

CONTRACTOR PREQUALIFICATION SCHEME

SCM0256 Scheme Conditions

General construction works up to \$1 million

January 2021



Department of Regional NSW

Published by Department of Regional NSW

Buy.nsw.gov.au

Title: SCM0256 Scheme Conditions

Subtitle: General construction works up to \$1 million

Department reference number: DOC19/1255850

More information

Contact the NSW Procurement Service Centre

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

© State of New South Wales through Department of Regional NSW (DRNSW) 2021. You may copy, distribute, display, download and otherwise freely deal with this publication for any purpose, providing that you attribute the DRNSW as the owner. However, you must obtain permission if you wish to charge others for access to the publication (other than at cost); include the publication in advertising or a product for sale; modify the publication; or republish the publication on a website. You may freely link to the publication on a departmental website.

Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (January 2021) and may not be accurate, current or complete. The State of New South Wales (including the DRNSW), the author and the publisher take no responsibility, and will accept no liability, for the accuracy, currency, reliability or correctness of any information included in the document (including material provided by third parties). Readers should make their own enquiries and rely on their own advice when making decisions related to material contained in this publication.

What's changed?

In accordance with the NSW Government Action Plan's 10-point commitment to the construction sector this scheme has been updated to reflect that commitment, making it easier for prequalified contractors to work with Government.

Changes to this prequalification scheme, which are effective from 27 November 2019, include:

- Automatic increase in contract financial range for registered contractors from \$150,000 to \$250,000. The contract financial range for certified contractors has been increased to between \$250,000 and \$1 million.
- Refresh of work categories within the scheme to align with current government business demands
- Application processes amended to capture improved data recognising aboriginal businesses and to identify contractors in regions for future business opportunities
- Removal of scheme management processes that require onerous administration for contractor and government
- Additional fields have been added to the online application to allow the uploading of licensing requirements where applicable
- Publication of refreshed application guidelines that mirror on-line processes to improve the contractor customer experience in dealing with our scheme application team
- Publication of a scheme profile guide allowing prequalified contractors to upload their current business information directly into Supplier Hub/eTendering, ensuring currency of data.

Transition process

Prequalification scheme conditions must be met to maintain a contractor's prequalification. Most contractors should transition across to the refreshed scheme.

However, if any new requirements that have not been included impact on a contractor's ability to maintain prequalification, a transition period of six months will be provided to support the change to achieve compliance, except where there are legislative requirements that must be met.

Where to start

Buy.NSW documents

SCM0256 Scheme Conditions and associated guidelines for applicants and agencies are available at https://buy.nsw.gov.au/schemes/general-construction-works-up-to-\$1-million.

Terms and definitions

See Terms and definitions used in this document

Applicants

Applicants must be registered on Supplier Hub/eTendering before commencing the application process. Online application form is available at Supplier Hub/eTendering.

Agencies

Agencies seeking prequalified contractors for a specific project should commence their search though Scheme Explorer in eTendering.

Enquiries

For enquiries please contact: constructionsuppliers@finance.nsw.gov.au or contact the NSW Procurement Service Centre (details on inside cover).

