

# BSBPMG518

## MANAGE PROJECT PROCUREMENT

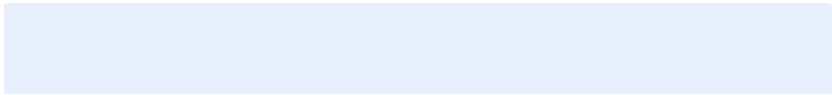
### PRACTICAL ASSESSMENT INSTRUCTIONS

- The following practical assessment will require the participant to complete work related activities.
- Observations will be conducted of the participant's work to determine whether they display sufficient practical skills and knowledge.
- Please fill in the details below, providing your name, signature and date of assessment.
  - Your signature acknowledges that the assessor provided clear instructions and the participant understood what was required to complete this assessment.
- The assessor may substitute a Practical Task with another task of equal value.
  - Alternate tasks must be fully documented by the assessor.

Participant name Christine Marcek

Participant signature 

Assessor name \_\_\_\_\_

Assessor signature 

Date [Click here to enter a date.](#)

| Number of tasks | Number of tasks completed | Satisfactory?            |                          |
|-----------------|---------------------------|--------------------------|--------------------------|
|                 |                           | Yes                      | No                       |
| 1               |                           | <input type="checkbox"/> | <input type="checkbox"/> |

### ASSESSOR COMMENTS

## BSBPMG518 MANAGE PROJECT PROCUREMENT

| Practical Task 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <b>Description of task:</b><br>A suitable observer is to verify the participant's ability to undertake procurement in projects.<br><br>These tasks may be simulated or real. The participant is to gather evidence of how they have completed each component of the Practical Task, which is to be submitted with this Practical Assessment sheet. The observer is to provide detailed comments on the tasks completed by the participant. The assessor is to verify the observer's comments in the Assessor Comments section, and provide the Practical Assessment outcome on the front cover of this document. |                                                                                     |
| <b>Resources required:</b><br>Project documentation, Organisational documentation relevant to procurement and contracts.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                     |
| Assessment of task                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                     |
| <b>Name of participant:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Christine Marcek                                                                    |
| <b>Name of observer:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Ravi Prasad                                                                         |
| <b>Role of observer<br/>(Confirm suitability to sign)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | National Environment & Sustainability Manager                                       |
| <b>Email address of observer</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Ravi.Prasad@seymourwhyte.com.au                                                     |
| <b>Signature of observer:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| <b>Date:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1/10/2020                                                                           |
| <b>When completing the task, did the participant:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Tick if satisfactorily completed.<br/>Provide comments if left unticked.</b>     |
| 1 Determine procurement requirements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                     |
| 1.1A. Seek input from stakeholders to identify procurement requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <input checked="" type="checkbox"/>                                                 |
| 1.1B. Establish and maintain, within delegated authority, agreed procurement management plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <input checked="" type="checkbox"/>                                                 |
| 2 Establish agreed procurement processes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                     |
| 1.2A. Obtain information from suppliers capable of fulfilling procurement requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <input checked="" type="checkbox"/>                                                 |
| 1.2B. Determine or adopt established selection processes and selection criteria, and communicate to vendors to ensure transparency.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <input checked="" type="checkbox"/>                                                 |
| 1.2C. Obtain relevant approvals for procurement processes to be used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <input checked="" type="checkbox"/>                                                 |
| 3 Conduct procurement activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                     |
| 1.3A. Identify and act according to probity and project governance constraints.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <input checked="" type="checkbox"/>                                                 |
| 1.3B. Communicate agreed proposals and/or specifications to prospective vendors to ensure clarity of understanding of project objectives.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <input checked="" type="checkbox"/>                                                 |
| 1.3C. Solicit vendor responses according to proposal requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <input checked="" type="checkbox"/>                                                 |

