



Operating Procedure

Section 2, P29

Selective Tender Panels – Prequalification

1. Objective:

Selective Tendering refers to a two stage procurement approach initially involving Expressions of Interest from the open market, followed by a Request for Tender to a short list of registrants who have satisfied an assessment of their capability.

Unlike the alternative option of Open Tenders, Selective Tendering ensures there isn't an excess number of tenders and those received are from contractors or suppliers who have a proven record of satisfactory performance and ability. It also;

- reduces the time and cost of the process of procuring construction contractors.
- reduces the risk when carrying out construction.
- encourages continuous improvement and better contract outcomes by selecting the better performing prequalified contractors for more tender opportunities.
- manages contractor performance in a fair and transparent way.

MSB may elect to arrange for its own prequalified panel based on an assessed need. Otherwise there are prequalified panels established by other NSW Government Agencies which may be used by MSB for its procurement purposes.

The procedural actions for Selective Tendering include;

- Prequalification or establishing a tender panel;
- Inviting Selective Tenders.

2. Prequalification Actions:

Following a need by the Board to establish a Selective Tender Panel, the nominated MSB officer will implement the prequalification procurement process.

Review Agency Lists

Consider the feasibility of sourcing service providers from a suitable prequalified list established by another agency. Several agencies have prequalification schemes for frequently used categories of construction and related services.

If another NSW Government agency's list meets MSB's requirements then the Board can contact the agency to make arrangements for using it.

NSW construction agencies, including the Department of Services, Technology and Administration, maintain prequalification schemes for project managers, and a range of consultants and contractors for common work categories and values. Information on the current selections of panels of potential service providers under the Department of Services, Technology and Administration schemes are available from the NSW Government Procurement website.

If there is no suitable prequalified list available in another agency, the next step is to consider the cost of setting up and operating a new prequalification scheme.

Establishing a Prequalification Scheme

Procurement Systems: Once a decision to set up a prequalification scheme is made, appropriate procedures and administrative arrangements need to be established, including:

- Internal procedures for reviewing applicants and advising them of the outcome of their application.
- Assessment criteria.
- Application forms.

- The life of the scheme (usually a maximum of three years).
- Procedures for handling new applications during the life of the scheme.
- Procedures for reviewing the ongoing status and capability of prequalified service providers during the life of the scheme. This may include conducting financial assessments of service providers where appropriate. In addition, providers may be required to advise the agency immediately of any substantial change in their financial capacity, operational capacity including key resources and directors, or a change in ownership or legal status.
- Procedures for handling appeals.
- A performance reporting system appropriate to the type of service

Expressions of Interest: Refer to Section 3 in this procedure for the Tendering Process.

The expression of interest documents should include:

- A description of the nature and scope of the services required and the proposed life of the prequalification scheme;
- An indication of the proposed forms of contract to be used for the subsequent contracts, if known;
- A description of the assessment criteria and assessment process;
- An application form;
- The conditions of prequalification; and
- Any applicable supporting documents or technical specifications.

3. Expressions of Interest Process:

Expressions of Interest shall be called to establish a panel of Selective Contractors.

A public advertisement setting out the description of the proposed work and selection criteria, and contact person shall be arranged.

Assessment criteria for prequalification of construction contractors may include;

- Contractors licensed with the Department of Fair Trading.
- Contractors available for a 2 year contract duration
- Satisfactory performance reports from MSB or any NSW Government agency.
- Acceptable references.
- Suitability & availability to work in relevant Mine Subsidence Districts.
- Suitable insurances.
- Finances.
- Quality Assurance.

A detailed document setting out the broad requirements of the engagement, information to be provided by Contractors expressing interest, and detailed selection criteria shall be provided to firms that respond to the advertisement. Firms expressing interest shall lodge their expression of interest in accordance with the detailed document.

Tender Process: For details of the procedures for inviting “*Expressions of Interest*”, refer to Procedure 01.1 Contractors (Infrastructure), Section 2.4 “*Tender Process*”. This includes;

- Tender Evaluation Plan
- Inviting Tenders
- Receipt and Evaluation of Tenders
- Tender Recommendation
- Tender Outcome

4. Management of Selective Tender Panels

Tenderer Selection:

District Managers shall maintain a register of tender opportunities for contractors on a selective tender panel;

Register 1: Details of Tender Opportunities

Contract Description	Invitation to tender (Who /When)	Accept of Decline	Tender or Not	Successful or not	Performance Score
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Register 2: Summary of Tender Opportunities & Performance

Preregistered Contractors	No. Opportunities to tender	Performance Score Average
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For contract works less than \$50,000, District Managers may nominate the tenderers for each tender process from a current prequalification panel. The number of tenderers selected may include reserves that can be called on to tender if a prospective tenderer declines the invitation.

For contract works > \$100,000 a “*Tenderer Selection Committee*” of 3 senior officers shall be established to select the tenderers.

Any selection shall identify the best Tenderer Panel to maximise the potential for optimum time, cost and quality results. It shall ensure that all prequalified contractors are given opportunities to tender for work within their work or service category, geographic areas of operations and expertise. The need for unbiased selection cannot be overemphasised.

