

COUNCIL POLICY LG548

PANELS OF PRE-QUALIFIED SUPPLIERS

KEY FOCUS AREA LEADERSHIP AND GOVERNANCE

Purpose

The purpose of this Policy is to outline when the Town may undertake to establish and manage a Panel of Pre-Qualified Suppliers, including how goods and services will be procured from a Panel.

Definitions

Panel means a panel of pre-qualified suppliers established in accordance with Part 4 Division 3 of the Regulations.

Panel Purchases means goods or services procured (or to be procured) by the Town from Panel Suppliers under a Panel arrangement.

Panel Supplier means a supplier accepted as a pre-qualified supplier on a Panel.

Regulations means the *Local Government (Functions and General) Regulations 1996*.

Policy

If the Town determines it is beneficial for a Panel of Pre-Qualified Suppliers (Panel) to be created, it will do so in accordance with Part 4, Division 3 *the Local Government (Functions and General) Regulations 1996* (the Regulations).

Panels may be established for the regular supply of particular goods or services, or for a range of categories of goods or services that are similar.

In accordance with the Regulations, a Panel may be created where most of the below listed factors can be quantifiably established:

- the Town has determined that a range of similar goods and/or services are required to be purchased on a continuing and regular basis;
- there are numerous potential suppliers in the market sector that achieve value for money principles;
- the purchasing activity under the intended Panel is assessed as being of a low to medium risk;
- the intended Panel will streamline and improve the purchasing process; and
- the Town has the capacity to establish, manage the risks and achieve the benefits expected of the intended Panel.

Allocation of Work

To satisfy r.24AD(5) of the Regulations, when establishing a Panel, the information to be included in each Request to join a Panel will include as to whether the Town 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 Suppliers, the request documents will also prescribe whether:

- each Panel Supplier 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;
- 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 Town will invite the highest ranked Panel Supplier, 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 Supplier is to be made and so forth until a Panel Supplier accepts a Contract. Should the list of Panel Suppliers invited be exhausted with no Panel Supplier accepting the offer to provide goods/services under the Panel, the Town 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 Town will disclose this approach in the request documents when establishing the Panel. In every instance, a contract must not be formed with a Panel Supplier for an item of work beyond 12 months, or which includes options to extend the contract.

Records Management

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 Town's Record Keeping Plan.

Document Control Box			
Legislation:	<i>Local Government Act 1995</i> <i>Local Government (Functions and General) Regulations 1996</i> <i>State Records Act 2000 (WA)</i>		
Organisational:	LG509 Purchasing LG518 Records Management LG526 Asset Management LG534 Risk Management Internal Purchasing Work Procedures		
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