements usually capable of being moved or transported that are purchased, rented, leased or hired by the City.

Panel means a Panel of Pre-Qualified Suppliers established under Regulation 24AC of the *Local Government (Functions and General) Regulations 1996*.

Panellist means a Pre-qualified Supplier that is an approved member of a Panel.

Purchasing or Procurement 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.

Regional tenderer means a supplier of goods or services in accordance with the following:

1. The tenderer has been operating a business continuously out of premises in the prescribed area for at least 6 months before the time after which further tenders cannot be submitted; or

2. Some or all of the goods or services are to be supplied from regional sources.

Prescribed Area: means within 150 kilometres of the City of Greater Geraldton main office.

Services or Provision of Services: 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. Excluded are payments made directly to employees, superannuation and pension payments, statutory or involuntary payments and grants, subsidies and transfer payments.

ROLES AND RESPONSIBILITIES

It is the responsibility of all City employees undertaking procurement activities to comply with this policy and its supporting systems and procedures. All City employees when undertaking procurement activities are required to observe the highest standards of ethics and integrity and act in an honest and professional manner that supports the standing of the City of Greater Geraldton.

WORKPLACE INFORMATION

Local Government Act 1995

Local Government (Function and General) Regulations 1996 – Divisions 1 and 2.

Council Policy 4.9 Procurement of Goods & Services

Council Policy 4.11 Regional Price Preference

Operational Policy 046 Staff Purchasing

Operational Policy 023 Petty Cash

City Procurement Processes

WALGA Procurement Handbook

POLICY ADMINISTRATION

Directorate		Officer	Review Cycle	Next Due
Corporate and Commercial Services		Manager Corporate Compliance and Safety	Biennial	2024
Version	Decision Reference		Synopsis	
4.	CCSXXX	XX/XX/2022	Policy Review	