



CONSTRUCTION PREQUALIFICATION SCHEME

## SCM0256 Agency Guidelines

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General Construction Works up to \$1 Million

July 2023

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### **More information**

Contact the NSW Procurement Service Centre

- Telephone: 1800 NSW BUY (1800 679 289)
- Email: [nswbuy@treasury.nsw.gov.au](mailto:nswbuy@treasury.nsw.gov.au)

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## Schedule Of Document Amendments

Revision Number	Date	Update Description
1	July 2023	Application Platform Supplier Hub replaced eTendering on 1 June 2023. Reference to eTendering as application platform removed.
2	July 2023	Section 2.3 Small and Medium Enterprise (SME) and Regional Procurement Policy replaced with PBD-2019-03 Access to government construction procurement opportunities by small and medium sized enterprises – applicable to Construction
3	July 2023	Replacement of the term contractor with supplier in relation to scheme application and membership.

## What's changed?

This scheme has been updated to simplify scheme conditions and make it easier for agencies to engage prequalified suppliers. Changes include:

- Application process has commenced on Supplier Hub.
- Suppliers and Buyers each require a Supplier Hub account.

## Where to start

### **buy.nsw documents**

SCM0256 Agency Guidelines and associated documents for applicants and agencies are available at [https://buy.nsw.gov.au/schemes/general-construction-works-up-to-\\$1-million](https://buy.nsw.gov.au/schemes/general-construction-works-up-to-$1-million).

### **Terms and definitions**

Refer to terms and definitions used in this document

### **Supplier Hub**

To select prequalified suppliers, refer to your dashboard on your buy.nsw Supplier Hub account. This information is only available to registered buyers on Supplier Hub. Please use the following link to register as a buyer <https://buy.nsw.gov.au/login/signup/buyer/>.

### **Enquiries**

For enquiries please contact: [construction.suppliers@pwa.nsw.gov.au](mailto:construction.suppliers@pwa.nsw.gov.au) or contact the NSW Procurement Service Centre (details inside front cover).

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# 1 Scope and application

These guidelines are applicable to General Construction Works up to \$1 Million (ex GST). They should be read in conjunction with SCM0256 Scheme Conditions.

For General Construction Works up to \$1 Million:

- All NSW government agencies must engage suppliers from this scheme in accordance with NSW Procurement Board Direction [PBD-2014-04C Construction procurement prequalification schemes for work valued to \\$1 million](#).
- State-owned corporations, NSW Government subsidiaries (under the Corporations Act), universities and local councils may use this scheme. As these entities are not bound by the *Public Works and Procurement Act 1912*, use of the scheme is in accordance with their individual governance requirements.

For construction procurement accreditation requirements please refer to buy.nsw website at <https://buy.nsw.gov.au/categories/construction>.

***NOTE: Unaccredited agencies do not require the assistance of accredited agencies for selecting suppliers for general construction works up to \$1.3 million.***

## 2 Purpose

The purpose of this scheme is to reduce the time, cost and risk to agencies of engaging with prequalified suppliers who:

- are legitimate business entities with a sound financial track record
- have demonstrated expertise, capacity and capability for specific work categories and regions (including Sydney metro)
- meet the criteria for small to medium enterprises, or Aboriginal-owned businesses (if required).

## 3 Procurement planning

This scheme is relevant to [NSW Procurement's Plan-Source-Manage approach](#) to procurement. It assists agencies in the planning phase to identify suppliers who are suitability qualified to tender for construction and related services. Please note:

- the source and manage phases of procurement are outside of the scope of the prequalification scheme
- agencies using this scheme are encouraged to develop their own sourcing strategies in accordance with the NSW Procurement Policy Framework.

## 4 Using the scheme

### 4.1 Prequalified supplier listings

To select prequalified suppliers, refer to your dashboard on your buy.nsw Supplier Hub account. This information is only available to registered buyers on Supplier Hub. Please use the following link to register as a buyer <https://buy.nsw.gov.au/login/signup/buyer/>.

Prequalified suppliers are listed according to work categories and the value of work for which they have been prequalified:

- Registered Suppliers are eligible for contracts valued up to \$250,000,
- Certified Suppliers are eligible for contracts valued between \$250,000 and \$1 million.

## 4.2 eQuote Decommissioned

eQuote was decommissioned on 20 April 2023. A simple procurement method is currently work in progress. Department of Customer Service has been communicating directly with users of the eQuote system.

Alternatively, agencies can select prequalified suppliers from the appropriate work categories using the current database in accordance with your approved procurement plan or governance model.

# 5 Engaging suppliers

## 5.1 Market approaches guide

Refer to the Market approaches guide in Buy.NSW for approaching the supplier market at <https://buy.nsw.gov.au/buyer-guidance/plan/approach-the-market>.

## 5.1 Quote rules

The recommended minimum number of quotes for work is as follows:

- Contracts up to \$150,000 – one quote
- Contracts over \$150,000 – three quotes.

