

Policy P611 Pre-Qualified Supplier Panels

Responsible Business Unit/s	Financial Services
Responsible Officer	Director Corporate Services
Affected Business Unit/s	All Business Units

Policy Objectives

The City of South Perth will consider creating a Panel of Pre-qualified Suppliers (“Panel”) when a range of similar goods and services are required to be purchased on a continuing and regular basis.

Part of the consideration of establishing a panel includes:

- 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 City has the capability to establish a Panel and manage the risks and achieve the benefits expected of the proposed Panel.

Policy Scope

This Policy affects all business units within the City of South Perth.

Policy Statement

Establishing and Managing a Panel

Should the City decide that a Panel is to be created, it will establish the Panel 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.

Panels may be established for a minimum of one (1) year and for a length of time deemed appropriate by the City.

Evaluation criteria will 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 an invitation procurement process advertised via a state-wide notice), the City will 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 applicant 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. The City will disclose this approach in the detailed information 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 will prescribe the following as to whether the City intends to:

- obtain quotations from each pre-qualified supplier on the Panel with respect to all discreet purchases; and/or
- purchase goods and services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances; and/or
- 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 will 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 supplier's suitability for particular items of work. Contracts under the pre-qualified panel will be awarded on the basis of value for money in every instance; and/or
- 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 will invite the highest ranked Panel member, 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 Policy P605. When a ranking system is established; and/or
- an alternate method of distribution of work may be chosen. The City will disclose this approach in the detailed information when establishing the Panel.

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

Purchasing from the Panel

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 City's electronic records system or e-tendering portal. A separate electronic record is to be maintained for each quotation process made under each Panel that captures all communications between the City and Panel members.

Record Keeping

All purchasing activity, communications and transactions must be evidenced and retained as local government records in accordance with the *State Records Act 2000* and the City's Record Keeping Plan.

Legislation / Local Law Requirements

Local Government Act 1995

Local Government (Functions & General) Regulations 1996

State Records Act 2000

Other Relevant Policies / Key Documents

P605: Purchasing

P607: Tendering & Expressions of Interest

P674: Management of Corporate Records

P695: Risk Management Policy

City of South Perth Strategic Community Plan 2021 - 2031