|                                                                                                                                                    |                                                                                                                                                                  |                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| 1.3D.                                                                                                                                              | Evaluate responses and select preferred vendors according to current legal requirements and agreed selection criteria.                                           | <input checked="" type="checkbox"/> |
| 1.3E.                                                                                                                                              | Negotiate with preferred contractor or supplier, to agree on terms and conditions of supply.                                                                     | <input checked="" type="checkbox"/> |
| <b>4 Implement and monitor procurement</b>                                                                                                         |                                                                                                                                                                  |                                     |
| 1.4A.                                                                                                                                              | Implement established procurement management plan and make modifications in line with agreed delegations.                                                        | <input checked="" type="checkbox"/> |
| 1.4B.                                                                                                                                              | Review progress and manage agreed variations to ensure timely completion of tasks and resolution of conflict within the legal framework of the supply agreement. | <input checked="" type="checkbox"/> |
| 1.4C.                                                                                                                                              | Identify and report procurement management issues and implement agreed remedial actions to ensure project objectives are met.                                    | <input checked="" type="checkbox"/> |
| <b>5 Manage procurement finalisation procedures</b>                                                                                                |                                                                                                                                                                  |                                     |
| 1.5A.                                                                                                                                              | Conduct finalisation activities to ensure vendor deliverables meet contracted requirements.                                                                      | <input checked="" type="checkbox"/> |
| 1.5B.                                                                                                                                              | Review project outcomes using available procurement records and information to determine effectiveness of procurement processes and procedures.                  | <input checked="" type="checkbox"/> |
| 1.5C.                                                                                                                                              | Document lessons learned and recommended improvements for application to future projects.                                                                        | <input checked="" type="checkbox"/> |
| <b>The participant's performance was:</b> <input checked="" type="checkbox"/> <b>Satisfactory</b> <input type="checkbox"/> <b>Not Satisfactory</b> |                                                                                                                                                                  |                                     |

#### OBSERVER COMMENTS

Christine was able to discuss the initial procurement process steps and described how SWC-QP-130.100 Project Procurement Schedule (Att 1) is a key step in identifying and documenting project procurement requirements, noting that this is supported by SWC-QP-130.110 Project Authority Limits (PAL) (Att 2) which outlines the delegated authority limits per role. Christine noted that the PAL form enables the Project Manager to delegate procurement tasks to team members (e.g. engineers, supervisors and administrators) with confidence that expenditure limits are understood.

In discussing supplier capability, Christine noted that there are sometimes additional considerations that need to be taken into account, such as compliance to ISCA Requirements when ISCA is part of the project contract. Christine described how the ISCA Technical Manual has a rating scheme that evaluates all providers associated with the project on social, environmental and economic matters against sustainability values, and how these (and standard) requirements must be clearly communicated to providers so accurate tenders can be produced. Christine noted that a robust system for procurement is in place at SWC to implement, referencing SWC-QP-130 Project Procurement (Att 3), with section 6 Requirements outlining pre procurement activities and the procurement process, such as the procurement risk score form (Att 4) which is used to broadly classify the risk involved in each procurement type. Christine was able to explain how the risk score impacts authorisation of contracts, with high scores requiring non-standard contracts that the Project Manager must consult with and obtain approval from the Group Commercial Manager prior to issuing.

Christine identified that a robust documented procurement management system is essential for ensuring project teams are able to abide by project governance constraints and conduct business with probity, and also noted that having a structured and regular corporate auditing program in place enables this to be verified.

Regarding communicating information to suppliers, Christine referenced the Project Procurement Procedure, section 6.2.4.1 Obtaining Quotations (Att 5) which covers the detailed information provided to projects, and was able to articulate how the provision of accurate requirements is essential for ensuring suppliers are able to accurately tender, and also noted the due diligence aspect with regard

to obtaining proof from suppliers that they have the required capability to deliver e.g. especially where there are additional requirements such as ISCA. Christine discussed the evaluation of supplier responses, including the need to refer to previous performance and ensure that prior experiences are taken into account when awarding contracts; at SWC this is done by referring to the Supplier Management System database within which every project has to report on supplier performance. This database contains a wealth of information which project teams are able to utilise in the evaluation process, which is also outlined in the procurement procedure in sections 6.2.4.3, 6.2.4.4 & 6.2.1.11. Further to section 6.2.4.10 Negotiations (Att 6), Christine was able to describe different negotiation approaches that might be utilised depending on various factors such as the relationship with the supplier (existing or new) and supplier availability (scarce or plentiful).

Christine was able to outline the implementation of the procurement management plan and detailed the process required in the event of modifications. This includes different approval levels dependent upon the significance (time/cost/quality) of the change and she was also able to describe the management of variations, noting how having clarity contained in the initial contract greatly assists in minimising conflict by ensuring requirements and obligations are clearly identified from the outset, with conflict resolution options such as termination clauses stipulated where necessary / appropriate. Christine linked conflict resolution back to the Supplier Management System, noting that suppliers who are willing to work towards mutually beneficial outcomes when conflict occurs score well and will therefore have a greater chance of securing future works, compared to suppliers who are not willing to engage and work with the project to find mutually beneficial solutions.