The key principle of obtaining value for money in the procurement **must** be addressed by the procuring officer in all cases.

These recommended guidelines do not override any approved procurement governance requirements developed for an agency's business. Quote rules also can also vary if you are dealing (for instance) with [Aboriginal-owned businesses](#), or [small and medium enterprises](#) (SME). Agencies should check the relevant policies for allowable variances from the quote rules.

## 5.3 Contractual agreements

The contractual agreement between the agency and the contractor is outside the scope of this scheme. However, agencies should use NSW Government's standard construction contracts where appropriate. These contain simple, effective provisions that are familiar to contractors and reflect NSW Government policy and provide a reasonable allocation of contract risk:

- Minor Works ([MW21](#)) standard form should be used for straight forward construction contracts valued up to \$1 million (ex GST). MW21 standard form can also be used for contracts up to \$2million (ex GST) where the Works involve low risk or repetitive construction activities.
- [Mini Minor Works \(MMW\)](#) standard form is recommended to be used for simple contracts valued up to \$150,000 (ex GST). However, it can also be used up to \$250,000 (ex GST), where the Works involve low risk or repetitive construction activities.

For scheme engagements below \$30,000, agencies can use agency specific terms and conditions, or a supplier's terms and conditions. The onus is on the agency to assess if the alternative terms and conditions can adequately govern the engagement, having considered the level of associated risk. Alternatively, use Mini Minor Works General Conditions of Contract.

## 5.4 Trusts and trustees

A trust in itself is not a legal entity and is always controlled by a trustee. Only the trustee can sign a contract on behalf of the trust. Trustees as administrators for a particular trust can be prequalified in this scheme, if they meet the application requirements and are authorised to enter into a contract on behalf of the trust. (Trusts are not eligible as they can only contract via a trustee).

When trustees are prequalified and tender/quote for government business they should be assessed in the procurement process in the same way as any other eligible entity in meeting the evaluation criteria developed for that process.

As a guide, when looking at financial capability, you must look at the financial accounts of the trust (these accounts should be in the correct name of the trust). Agencies are advised to apply their own due diligence and, if necessary, seek legal and commercial advice during the tendering process.

Agencies should ensure the contract correctly describes the trustee as entering the contract in its capacity as trustee of the trust, rather than in its own capacity. This means making sure the ABN of the trust is quoted (not the trustee's ABN). For example, ABC Pty Ltd (ACN 123 456 789) as trustee of the Jones Family Trust (ABN 9 876 654 321).

## 5.5 Insurances

For this scheme, the supplier is not required to provide evidence of insurance at prequalification stage. However, agencies should ask for proof of public liability, workers compensation and/or professional indemnity insurance (as required) at the tendering and contract award stages.

## 5.6 Relevant occupational licences or certification

Supplier provides evidence of all necessary licenses for work categories that have this as a mandatory requirement. The type of license will be determined by the NSW Government licensing agency (or equivalent) and various work categories under this scheme prescribe the mandatory licensing requirements.

Agencies are advised to apply their own due diligence at the procurement stage to ensure the supplier has the required type of license and it is current.

# 6 Contractor performance

Certified suppliers are required to submit proof of good performance when they apply to the scheme. Contractor performance reporting and record keeping is the responsibility of individual agencies.

Agencies are requested to advise the Department of contractors that breach scheme conditions or do not meet their contractual obligations. These suppliers may then be suspended or removed from the scheme. If suspended, they will not be eligible to receive tendering opportunities until the reason for their suspension is addressed to the satisfaction of the Department.

# 7 Scheme maintenance

The Department provides a small, dedicated team to administer the scheme and assist agencies and suppliers with enquiries and feedback for continuous improvement. Contact [construction.suppliers@pwa.nsw.gov.au](mailto:construction.suppliers@pwa.nsw.gov.au)



## 8 Terms and definitions

Term	Definition
Agency	NSW Government agencies
Construction services	Services relating to construction of buildings or works, including <ul style="list-style-type: none"> <li>a) pre-erection works</li> <li>b) construction works</li> <li>c) repairs, alterations and restorations.</li> </ul>
Supplier	An applicant who has been prequalified to provide construction services up to \$1 million (ex GST)
Contractor performance report (CPR)	A report completed using the Department's CPR template or a similar document that articulates the key performance criteria of a Contractor.
DRNSW, or the Department	Department of Regional NSW
eTendering	The NSW Government's <b>repository</b> for past, <b>current and</b> future tenders.
Government	New South Wales Government
Scheme	A procurement list of prequalified suppliers intended to be used more than once for procurements by one or more agency
SCM0256	Prequalification scheme for construction and related works up to \$1 million (ex GST)
Supplier Hub	A place for NSW Government buyers and supplier to connect. Supplier Hub is now mandatory for suppliers that want to actively sell to NSW Government or respond to advertised government opportunities. Suppliers can apply for prequalification schemes, manage their scheme application and change contact details. Agencies use the site to select prequalified suppliers for tendering opportunities.