Contents

Transition process i Buy.NSW documents ii Terms and definitions ii Applicants ii Agencies ii Enquiries ii 1 Scheme overview 1 1.1 General construction works up to \$1 million 1 1.2 Out of scope 1 2 NSW Procurement Policy Framework 2 2.1 Procurement Board Direction 2 2.2 NSW Government Action Plan: A 10-point commitment to the construction sector 2 2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.2.1 Registered contractors (up to \$250,000) 4 3.2.2 Certified contractors (between \$250,000 and \$1 million) 4 3.2.3 Amending the level of prequalification </th <th>V</th> <th>/hat's</th> <th>chan</th> <th>nged?</th> <th>. i</th>	V	/hat's	chan	nged?	. i
Terms and definitions iii Applicants iii Agencies iii In Scheme overview 1 1.1 General construction works up to \$1 million 1 1.2 Out of scope 1 2 NSW Procurement Policy Framework 2 2.1 Procurement Board Direction 2 2.2 NSW Government Action Plan: A 10-point commitment to the construction sector 2 2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.2.1 Types of prequalified contractor 4 3.2.2 Certified contractors (up to \$250,000) 4 3.2.3 Criteria for applicants 5 3.3.1 Legal entity and business operations 5 3.3.2 Financial capacity 5 3.3.4	Т	ransiti	on p	rocess	. i
Applicants. ii Agencies iii Enquiries iii 1 Scheme overview 1 1.1 General construction works up to \$1 million 1 1.2 Out of scope 1 2 NSW Procurement Policy Framework 2 2.1 Procurement Board Direction 2 2.2 NSW Government Action Plan: A 10-point commitment to the construction sector 2 2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.2.1 Registered contractor 4 3.2.2 Certified contractors (between \$250,000 and \$1 million) 4 3.2.3 Amending the level of prequalification 4 3.3.2 Financial capacity 5 3.3.3		Buy.N	ISW	documents	ii
Agencies ii Enquiries iii 1 Scheme overview 1 1.1 General construction works up to \$1 million 1 1.2 Out of scope 1 2 NSW Procurement Policy Framework 2 2.1 Procurement Board Direction 2 2.2 NSW Government Action Plan: A 10-point commitment to the construction sector 2 2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.1.4 General constructors (up to \$250,000) 4 3.2.1 Registered contractors (between \$250,000 and \$1 million) 4 3.2.2 Certified contractors (between \$250,000 and \$1 million) 4 3.2.3 Amending the level of prequalification 4 3.3.1 Legal entit					
Enquiries ii 1 Scheme overview 1 1.1 General construction works up to \$1 million 1 1.2 Out of scope 1 2 NSW Procurement Policy Framework 2 2.1 Procurement Board Direction 2 2.1 NSW Government Action Plan: A 10-point commitment to the construction sector 2 2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.1.4 Registered contractors (up to \$250,000) 4 3.2.2 Certified contractors (between \$250,000 and \$1 million) 4 3.2.3 Amending the level of prequalification 4 3.2.1 Registered contractors (between \$250,000 and \$1 million) 4 3.2.3 Amending the level of prequalification 5		•••			
1 Scheme overview 1 1.1 General construction works up to \$1 million 1 1.2 Out of scope 1 2 NSW Procurement Policy Framework 2 2.1 Procurement Board Direction 2 2.2 NSW Government Action Plan: A 10-point commitment to the construction sector 2 2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.1.4 Registered contractors (up to \$250,000) 4 3.2.2 Certified contractors (between \$250,000 and \$1 million) 4 3.2.3 Criteria for applicants 5 3.3.1 Legal entity and business operations 5 3.3.4 Insurances 5 3.3.4 Insurances 5 3.3.4 In		0			
1.1 General construction works up to \$1 million 1 1.2 Out of scope 1 2 NSW Procurement Policy Framework 2 2.1 Procurement Board Direction 2 2.2 NSW Government Action Plan: A 10-point commitment to the construction sector 2 2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.2 Types of prequalified contractor 4 3.2.1 Registered contractors (up to \$250,000) 4 3.2.2 Certified contractors (between \$250,000 and \$1 million) 4 3.3.1 Legal entity and business operations 5 3.3.1 Legal entity and business operations 5 3.3.2 Financial capacity 5 3.3.3 Licences 5		•			
1.2 Out of scope 1 2 NSW Procurement Policy Framework 2 2.1 Procurement Board Direction 2 2.2 NSW Government Action Plan: A 10-point commitment to the construction sector 2 2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.2 Types of prequalified contractor 4 3.2.1 Registered contractors (up to \$250,000) 4 3.2.2 Certified contractors (between \$250,000 and \$1 million) 4 3.2.3 Amending the level of prequalification 4 3.3.1 Legal entity and business operations 5 3.3.1 Legal entity and business operations 5 3.3.4 Insurances 5 3.3.4 Insurances 5	1				
2 NSW Procurement Policy Framework 2 2.1 Procurement Board Direction 2 2.2 NSW Government Action Plan: A 10-point commitment to the construction sector 2 2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.2.1 Registered contractor 4 3.2.2 Certified contractors (up to \$250,000) 4 3.2.3 Amending the level of prequalification 4 3.2.1 Registered contractors (between \$250,000 and \$1 million) 4 3.2.3 Amending the level of prequalification 4 3.3.1 Legal entity and business operations 5 3.3.2 Financial capacity 5 3.3.4 Insurances 5 3.4 Bidding for work 6				·	
2.1 Procurement Board Direction 2 2.2 NSW Government Action Plan: A 10-point commitment to the construction sector 2 2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.1.4 Registered contractor 4 3.2.1 Registered contractors (up to \$250,000) 4 3.2.2 Certified contractors (between \$250,000 and \$1 million) 4 3.2.3 Amending the level of prequalification 4 3.3.4 Legal entity and business operations 5 3.3.4 Insurances 5 3.3.4 Insurances 5 3.3.4 Insurances 5 3.3.5 Terms and conditions of contract 6 3.5.1 Under \$30,000 6 <th>с С</th> <th></th> <th></th> <th>•</th> <th></th>	с С			•	
2.2 NSW Government Action Plan: A 10-point commitment to the construction sector 2 2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.2.1 Registered contractor 4 3.2.2 Certified contractors (up to \$250,000) 4 3.2.3 Amending the level of prequalification 4 3.2.3 Amending the level of prequalification 4 3.3.4 Legal entity and business operations 5 3.3.4 Insurances 5 3.3.4 Insurances 5 3.3.4 Insurances 5 3.3.4 Insurances 5 3.5.1 Under \$30,000 6	2				