Christine demonstrated a thorough understanding of project finalisation activities, describing in detail the processes required by the procurement management plan, specifically section 6.2.5.4 Progress, Completion and Final Payments and section 6.2.6 Provider Performance Evaluation (Att 7). Christine noted again how the Supplier Management System database contains lessons learnt and is a critical tool for use when selecting and managing suppliers.

| Purchase Order                      | Plant Hire                                     | Supply Agreement or Subcontract | Consultant Services Agreements | Subcontract and Supply Agreement Variations Approval | Capex | Invoice Approval | Salary and Wages Approvals | Salary and Wages Travel, Leave and Expenses | Head Contract | Notes:                                                     |
|-------------------------------------|------------------------------------------------|---------------------------------|--------------------------------|------------------------------------------------------|-------|------------------|----------------------------|---------------------------------------------|---------------|------------------------------------------------------------|
| < \$2,000 & within budget           |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               | 1. "X" indicates an approved authority.                    |
| < \$5,000 & within budget           |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               | 2. All amounts are in Australian dollars excluding GST.    |
| < \$10,000 & within budget          |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               | 3. "Capital" is considered any Project Asset over \$1,000. |
| < \$25,000 & within budget          |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| > \$25,000                          | Refer " Subcontract" utilising estimated hours |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$25,000                          |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$100,000 & within 5% of budget   |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$250,000 & within 5% of budget   |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$5,000,000 & within 5% of budget |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$10,000,000 & within budget      |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| > \$10,000,000                      |                                                |                                 | X                              |                                                      |       |                  |                            |                                             |               |                                                            |
|                                     |                                                |                                 | X                              |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$50,000 & within budget          |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$250,000 & within budget         |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$500,000 & within budget         |                                                |                                 | X                              |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$1,000,000 & within budget       |                                                |                                 |                                | X                                                    |       |                  |                            |                                             |               |                                                            |
| > \$1,000,000                       |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$10,000                          |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$100,000                         |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$500,000                         |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| > \$500,000                         |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$25,000                          |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$50,000                          |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$500,000                         |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| > \$500,000                         |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$10,000 & within budget          |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$1,000,000 & within budget       |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$5,000,000 & within budget       |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| < \$10,000,000 & within budget      |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               |                                                            |
| Hire New Wages Employee             |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Terminate Wages Employee            |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Hire New Salary Employee            |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Terminate Salary Employee           |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Timesheet Approval Salary           |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Timesheet Approval Wages            |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Travel Request Approval             |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Leave Request Approval              |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Paid Out Holiday Time Approval      |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Petty Cash Expenditure Approval     |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Entertainment < \$750               |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Entertainment > \$750               |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Submit Variations < \$250,000       |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Submit Variations > \$250,000       |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Agree Variations < \$250,000        |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Agree Variations > \$250,000        |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Submit EOT Notices & Claims         |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
| Agree EOT Claims < Claimed          |                                                |                                 |                                |                                                      |       |                  | X                          |                                             |               |                                                            |
|                                     |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               | Board                                                      |
|                                     |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               | Managing Director                                          |
|                                     |                                                |                                 |                                |                                                      |       |                  |                            |                                             |               | Regional / Operations Manager                              |
|                                     | X                                              |                                 |                                |                                                      |       |                  | X                          |                                             |               | Construction Manager                                       |
|                                     | X                                              |                                 |                                |                                                      |       |                  | X                          |                                             |               | Project Director                                           |
|                                     | X                                              |                                 |                                |                                                      |       |                  | X                          |                                             |               | Project Manager                                            |
| X                                   |                                                |                                 |                                |                                                      |       | X                |                            |                                             |               | Senior Project Engineer                                    |

