

Panel Arrangements and the Indigenous Procurement Policy

Does the mandatory set aside apply to the goods and services covered by mandated whole of government arrangements?

No. If the good or service you are procuring is covered by a mandated whole of government arrangement, the Commonwealth Procurement Rules (CPRs) require that you use the mandatory panel arrangement.

A list of mandated whole of government arrangements is available on the Department of Finance website <http://www.finance.gov.au/procurement/wog-procurement/>

Do I still need to follow the mandatory set aside process for goods or services that I could purchase from a panel?

If the mandatory set aside process applies to the goods or services you are seeking to purchase, then you need to follow the mandatory set aside process before you can use an existing panel arrangement.

There are two exceptions to this:

1. Whole of government purchasing arrangements
2. Panels where the Commonwealth has contractually committed to the panel being an 'exclusive' arrangement.

What if there is an Indigenous small to medium enterprise (SME) on the panel? Do I need to follow the mandatory set aside process?

Yes. If the mandatory set aside process applies, then you will still need to check the Supply Nation register to identify whether there is more than one Indigenous SME available that could deliver the required goods or services on a value for money basis.

Once you have identified the available Indigenous SMEs, you will need to conduct a value for money assessment commensurate with the size, scope and risk of the procurement. If one or more of the available Indigenous SMEs is on the panel, then the assessment process for the panel supplier may be more streamlined, as a value for money assessment has already been carried out.

My entity is establishing a panel arrangement. Do I need to include an Indigenous SME?

Generally panel arrangements are established via an open tender process. Entities should encourage Indigenous SMEs to put forward a bid as part of the competitive tender process when panel arrangements are being established or refreshed.

As an Indigenous SME, what is the benefit of applying to get on Government panels?

There is a clear benefit for Indigenous SMEs to be part of whole of government purchasing arrangements and 'exclusive' panel arrangements, as the mandatory set aside process does not apply to these arrangements.

In addition, there is a benefit to Indigenous SMEs being on other panel arrangements because it streamlines the quoting/value for money assessment process and provides more exposure to government buyers.

Background

Many Commonwealth agencies have established panels of suppliers to streamline purchasing of goods and/or services. Panels are generally established for goods and/or services that are purchased regularly.

In addition to agency specific panels, the Department of Finance has established whole of government purchasing arrangements, some which are mandatory. A list of mandated whole of government arrangements are provided on the Department of Finance website

<http://www.finance.gov.au/procurement/wog-procurement/re>.

Tips for procurement officers:

- Talk to your central procurement team.
- Know whether you are required to purchase from a panel or whether it is optional.
- Know the Indigenous businesses which offer the goods and services you need and ensure relevant Indigenous businesses are aware of upcoming panel tendering processes.
- Contact Supply Nation and PM&C's Regional Network Offices for information about local Indigenous businesses when establishing or refreshing a panel.
- Consider coordinated procurement arrangements with agencies which have Indigenous businesses on their supplier panels.
- Understand the requirements of the Indigenous procurement policy and when you must comply with the mandatory set-aside.

Useful Links

Indigenous Procurement Policy

<http://www.dpmc.gov.au/ipp/>

Commonwealth Procurement Rules

<http://finance.gov.au/procurement/procurement-policy-and-guidance/commonwealth-procurement-rules/>

Establishment and operation of panels

<http://www.finance.gov.au/procurement/procurement-policy-and-guidance/buying/procurement-practice/panel-and-mul/practice.html>

For more information

Questions about the new Indigenous Procurement Policy can be sent to IndigenousProcurement@dpmc.gov.au