



Shire of **Ngaanyatjarraku**  
ON A JOURNEY

# Council Policy

Policy 2.3 – Panels of Pre-Qualified Suppliers

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# Council Policy 2.3 – Panels of Pre-Qualified Suppliers

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## Policy Objective

The Shire may consider establishing a panel of prequalified suppliers (Panel) where a range of similar goods and services are required to be purchased on a continuing and regular basis and it is advantageous to use more than one supplier over time.

## Policy Statement

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:

- the Shire determines that a range of similar goods and services are required to be purchased on a continuing and regular basis;
- there are numerous potential suppliers in the local and regional procurement related market sector(s) that satisfy the test of ‘value for money’;
- the purchasing activity under the intended Panel is assessed as being of a low to medium risk;
- 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 through a documented management process.

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

## Establishing and Managing a Panel of Pre-Qualified Suppliers

Should the Shire determine a Panel is beneficial to be created, it must do so in accordance with Part 4, Division 3 of 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 procurement process advertised via statewide public notice.

Panels may be established for a minimum of two (2) years and for a maximum length of time deemed appropriate by the Shire. The length of time of a local panel is to be determined by the CEO.

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

In each invitation to apply to become a pre-qualified supplier (through a procurement process advertised through a state-wide notice), the Shire must state the expected number of suppliers it intends to put on the panel.

Should a Panel member leave the Panel, they may be replaced by the next ranked Panel member who met or exceeded the requirements determined in the value for money assessment. If the supplier agrees to do so, this intention is to be disclosed in the detailed information set out in the Regulations when establishing the Panel.

A Panel contract arrangement will be managed to ensure that the performance of the Panel Contract and the Panel members under the contract are monitored. This will ensure that risks are managed and expected benefits are achieved. A Contract Management Plan will be established outlining the requirements for the Panel Contract and how it will be managed.

## 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; or
- ii) purchase goods and services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances; or
- iii) 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:

- a) 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 or work. Contracts under the pre-qualified panel will be awarded on the basis of value for money in every instance; or
- b) 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 Shire will 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 Purchasing Thresholds stated within the Purchasing 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.

## Purchasing from the Panel

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.

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's 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. Alternatively, and wherever possible, an electronic quotation facility (such as eQuotes) should be utilised to manage the process.

## Record Keeping

All communication with Panel members, with respect to the quotation process and all subsequent purchases made through the Panel, must be evidenced and retained as local government records in accordance with the *State Records Act 2000* and the Shire's Record Keeping Plan.

The Shire is also to retain itemised records of all requests for quotations, 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.

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.

## Policy History

### Amendments to this Policy

Amendments to this policy require a simple majority decision of Council.

### History

Policy adopted: 28 June 2023

### Previous Policy

N/A