## 2 Establish agreed procurement processes

Att#3: SWC-QP-130 Project Procurement:

|          |                                                                 |          |
|----------|-----------------------------------------------------------------|----------|
| <b>6</b> | <b>REQUIREMENTS.....</b>                                        | <b>7</b> |
| 6.1      | Pre Procurement Activities.....                                 | 7        |
| 6.1.1    | Project Procurement Schedule.....                               | 7        |
| 6.1.2    | Project Procurement (and other) Authorities.....                | 8        |
| 6.1.3    | Quantities.....                                                 | 8        |
| 6.1.4    | Credit Applications.....                                        | 8        |
| 6.2      | The Procurement Process.....                                    | 8        |
| 6.2.1    | ISCA Requirements.....                                          | 8        |
| 6.2.2    | Procurement Stages.....                                         | 9        |
| 6.2.3    | Stage 1: Procurement Risk Score and PA Selection.....           | 9        |
| 6.2.3.1  | Procurement Risk Score.....                                     | 9        |
| 6.2.3.2  | Risk Assessment for Hazardous Substances.....                   | 9        |
| 6.2.3.3  | GCM involvement in Project Specific Procurement Agreements..... | 10       |
| 6.2.3.4  | Procurement Agreement Selection.....                            | 10       |

Att#4: SWC-QP-130.115 Procurement Risk Score:

Form: SWC-QP-130.115/A

SEYMOUR WHYTE CONSTRUCTIONS PTY LTD

Rev: 12/05/2016



# PROCUREMENT RISK SCORE

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Project Name:  Project No:

Procurement Details:

Completed by:  Date:

| Risk Type | Risk Score    | Typical Attributes of Goods and/or Service                  | This Procurement Risk Score |
|-----------|---------------|-------------------------------------------------------------|-----------------------------|
| Cost      | 1 – Very Low  | Less than \$1000                                            | <input type="text"/>        |
|           | 2 – Low       | \$1,000 - \$10,000                                          |                             |
|           | 3 – Medium    | \$10,000 - \$100,000                                        |                             |
|           | 4 – High      | \$100,000 - \$500,000                                       |                             |
|           | 5 – Very High | More than \$500,000                                         |                             |
| Programme | 0 – N/A       | Not applicable to this procurement                          | <input type="text"/>        |
|           | 1 – Very Low  | No work items on critical path, work not an underlying lot  |                             |
|           | 2 – Low       | No work items on critical path, some work an underlying lot |                             |
|           | 3 – Medium    | Some work on critical path, most work an underlying lot     |                             |
|           | 4 – High      | Multiple items of work on critical path,                    |                             |
|           | 5 – Very High | All work on critical path                                   |                             |

### 3 Conduct procurement activities

#### Att#5: Project Procurement Procedure, section 6.2.4.1 Obtaining Quotations:

##### 6.2.4 Stage 2: Provider Suitability, Selection and Approval

##### 6.2.4.1 Obtaining Quotations

If the PRS is more than 2.5 or if no PRS is calculated, an SMS Request for Quotation shall be used to ensure the procurement requirements are clearly detailed, tracked and monitored.

In the event that the SMS is unavailable, a manual Request for Quotation (Form: SWC-QP-130.124) can be used.

At the time of Request For Quotation issue, to ensure providers obtain, consider and allow for all project related HIRAC requirements, the following information packs shall be sent with the Request For Quotation. Packs issued are in accordance with the following:

| Information Pack Type                                       | Provider Type |            |                |
|-------------------------------------------------------------|---------------|------------|----------------|
|                                                             | Labour Only   | Plant Only | Labour & Plant |
| Subcontractor Safety and Enviro Pack (Form: SWC-QP-130.500) | X             |            | X              |
| Subcontractor Supplier Plant Pack (Form: SWC-QP-130.510)    |               | X          | X              |

To be able to fully assess Provider's quotations the Provider must be provided with all relevant details of the procurement including:

- the scope of goods and services to be provided;
- time for delivery or provision of the goods or services;
- proposed Procurement Agreement terms;
- requirements for Code compliance as per clause 6.2.4.2;
- any specific head contract requirements;
- requirements or initiatives to meet sustainability and innovation criteria under ISCA Criteria;
- and any other details that may affect the price of the goods or services or the ability of the Provider to provide the goods or services.