2.3 Small and Medium Enterprise (SME) and Regional Procurement 2 2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.2.1 Registered contractor 4 3.2.2 Certified contractors (up to \$250,000) 4 3.2.3 Amending the level of prequalification 4 3.3.4 Itegal entity and business operations 5 3.3.3 Licences 5 3.3.4 Insurances 5 3.3.5 Terms and conditions of contract 6 3.5.1 Under \$30,000 6					
2.4 Aboriginal Procurement Policy 2 2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.1.4 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.1.4 Registered contractor 4 3.2.1 Registered contractors (up to \$250,000) 4 3.2.2 Certified contractors (between \$250,000 and \$1 million) 4 3.2.3 Amending the level of prequalification 4 3.2.3 Amending the level of prequalification 4 3.3 Criteria for applicants 5 3.3.1 Legal entity and business operations 5 3.3.2 Financial capacity 5 3.3.3 Licences 5 3.3.4 Insurances 5 3.5 Terms and conditions of contract 6 3.5.1				•	
2.5 Conduct by suppliers 2 3 Scheme conditions 3 3.1 Work categories 3 3.1.1 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.1.4 General construction 3 3.1.2 Building services 3 3.1.3 Trades 3 3.1.4 Registered contractor 4 3.2.1 Registered contractors (up to \$250,000) 4 3.2.2 Certified contractors (between \$250,000 and \$1 million) 4 3.2.3 Amending the level of prequalification 4 3.3 Criteria for applicants 5 3.3.1 Legal entity and business operations 5 3.3.2 Financial capacity 5 3.3.3 Licences 5 3.3.4 Insurances 5 3.5 Terms and conditions of contract 6 3.5.1 Under \$30,000 6					
3.1Work categories33.1.1General construction33.1.2Building services33.1.3Trades33.2Types of prequalified contractor43.2.1Registered contractors (up to \$250,000)43.2.2Certified contractors (between \$250,000 and \$1 million)43.2.3Amending the level of prequalification43.3Criteria for applicants53.3.1Legal entity and business operations53.3.2Financial capacity53.3.4Insurances53.4Bidding for work63.5Terms and conditions of contract63.5.1Under \$30,0006		2.5		.	
3.1.1General construction33.1.2Building services33.1.3Trades33.2Types of prequalified contractor43.2.1Registered contractors (up to \$250,000)43.2.2Certified contractors (between \$250,000 and \$1 million)43.2.3Amending the level of prequalification43.3Criteria for applicants53.3.1Legal entity and business operations53.3.2Financial capacity53.3.3Licences53.4Insurances53.5Terms and conditions of contract63.5.1Under \$30,0006	3	Scł	neme	conditions	3
3.1.2Building services.33.1.3Trades33.2Types of prequalified contractor43.2.1Registered contractors (up to \$250,000)43.2.2Certified contractors (between \$250,000 and \$1 million)43.2.3Amending the level of prequalification43.3Criteria for applicants53.3.1Legal entity and business operations53.3.2Financial capacity53.3.4Insurances53.4Bidding for work63.5Terms and conditions of contract63.5.1Under \$30,0006		3.1	Wor	rk categories	3
3.1.3Trades33.2Types of prequalified contractor43.2.1Registered contractors (up to \$250,000)43.2.2Certified contractors (between \$250,000 and \$1 million)43.2.3Amending the level of prequalification43.3Criteria for applicants53.3.1Legal entity and business operations53.3.2Financial capacity53.3.3Licences53.4Insurances53.5Terms and conditions of contract63.5.1Under \$30,0006		3.1.	.1	General construction	3
3.2Types of prequalified contractor43.2.1Registered contractors (up to \$250,000)43.2.2Certified contractors (between \$250,000 and \$1 million)43.2.3Amending the level of prequalification43.3Criteria for applicants53.3.1Legal entity and business operations53.3.2Financial capacity53.3.3Licences53.4Insurances53.5Terms and conditions of contract63.5.1Under \$30,0006		3.1.	.2	Building services	3
3.2.1Registered contractors (up to \$250,000)43.2.2Certified contractors (between \$250,000 and \$1 million)43.2.3Amending the level of prequalification43.3Criteria for applicants53.3.1Legal entity and business operations53.3.2Financial capacity53.3.3Licences53.3.4Insurances53.4Bidding for work63.5Terms and conditions of contract63.5.1Under \$30,0006		3.1.	.3	Trades	3
3.2.1Registered contractors (up to \$250,000)43.2.2Certified contractors (between \$250,000 and \$1 million)43.2.3Amending the level of prequalification43.3Criteria for applicants53.3.1Legal entity and business operations53.3.2Financial capacity53.3.3Licences53.3.4Insurances53.4Bidding for work63.5Terms and conditions of contract63.5.1Under \$30,0006		3.2	Тур	es of prequalified contractor	4
3.2.2Certified contractors (between \$250,000 and \$1 million)		3.2.			
3.2.3 Amending the level of prequalification43.3 Criteria for applicants53.3.1 Legal entity and business operations53.3.2 Financial capacity53.3.3 Licences53.4 Insurances53.4 Bidding for work63.5 Terms and conditions of contract63.5.1 Under \$30,0006		3.2.	.2		
3.3Criteria for applicants53.3.1Legal entity and business operations53.3.2Financial capacity53.3.3Licences53.3.4Insurances53.4Bidding for work63.5Terms and conditions of contract63.5.1Under \$30,0006		3.2.	.3		
3.3.1Legal entity and business operations53.3.2Financial capacity53.3.3Licences53.3.4Insurances53.4Bidding for work63.5Terms and conditions of contract63.5.1Under \$30,0006		3.3	Crite		
3.3.2 Financial capacity 5 3.3.3 Licences 5 3.3.4 Insurances 5 3.4 Bidding for work 6 3.5 Terms and conditions of contract 6 3.5.1 Under \$30,000 6		3.3.			
3.3.3 Licences 5 3.3.4 Insurances 5 3.4 Bidding for work 6 3.5 Terms and conditions of contract 6 3.5.1 Under \$30,000 6		3.3.	2		
3.3.4 Insurances 5 3.4 Bidding for work 6 3.5 Terms and conditions of contract 6 3.5.1 Under \$30,000 6		3.3.	.3		
3.4Bidding for work63.5Terms and conditions of contract63.5.1Under \$30,0006				Insurances	5
3.5Terms and conditions of contract63.5.1Under \$30,0006					
				0	
3.5.2 Under \$250,0006		3.5.	.1	Under \$30,000	6
		3.5.	.2		
3.5.3 \$250,000 to \$1 million6		3.5.	.3		
3.6 Performance management					
3.6.1 Contractor		3.6.		-	