Each District Manager is responsible for administering the prequalification panels and ensures that each prospective tenderer's performance has been monitored and that past and current performance warrants the tenderer's consideration for selection; and the Subsidence Risk Engineer is notified of any unsatisfactory performance.

Performance Reporting:

During the term of a contract, the Contractor Performance Reports shall be prepared for all works >\$10,000 or otherwise for unsatisfactory performance. Copies shall be placed on the Selective Tender file and in DOCUMAP under Administration/Library/Performance Reporting.

Unsatisfactory Performance:

Unacceptable levels of performance by any contractor on an MSB selective tender panel shall be reported immediately to the Subsidence Risk Engineer (SRE) for review. If the SRE considers it appropriate, a panel of assessors will be convened (CEO, SRE, District Manager) to consider whether any action should be taken such as issuing a caution, limiting work opportunities or removing the contractor from the panel.

If the recommendation is to take further action the following steps shall be followed;

- Ask the contractor in writing to show cause within 14 days why it should be permitted in the future to continue doing work with MSB.
- If there is no reply, remove the contractor from the preregistered list.
- Decide within 14 days of receipt of the reply whether to take action and limit work opportunities or remove the contractor from the preregistered list.
- Advise the contractor of the decision.
- If the contractor requests a review of the decision, refer the matter to the Board.

Annual Review:

All contractors on prequalified lists are to be reviewed annually. The review shall take into account changes to a Contractors status since the last review and any changes to criteria requirements.

Contractors will also be reviewed when MSB becomes aware that the Contractors status with performance or any other factor.

Contractors may at any time at the discretion of MSB be removed from or downgraded on a prequalification list.

5. Process Performance Indicators:

- Complying with the procedure.
- Selective Contractor works completed within a reasonable time, in consultation with the owner, and meeting acceptable quality and cost criteria. Refer Performance Reports for details.

6. References:

- 'Procurement Policy' – Section 4, P1.11: Policy and Procedures Manual.
- 'Delegations' – Section 4, P4.2: Policy and Procedures Manual.
- 'Contractors (Infrastructure)' – Section 2, P1.1: Policy and Procedures Manual.
- 'Contractors (Goods & Services)' – Section 2, P1.2: Policy and Procedures Manual.
- 'Consultants (Infrastructure)' – Section 2, P20.1: Policy and Procedures Manual.
- 'Consultants (Performance Mgt)' – Section 2, P20.2: Policy and Procedures Manual.
- 'Procurement Manual' & documents: Ref K:\MSB Corporate\MSB Manuals\Procurement
- File 3.66.01 – "Contractors Performance Reports" file.

7. Attachments:

- Attachment 1: Form F10: "Contractors Performance Report"
- Attachment 2: Form F19: "Selective Tender Assessment"

8. Latest Revisions:

January 2012: New Procedure replaces old procedure P6.4.2, "*Selective Tenders < \$20k*".

Attachment 1
“Contractors Performance Report”

MINE SUBSIDENCE BOARD

CONTRACTOR'S PERFORMANCE REPORT

GENERAL:

Contractor's Name: _____

Contractor's Address: _____

Phone No: _____

Licence No: _____ Type: _____

PROJECT:

Claim No: _____ Owner: _____

Property: _____

Brief description or repairs _____

Date acceptance of tender: _____ Contract duration: _____ weeks

Date repairs commenced: _____ Actual contract duration: _____ weeks

Date of practical completion: _____

CONTRACTOR'S PERFORMANCE

	<i>Unsatisfactory</i>	<i>Acceptable</i>	<i>Good</i>	<i>Excellent</i>
Quality of personnel				
Standard of service				
Quality of repairs				
Co-ordination of sub-contractors				
O. H. & S.				
Other				
Overall performance				

SUITABILITY FOR FUTURE WORKS:

Suitable: Yes/No

OVERALL COMMENTS:

Reporting Officer:

Client comments:

The aspects of unsatisfactory performance in the Report have been discussed with the contractor.

Yes/No

Reporting Officer's Signature: _____ Date: _____

District Manager/ Chief Executive Officer:

I concur/ do not concur with the Reporting Officer's assessment detailed.

Signature: _____ Date: _____

Attachment 2

“Selective Tender Panel Assessment” for Prequalification

MINE SUBSIDENCE BOARD

SELECTIVE TENDER PANEL ASSESSMENT: FOR PREQUALIFICATION

General:

Name of persons/ Firm/ Company:

Address:

Postcode:

Phone Nos.	Licence Type	Licence Nos.
(Office)		
(Mobile)		

Available for MSB Districts:

☐ Newcastle
 ☐ Lake Macquarie
 ☐ Wyong
 ☐ Singleton
 ☐ Picton

Previously selected contractor? Yes/ No

Application submitted within prescribed period? Yes/ No

Suitability on contractor's for defined repairs? Yes/ No

References supplied - Satisfactory? Yes/ No

Previous contractor's report? Yes/ No Satisfactory? Yes/ No

Suitable contractor? Yes/ No

Comments: _____

Tender Delegates:

Names

Signatures

Date

Insurances	Insurer	Policy No.	Amount Cover	Date Expires
Workers Compensation:				
Public Liability:				

Copies sighted: Yes/ No