Subject to the availability of Providers, the number and type of quotes to be obtained shall be in accordance with the following schedule:

| Estimated Procurement Value (excl. GST) | Min Number of Quotes | Quote Type |
|-----------------------------------------|----------------------|------------|
| Up to \$1000                            | 1                    | Verbal     |
| \$1001 - \$5000                         | 1                    | Written    |
| more than \$5001                        | 3                    | Written    |

#### Att#6: Project Procurement Procedure, section 6.2.4.10 Negotiations:

##### 6.2.4.10 Negotiations

Negotiations shall be carried out with a suitable Provider (or Providers) as required and when sensible to do so in order to improve value for money outcomes and to reduce risk to SWC. Negotiations shall be conducted in accordance with the SWC Code of Conduct and include:

1. The resolution of issues discovered during the initial quotation analysis process;
2. The removal of unacceptable conditions or qualifications; and
3. The improvement to rates or prices to achieve or improve on budgets.

Importantly, the quotation submitted by the potential Provider must be an offer that is capable of acceptance and the establishment of a contract. Any request to confirm, update or amend the quotation may provide the potential Provider an opportunity to withdraw.

Negotiated amendments to the terms and conditions of Procurement Agreements shall be documented and approved by the PM and the GCM. Refer also to clause 6.2.3.3 regarding GCM approvals.

## 5 Manage procurement finalisation procedures

### Att#7: SWC-QP-180.20 Project Completion Report extract:

#### 6.2.5.4 Progress, Completion and Final Payments

To ensure compliance with statutory requirements for progress payments, the PM or delegate shall ensure a completed Statutory Declaration form is received with each progress payment claim from the provider. These Statutory Declarations are included in the relevant procurement agreement.

Upon completion of the providers works in accordance with the PA, the Project Contract Administrator (or where applicable the senior commercial delegate on site) shall, in conjunction with the Completion Payment Schedule shall complete and issue a Practical Completion Statement (Form: SWC-QP-130.200) to the provider, for execution by the provider and return to SWC. The PM will countersign the Practical Completion Statement once returned.

Where the Practical Completion Statement states the return of retention monies or form of security (bank guarantee / bond) to the provider, the Project Contractor Administrator (or where applicable the senior commercial delegate on site) will upload the document (as an attachment) as the first step in the retention release procedure in Viewpoint.

The original Practical Completion Statement is to be held with the original PA on site.

Where no retention monies or security is required to be returned to the provider, the Practical Completion Statement (once fully signed) does not need to be uploaded into Viewpoint but is to be held with the original PA on site.

Prior to making the final provider payment, the PM or delegate shall ensure a completed Deed of Release form is received with the final payment claim from the provider as follows:

1. for Subcontract Agreements, use the File 10 Deed of Release – Works Subcontract form which is part of the Standard Subcontract pack on the Commercial portal of the intranet; or
2. for Supply Agreements, use the File 10 Deed of Release – Supply Agreement form which is part of the Standard Supply Agreement on the Commercial portal of the intranet

#### 6.2.6 Stage 4: Provider Performance Evaluation

The PM or delegate shall monitor the performance of Providers including but not limited to program, quality, safety, environmental management, co-operation, contractual matters and other criteria as determined by the assessor.

There is a requirement for on-going Provider Assessments to be completed by the Project Construction Team regularly, for the duration of the contract. The intent of this assessment is to evaluate the provider's performance on a qualitative basis. The Assessment items that can be reviewed include:

- Programme;
- Quality;
- OH&S;
- Environmental;
- Co-operation;
- Financial Management;
- Records;
- Claims Fairness;
- Ease of Claim Processing; and
- Comments section (this is an open text field where any additional comments can be noted).

The assessment of the provider's performance across these metrics are assessed on a 1 -5 scoring system. 1 - Very Poor; 2 – Poor; 3 – Average; 4 – Good; and 5 – Very Good. The assessor can mark the metric as an N/A if the metric is outside of their scope or level of dealings with the provider as not to affect the average score of the assessment. The comments section is critically important to explain the reasoning or context for certain scores given. A recommendation is then given to finalise the assessment. These are:

- Approved for use;
- Approved for use, with conditions;
- Not approved for use;

- New Provider under assessment;
- No longer in business; and
- Not used to date.

As a minimum, a record of this performance shall be made for

1. all new Providers where procurement PRS is 2.5 or less; and
2. other Providers with a procurement value exceeding the PGL

by completing a Provider Performance Report as per clause 6.2.4.5. The minimum number of reports required on a project is set by a Measurable Quality Objective.

Assessments are not required for Providers of minor goods and services that do not affect quality, safety, environmental or reputational outcomes (examples include hardware shops, stationery suppliers and office cleaning services).