3.6.2	Agency	6	
3.7 Ch	nange management	7	
3.7.1	Changes to contractor's circumstances	7	
3.7.2	Changes to ACN or ABN	7	
3.8 Ma	aintaining prequalification	7	
3.8.1	Suspension from scheme	7	
3.8.2	Removal from scheme	7	
3.8.3	Review of decision to suspend or remove	8	
3.9 Le	əgal	8	
3.9.1	Applicant's acknowledgment	8	
3.9.2	Confidentiality	8	
3.9.3	Publicity and use of NSW Government logo by suppliers	8	
3.9.4	Disclosure	8	
3.9.5	Disclaimer	9	
3.9.6	No guarantee of work	9	
3.9.7	Precedence of documents	9	
4 Review	v and development of the scheme	9	
Appendix /	A - Description of work categories	10	
General o	construction	10	
Building s	services	11	
Trades		12	
Appendix E	Appendix B - Terms and definitions1		

1 Scheme overview

1.1 General construction works up to \$1 million

This scheme prequalifies contractors to bid for NSW Government construction projects. It is open to any domestic or overseas business entity that is registered with the Australian Securities and Investments Commission (ASIC), providing all scheme conditions can be met.

Applicants with demonstrated capability and capacity in their nominated work categories may apply to be either registered or certified by the scheme. The operational and technical standards required for each level are aligned to the NSW Procurement Policy Framework.

This scheme supports the **NSW Government Action Plan: A 10-point commitment to the construction sector**, refer to Infrastructure NSW website. Where possible, it reduces red tape, saves time and minimises costs for contractors and government. The application process and acceptance into the scheme do not bind government to offer the prequalified contractor tendering opportunities, however every effort will be made to ensure agencies distribute the work fairly to scheme contractors.

Agencies use this scheme to select contractors to bid for specific projects. When a contractor is engaged to provide construction services, contractual terms for that project are between the contractor and the agency based on the Government's standard forms of contract, or, in exceptional circumstances, an acceptable equivalent. See Section 3.5 Terms and conditions of contract for more information.

Agencies may request further information from a prequalified contractor at the time of procuring and consider this in their tender evaluation processes.

1.2 Out of scope

This scheme relates specifically to general construction works valued up to \$1 million (excluding GST). For construction works above this financial range, refer to Procurement List for General Construction Works above \$9M and SCM1461 Contractor Prequalification Scheme for General Construction Works between \$1M and \$9M.

This scheme does not cover construction related consultancy services, built heritage conservation or architectural design.

2 NSW Procurement Policy Framework

The Framework sets out the policy and operating framework for the NSW public sector procurement system. It provides a single source of guidance on the rules for procurement. These requirements must be complied with where applicable. Key policies include:

2.1 Procurement Board Direction

PBD-2014-04C: Construction procurement prequalification schemes for work valued to \$1million deals with procurement of construction works valued up to \$1 million by or for a government agency within the meaning of the **Public Works and Procurement Act 1912**. This direction gives effect to the scheme conditions.

2.2 NSW Government Action Plan: A 10-point commitment to the construction sector

The plan aims to achieve value for money in construction procurement. Value for money does not mean obtaining the lowest price for every project. Rather, it is about adopting a broader, longer term view about the need to drive quality, innovation and cost effectiveness by fostering a thriving and sustainable construction sector in NSW.

For more detail refer to A 10- point commitment to the construction sector.

2.3 Small and Medium Enterprise (SME) and Regional Procurement

The NSW Government is seeking to strengthen its construction supply chain to accommodate its Small and Medium Enterprise and Regional Procurement Policy. This will provide greater opportunities for SMEs and local businesses in regional NSW.

The scheme application process will identify small and medium businesses with the appropriate capability and capacity to participate in construction projects. Applicants are expected to select only those regions that their current capacity and capability can support.

2.4 Aboriginal Procurement Policy

This scheme is aligned to the principles of NSW Government's Growing NSW's First Economy framework. The framework is a key element of Opportunity, Choice, Healing, Responsibility and Empowerment (OCHRE). It has been developed to create opportunities for Aboriginal owned businesses and encourage Aboriginal employment and training through the supply chain of NSW Government contracts. The scheme application process will ask applicants if they are an Aboriginal business, as defined by the Aboriginal Procurement Policy.

