



# CIVIL CONTRACTORS FEDERATION

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## Civil Contractors Federation Procurement and Prequalification Policy

The Civil Contractors Federation believes that procurement policies must focus on three key principles: *Equity*, *Competition* and *Collaboration*.

We believe that the National Government has a significant role to play in influencing and supporting procurement policies which are based on these principles.

Procurement based on *Equity*, *Competition* and *Collaboration* leads to the following outcomes: capacity building in small to medium contractors, skills development, economic efficiency and support for regional development.

Procurement policies must also be supported by proper, open and transparent planning for infrastructure works such as forward and rolling capital works programs.

Planning by Government and Government Agencies provides contractors with the certainty to make investment and employment decisions particularly in respect of training which requires long term commitments.

It is against these key principles that Governments and Government Agency procurement policies must be benchmarked

➤ **Equity:**

By equity we mean that all levels of the contractor market should be able to participate in infrastructure projects.

Too often contracts are let to market as one large project when it is possible to consider breaking such projects into smaller component parts. Government's and Government Agencies should be required to give consideration to unbundling of major projects.

Equity also requires that procurement gives due weight to factors other than rewarding only the lowest price. For example sustainable practices, commitment to training, environmental management and innovation should all be factors which are considered.

At present bidding costs are also a significant disadvantage for small to medium sized contractors and this needs to be addressed.

➤ **Competition**

CCF believes that a level playing field which allows contractors to truly compete will lead to better outcomes for the community providing strong value for money.

By truly supporting competition small to medium sized operators will have the opportunity to compete and in turn grow and develop capacity. It will also support skills development with small to medium sized businesses being key trainers of civil skills as well as regional employers.

CCF also gives in principle support to a national prequalification system provided that such a system is based on a co-operative approach by all states and territories and such a system provides appropriate support to small and medium sized contractors.

## ➤ **Collaboration**

Infrastructure proponents should give consideration as to whether projects or parts of projects can be delivered by different contractual arrangements such as collaboration and alliance contracting. For example several medium sized contractors partnering to deliver an infrastructure project rather than one major contractor.

### **The Civil Contractors Federation Prequalification Policy**

CCF supports a national prequalification system either based on a nationally consistent prequalification system or at the very least a mutual recognition system based around the following core principles:

- *Consistency* – at present there are different pre-qualifications in different agencies and state governments. For example the Road authorities all have different prequalification systems. This is inefficient and time consuming especially with contractors operating between states;
- *Transparency*- essentially in relation to how to become qualified, how to move between qualification grades and how the criteria for qualification are applied in a consistent, open and fair manner;
- *Flexibility* –with capacity constraints overall in the industry there is a need for the prequalification system to both be flexible enough to allow movement between prequalification grades and for reciprocity between states and agencies.

It is against these principles that CCF will evaluate prequalification policies.