2.5 Conduct by suppliers

NSW Government agencies must ensure their procurement processes require suppliers to comply with relevant standards of behaviour and must report findings of dishonest, unfair, unconscionable, corrupt or illegal conduct to the NSW Procurement Board. Refer to Procurement Board Direction PBD 2017-07 Conduct by suppliers

3 Scheme conditions

3.1 Work categories

3.1.1 General construction

- Non-residential building works
- Building heritage restoration
- Interior fitout and refurbishment (including ceilings and partitions)
- Demolition
- Civil works.

3.1.2 Building services

- Building mechanical (HVAC)
- Building electrical
- Lifts and escalators
- Security systems
- Hydraulic services (plumbing) and fire sprinklers.

3.1.3 Trades

- Painting
- Bricklaying
- Concreting
- Fencing
- Carpentry and joinery
- Roof sheeting and roof plumbing
- Metal work and structural steelwork
- Landscaping
- Tiling
- Cement rendering
- Asbestos removal
- Residential building works.

Refer to Appendix A - Description of work categories for more information.

3.2 Types of prequalified contractor

Applications can be submitted for inclusion in the scheme as a registered and/or certified contractor. All values are expressed ex GST.

3.2.1 Registered contractors (up to \$250,000)

Registered contractors must provide:

- Evidence of legal entity and business operations
- Information about relevant occupational licences or certification
- Information about relevant experience
- Details of any fines, prosecutions and convictions in the last two years.

3.2.2 Certified contractors (between \$250,000 and \$1 million)

Certified contractors must provide all the information required to become a registered contractor, plus, for each category of work being applied for, the following documents:

- Contractor performance report or client referee report (or self-completed referee report with client contact details, signed or endorsed by the client). The value of the applicant's portion of the project is to be expressed in AUD\$. Ensure your performance report answers all questions contained in our referee report template.
- Certification to ISO45001, or Certification to AS/NZS 4801, or Current accreditation with the Office of the Federal Safety Commissioner, or a Site safety audit/safety inspection report that demonstrates capacity to implement a WHS Management Plan on a project completed within the last two years signed off by the auditor, or site-specific Safe Work Method Statement, signed off by all relevant persons.
- Certification to ISO9001 or a Quality Assurance Inspection and Test Plan (ITP) developed and implemented on completed projects within the last two years, with proof of acceptance of the report by the client.

3.2.3 Amending the level of prequalification

At any time:

- The applicant may apply to increase their level of qualification to Certified Contractor by providing evidence of increased capacity or capability to support the application. This is managed via the Supplier Hub/eTendering.
- The Department may, at its discretion, reduce the level of prequalification, based on the contractor's demonstrated capacity and capability.

3.3 Criteria for applicants

3.3.1 Legal entity and business operations

Applicants must be acceptable legal entities with appropriate financial assets. The applicant must:

- Have a current Australian Business Number (ABN) and/or an Australian Company Number (ACN) and be registered for Goods and Services Tax (GST).
- Be financially solvent
- Demonstrate a sound business structure, financial capacity, resources, management systems, recent experience and good performance history
- Not be under any form of external administration
- Meet the requirements of the Procurement Policy Framework, including PBD-2017-07 Conduct by Suppliers.

Related entities

Related entities that cannot prequalify for the same category of work include:

- Associated or subsidiary business entities that are owned or controlled by the applicant
- Joint ventures to which the applicant is a party.

The purpose of this restriction is to ensure related entities are not eligible to compete against each other in the tendering process.

Trust arrangements

• Trustees (e.g. Trustee for the Smith Family Trust) are eligible to apply if, under the terms of the trust deed, they have power to enter into a contract on behalf of the trust. Trusts (e.g. Smith Family Trust) are not eligible for prequalification, as they cannot enter into a contract for services with an agency. Both ABN of the trust and ACN of the Trustee are required.

3.3.2 Financial capacity

The applicant must be financially solvent when applying for prequalification. Insolvent entities will be suspended or removed from the scheme.

- Agencies must assess a contractor's financial capacity before entering into a contract for work
- Ongoing financial viability and capacity of a contractor to deliver contracted works will be monitored throughout the contract
- Applicants are deemed to have authorised all necessary financial checks conducted by or on behalf of agencies, before engagement and during the lifetime of a contract.

3.3.3 Licences

Applicants shall provide evidence of all necessary licences for the categories of work for which they apply. The type of licence will be determined by the NSW Government licensing agency (or equivalent) for the work category. Failure to comply with licensing requirements, or keep licences up to date, will result in the contractor being suspended or removed from the scheme.

Refer to Description of work categories, and Applicant Guidelines.

3.3.4 Insurances

The contractor is not required to provide evidence of insurances, for prequalification. However, the applicant must provide proof of public liability, workers compensation and/or professional indemnity insurance at the time work is offered.

Failure to hold the necessary insurances, when required, may result in the contractor being suspended or removed from the scheme.

3.4 Bidding for work

To be eligible to bid for work, a contractor must be prequalified under the scheme before the date of issue of the Request for Quotation, Request for Tender (RFT) or other invitation to bid for work.

3.5 Terms and conditions of contract

Offers of work under this scheme are subject to acceptance of standard terms and conditions outlined below:

3.5.1 Under \$30,000

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.

3.5.2 Under \$250,000

Contracts for work valued up to \$250,000 under the Scheme are subject to the terms and conditions contained in the standard form Mini Minor Works General Conditions of Contract unless specified otherwise as part of tender processes.

3.5.3 \$250,000 to \$1 million

Contracts for work valued between \$250,000 and \$1 million under the Scheme are subject to the terms and conditions contained in the standard form Minor Works General Conditions of Contract (MW21) unless otherwise indicated by the agency at the time of engagement unless specified otherwise as part of tender processes.

3.6 Performance management

3.6.1 Contractor

Prequalified contractors should establish procedures that enable all contractual obligations to be met and address unsatisfactory performance in a timely manner.

Performance monitoring by Agencies may also include, but in not limited to:

- Meeting requirements in the Performance Management Practice Guide
- Meeting the requirements of Work Health and Safety Management Systems and Auditing Guidelines
- Compliance with the NSW Industrial Relations Guidelines: Building and Construction
 Procurement

In lodging an application, applicants consent to ongoing monitoring of performance.

3.6.2 Agency

Agencies are required to manage contractor performance reports and record keeping as per their internal Departmental policy.

3.7 Change management

3.7.1 Changes to contractor's circumstances

Prequalified contractors must advise the Department of any material change in circumstances. They must:

- Update their online profile in e-Tendering to reflect any change in contact details or physical address.
- Notify the Department, in writing, of any substantial change in, for instance; their financial capacity, technical capacity, capability or ownership status, or any convictions or breaches of legislation or statutory regulations.
- Email full details of any substantial change, with full email signature, to constructionsuppliers@finance.nsw.gov.au

3.7.2 Changes to ACN or ABN

Any entity that changes its ACN or ABN after prequalification is deemed to be a new entity. As such:

- the prequalified entity will be removed from the scheme (as it is no longer eligible to contract with government using the registered ABN or ACN)
- the new entity must re-apply for prequalification.

3.8 Maintaining prequalification

3.8.1 Suspension from scheme

The Department will suspend a prequalified contractor's prequalification, for any non-compliance with scheme conditions.

- The Department is not obliged to advise the contractor before deciding to suspend
- As soon as practicable, the Department will provide information to the contractor about the reasons for the suspension
- The suspension will remain in force until the contractor addresses the reasons for the suspension.
- New tendering opportunities will not be offered to the contractor during the period of suspension.

If the actions required to end the suspension have been implemented the contractor should provide full details, in writing, to constructionsuppliers@finance.nsw.gov.au

The Department will:

- reinstate the contractor's rights and benefits if the issue is resolved, or
- recommend further action to resolve the issue, or
- remove the contractor from the scheme if the reason for the suspension cannot be resolved to the satisfaction of the Department.

3.8.2 Removal from scheme

The Department may revoke a contractor's prequalification due to findings of dishonest, unfair, unconscionable, corrupt, or otherwise illegal conduct by the contractor, or when it considers that a contractor has not met a requirement of the scheme.

Before a suspended contractor is permanently removed from the scheme, they will be given an opportunity to provide reasons why they should not be removed. The length of time given to

respond will be determined by the severity of the compliance breach and the time required for appropriate investigation, consultation and/or remediation.

3.8.3 Review of decision to suspend or remove

Except for cases of illegal conduct if a contractor is not satisfied with a decision made by the Department regarding suspension or removal from the scheme, they may request a formal review. The request must be sought, in writing, within 20 business days of receipt of notification. The contractor must provide full details of the reasons for the request and, if applicable, include supporting documentation.

• Email full details to constructionsuppliers@finance.nsw.gov.au

Any person (or subordinate of that person) cannot participate in the review if they were involved in:

- the making of the original decision, or
- the investigation of the breach or performance issue that gave rise to the original decision.

3.9 Legal

3.9.1 Applicant's acknowledgment

In applying for prequalification, the applicant agrees to accept all scheme conditions.

- Lodging an application will evidence an eligible contractor's agreement to comply with the framework, system, guidelines, licencing requirements and scheme conditions when prequalified.
- Contractors must also ensure their subcontractors, consultants and contractors comply with all relevant legal obligations.
- Any compliance breach may result in the termination of an engagement and/or suspension or removal from the scheme.

3.9.2 Confidentiality

Confidential information submitted by an applicant or prequalified contractor will be treated as confidential by agencies unless otherwise required by law. All information submitted may be subject to due diligence, including reference checking, searches, interview, enquiries and confirmation, and applicants, by applying for prequalification, are taken to have authorised any such action.

3.9.3 Publicity and use of NSW Government logo by suppliers

The NSW Waratah logo is a registered trademark and the property of the NSW Government. It is no longer permitted for use by prequalified contractors. However, prequalified contractors are allowed to use text acknowledging prequalification status such as "Prequalified Contractor under NSW Government Scheme SCM0256".

If you have provided services to the NSW Government, you can reference this as part of your client portfolio with approval from your government agency client.

Please seek advice from the from the NSW Procurement Service Centre if if you have any questions.

3.9.4 Disclosure

In applying, the applicant agrees to permit the NSW Government to:

- Publish information about the application and the applicant
- Publish information about contracts awarded to the applicant

 Disclose certain information in accordance with Division 5 of the Government Information (Public Access) Act 2009

3.9.5 Disclaimer

The Department reserves the right at its absolute discretion to:

- accept an application, with or without additional conditions
- reject an application
- suspend or remove a contractor from the scheme.

In the exercise of such discretion, the Department will not be liable for any costs or damages incurred by the contractor.

3.9.6 No guarantee of work

The application process, acceptance into the scheme do not guarantee a contractor:

- continuity of the prequalification over the duration of the scheme
- receipt of opportunities to tender
- that engagements or work of any kind or quantity will be offered.

3.9.7 Precedence of documents

When a prequalified contractor is engaged to provide construction services, the agreement comprises the scheme conditions and the contract (with terms agreed between the contractor and the agency).

These conditions do not form part of the contract between the contractor and the agency. In the event of any ambiguity or inconsistency between the two documents, the contract between the contractor and the agency will override the scheme conditions.

4 Review and development of the scheme

The scheme will be monitored by the Department to assess whether the objectives and intent of the scheme are being met. Modifications to the scheme may be made at the discretion of the Department at any time during the life of the scheme.

- The contractor will be notified of any changes or transitional arrangements that have been made.
- The scheme is subject to continuous review and any aspect of the scheme is subject to change based on the requirements of NSW Government and the Department.
- The contractor accepts that scheme modifications may be implemented in the future. Should this occur affecting a contractor's scheme compliance or ability to tender for future work this will be at the sole risk of the contractor.

Appendix A - Description of work categories

General construction

Ref	Work category	Description
C1	Non-residential building works	Construction of new building and/or major extension/alteration to existing building requiring knowledge and experience of managing all building trades on site.
		Small extension, repair and remediation of building work (including windows and doors).
		Contractor can be engaged as the Principal Contractor under the WHS legislation.
C2	Building heritage restoration	Restore and/or refurbish various building fabrics including - carpentry, detail joinery and cabinet making, slate or copper roofing, lead work repairs, stonework replacement, repairs or repointing, French polishing, lead paint removal, specialist colour matching and painting skills.
		Detailed specialist cleaning to heritage elements and/or stonework.
C3	Interior fitout (refurbishment)	Refurbishing and/or construction of new internal office fit- out including partition, glazed partition, fixtures, fittings, joinery, suspended ceiling systems, carpet, electrical, mechanical and fires systems work requiring knowledge and experience of managing all building trades on site. But this does not include residential building works.
		Contractor can be engaged as the Principal Contractor under the WHS legislation.
C4	Demolition	Total or partial demolition of buildings/structures can be potentially dangerous, so it requires a licence. Removal of hazardous materials not including asbestos. There are two types of demolition licences i.e. a demolition licence (DE1) and a restricted demolition licence (DE2) under the NSW Work Health and Safety Regulation 2017.
		Contractor can be engaged as the Principal Contractor under the WHS legislation.
		Contractor must hold the necessary licence.
C5	Civil works	Construction of minor and major civil engineering works comprising bulk earthwork, excavation, road work, car parks, trenching, pipe laying, small water and sewerage treatment plants, marinas, pontoons.
		Contractor can be engaged as the Principal Contractor under the WHS legislation.

Building services

Ref	Work category	Description
B1	Building mechanical HVAC	Supply, construction, installation, commissioning and minor repairs of mechanical building services, in systems such as air conditioning, evaporative cooling, mechanical ventilation, refrigeration, dust extraction and boilers installations including low, medium and high temperature hot water and steam.
		Contractor must hold the necessary licence.
B2	Building electrical	Supply, construction, installation, commissioning and minor repairs of electrical services in buildings including HV Installations and LV external reticulation of cabling systems, switchboard installation, cabling systems, internal wiring and accessories, lighting installations, exit and emergency lighting, telephone block cabling and conduiting for other related electrical services.
		Contractor must hold the necessary licence.
B3	Lifts and escalators	Supply, installation and making good of lifts, lift cars and Escalators. Works include workshop drawings, escalators, escalator machinery, lift cars, lift machinery, doors, electrical, associated equipment, materials and fixings with final commissioning and end user training.
B4	Security systems	Supply, installation and making good of security systems. Works include disconnection, connection, programming of existing systems, wiring - internal and external, sensors and associated equipment, materials and fixings with final commissioning and end user training.
		Contractor must hold the necessary licence and comply with Security Industry Act.
		Contractor must hold the necessary licence.
B5	Hydraulic services (including plumbing and sprinkler systems)	Supply and installation of pipe work for all aspects of potable water, sewerage, fire, gas, drainage, storm water and fire systems inside and outside of the building fabric. Works range from minor to major contracts.
		Supply and installation, delivery, testing and commissioning of pipe work, fittings and controls, for all aspects of fire systems services, both inside and outside of the building fabric. Works range from minor to major contracts.
		Contractor must hold the necessary licence.

Trades

Ref	Work category	Description
T1	Painting	Surface preparation and application of protective coatings and paint systems to all types of surfaces internal and external. Works range from minor to major contracts.
T2	Bricklaying	Supply, installation and making good of flashings, ties, lintels, brickwork and associated materials. May include repointing. Works to be carried on internal and external of new and existing buildings. Scaffolding supply generally included in description.
Τ3	Concreting	Supply and installation of concrete fabric such as slabs (raft, suspended, composite), footings, columns, walls paths and driveways, including preparation of surfaces and placement of all reinforcement steel, i.e. preparation of surfaces laying of plastic membrane, reinforcing mesh, formwork, checking levels and curing processes.
T4	Fencing	Supply and installation of various fences, including security, safety, decorative, temporary and associated materials and fixings.
		A security fence is any fence or barrier that is designed or adapted to provide or enhance the security or the protection of property. Not all fences are considered to be security fences.
		For security fences, applicants should fulfil requirements as stipulated in the NSW Security Industry Act 1997. Contractor must hold the necessary licence.
Τ5	Carpentry and joinery	Works to be carried on internal and external of new and existing buildings. All framing and trimming and general modification. Scaffolding supply generally included in description.
		Supply and installation of joinery units to specified details, including skirting, architraves, cupboards, shelving, benches, doors, jambs and hardware, with shop drawings where necessary. Supply of all materials, plant tools, equipment, transport and labour as found necessary.
Τ6	Roof sheeting and roof plumbing	Supply, installation and making good of new and existing roof, awnings and covered walkways. Works include roof sheeting, flashings, guttering, down pipes, associated materials and fixings. Works range from minor to major contracts. Work includes required safety systems per Work Health and Safety Regulation 2017.

Ref	Work category	Description
Τ7	Metal work and structural steelwork	Fabrication, welding and installation of metalwork to approved shop drawings, including handrails, balustrades, louvers, bollards, grab-rails etc. supply of all materials, plant tools, equipment, transport and labour as necessary. Works range from minor to major contracts.
		Supply, installation and making good of new and existing structural steel works. Works include workshop drawings, structural members, bracings, cleats, ties, bolts associated materials and fixings. Works range from minor to major contracts both subcontracting and as the principal contractor. Works range from minor to major contracts.
Т8	Landscaping	Major soft and minor hard landscaping including minor earthworks, turfing, mulching, planting of native, exotic plants and shrubs and bush regeneration. May include basic watering systems if required.
Т9	Tiling	Set out, supply, installation and making good of new and existing wall and floor tiling. Supply of all materials, plant, tools, equipment, transport, protection and labour as necessary. Works range from minor to major contracts.
T10	Cement rendering	Supply of all materials, plant, tools, equipment, transport, protection and labour as necessary. Preparation of substrates. Carry out rendering including patching of existing surfaces, supply scaffolding as necessary.
T11	Asbestos removal	Asbestos removal work must be carried out by a licensed asbestos removalist. There are two types of asbestos removal licence i.e. Class A & Class B under the NSW Work Health and Safety Regulation 2017.
		Upload your Class A or Class B licence. These licences are issued by SafeWork NSW.
		Contractor must hold the necessary licence.
T12	Residential building works	Any work that is residential building work under the Home Building Act 1989 which involves construction of a dwelling, or alterations or additions to a dwelling. It also includes repairing, renovating, decorating or applying protective treatment to a dwelling. Contractor must hold a valid current residential building licence issued by NSW Fair Trading. Contractor must hold the necessary licence.

Appendix B - Terms and definitions

Term	Definition
ABN or ACN	Australian Business Number of Australian Company Number (issued by Australian Securities and Investments Commission (ASIC)
Agency	NSW Government agencies, and other clients using the scheme. This includes State owned corporations, universities, local councils etc. (Agencies)
Applicant	An entity that has applied for prequalification under the Scheme
Construction services	 Services relating to construction of buildings or works, including a) pre-erection works b) construction works c) repairs, alterations and restorations.
Contractor performance report (CPR)	A report completed using the Department's CPR template or accepted method
Contract system	A system for managing contracts, based on the type of services provided by the contractor
DRNSW, or the Department	Department of Regional NSW
Supplier Hub/eTendering	The NSW Government's repository for past, current and future tenders. Contractors can apply for prequalification schemes, manage their scheme application and change contact details. Agencies use the site to select prequalified contractors for tendering opportunities.
Framework	NSW Procurement Policy Framework - the suite of legislation, policies, Board Directions and other rules that apply to procurement in NSW (including construction procurement)
Government	New South Wales Government
Guidelines	NSW Industrial Relations Guidelines: Building and Construction Procurement
Prequalified contractor, or contractor	An entity that has been approved under the scheme to provide construction works up to \$1 million (ex GST)
Regional NSW	includes all areas within NSW outside the Newcastle, Sydney and Wollongong metropolitan areas
Scheme / Prequalification Scheme	A prequalification scheme is list of prequalified contractors intended to be used more than once for procurements by one or more agency
SCM0256	Contractor Prequalification Scheme for Construction Works up to \$1 million (ex GST)

Term	Definition
Small or medium enterprise	An Australian or New Zealand based enterprise with fewer than 200 full time equivalent (FTE) employees
Work categories	A system to classify similar types of work, e.g. building works, civil works and fitout
Works	Construction works including building works, fitout and civil works but excluding construction related consultancy services, architectural design and heritage conservation