

NATIONAL PREQUALIFICATION SYSTEM FOR NON-RESIDENTIAL BUILDING FREQUENTLY ASKED QUESTIONS

Who is the APCC?

The Australasian Procurement and Construction Council (APCC) is the peak council of departments responsible for procurement, construction and asset management policy for the Australian, State and Territory governments and the New Zealand Government. Papua New Guinea is an associate member. The APCC reports to the Australasian Procurement and Construction Ministerial Council (APCMC), comprising Ministers with direct responsibilities for procurement and construction matters. The APCMC is a Council of Australian Governments (COAG) Ministerial Council.

The APCC has established itself as a national reference point for both government and industry on best practices, principles and emerging issues in procurement, construction and asset management disciplines. The APCC provides a forum for sharing knowledge and promoting consistency in government approach to procurement.

What exactly is the National Prequalification System for Non-residential Building?

The *National Prequalification System for Non-residential Building (NPS)* is a new prequalification system developed by the APCC which aims to create certainty and consistency and streamline the process of prequalification for contractors working in multiple jurisdictions. It applies to non-residential government building contracts where the construction cost estimate is \$50 million and over in Participating Jurisdictions.

This seamless process for mutual recognition of prequalification status for contractors across all jurisdictions commenced on 1 January 2011. The NPS will apply to contractors seeking to tender for contracts from 1 March 2011.

Why do people keep referring to Austroads?

Austroads has also developed a similar national prequalification system for civil (road and bridge) construction contracts. The reason that the APCC is making people aware of this is that there are currently some contractors that work across both the non-residential building sector and civil (road and bridge) so it is important that these contractors know about both systems.

While the APCC system is an adaption of the Austroads system there are differences in both systems as the Austroads system has been developed specifically to suit the needs of the civil (road and bridge) sector. Further information can be obtained via the Austroads website: www.austroads.com.au

Who developed the National Prequalification System for Non-residential Building (NPS)?

The National Prequalification System for Non-residential Building is an adaption of the National Prequalification System for Civil (Road and Bridge) developed by Austroads. It was developed by a project Working Group comprising representatives from all State and Territory agencies and project managed by the APCC Directorate.

Why was the National Prequalification System for Non-residential Building (NPS) developed?

The National Prequalification System for Non-residential Building was developed with the prime objectives of harmonising existing prequalification systems of Participating Agencies across Australia to avoid duplication of effort by contractors and agencies and also to provide mutual recognition of contractor prequalification by Participating Agencies.

The NPS was introduced in response to long-standing concerns raised by both contractors and agencies regarding the time and cost for contractors having to prequalify in multiple States or Territories, and for Participating Agencies the administrative burdens and limitations of running unique prequalification systems in each State or Territory.

What are the benefits of the National Prequalification System for Non-residential Building?

The intent is to benefit both Participating Agencies and contractors by meeting the following objectives:

- harmonise existing prequalification systems of Participating Agencies
- provide mutual recognition of contractor prequalification by Participating Agencies
- reduce barriers to entry for contractors seeking to tender for non-residential government building contracts across different jurisdictions
- encourage mobility of contractors across State and Territory borders
- reduce the time and costs to contractors applying for prequalification in multiple jurisdictions
- reduce red tape
- improve information-sharing on contractor performance across Participating Agencies; and
- reduce the administrative burden on individual Participating Agencies.

Will the National Prequalification System for Non-residential Building change State and Territory procurement strategies?

The introduction of the National Prequalification System for Non-residential Building is not relevant to specific procurement strategies. Participating Agencies develop specific strategies for different types of building procurements and apply government procurement principles, including value-for-money, in the assessment and selection of tenders.

Will the tender process change in my State or Territory?

The NPS will apply to contractors seeking to tender for contracts with a construction cost estimate of \$50 million and over from 1 March 2011. Tendering processes in your State/Territory should continue as before. However assessment of specific local legislative/compliance-type requirements that were previously assessed at prequalification stage will now only be assessed at tender stage. Prequalification or registration under the mutual recognition framework is not an indication contractors meet these requirements.

Please note that Participating Agencies are not bound to use prequalification in all instances and are able to use alternative forms of tendering (for example, open tenders or expressions of interest) for specific contracts for which prequalification may not be relevant.

When does my current prequalification period expire?

Contractor's present prequalification status in the jurisdiction with which they are currently prequalified will not be affected as those contractors were transitioned to the NPS prior to commencement. If however the contractor wishes to achieve the benefit of mutual recognition and all new entrants to prequalification it will need to apply under the NPS.

What does the National Prequalification System for Non-residential Building mean for contractors?

Where prequalification is used as part of the procurement process, Commonwealth, State and Territory agencies that participate in this initiative have introduced a National Prequalification System for Non-residential Building from 1 January 2011 for application to non-residential building contracts where the construction cost estimate is \$50 million and over.

Prequalified contractors that have been assessed under the National Prequalification System for Non-residential Building will be eligible for mutual recognition, which means they can register their prequalification status with other participating agencies rather than having to re-apply and be re-assessed by other jurisdictions.

The full set of NPS documents is available for download from the APCC website www.apcc.gov.au. Alternatively you may wish to contact the NPS Jurisdictional Contact also available at www.apcc.gov.au.

Who will manage the National Prequalification System for Non-residential Building?

The National Prequalification System for Non-residential Building will be managed in a decentralised, but coordinated fashion. In other words, it is a 'national' system that will be managed at the local level. Integrity and consistency will be maintained through the use of national system infrastructure such as a National Prequalification System for Non-residential Building Database, with oversight provided by a National Prequalification System for Non-residential Building Steering Committee, which will include representatives from each of the Participating Agencies and the APCC.

How do I find out more about the National Prequalification System for Non-residential Building?

Website

Please visit the National Prequalification System for Non-residential Building website www.apcc.gov.au for more information about the National Prequalification System for Non-residential Building, including:

- NPS Guidelines
- NPS Application Form and Referee Report
- NPS Registration for Mutual Recognition Form
- NPS Contractor Performance Report
- Frequently Asked Questions

What if I have specific questions?

If you have any specific questions about the National Prequalification System for Non-residential Building, please contact your NPS Jurisdictional Contact – refer to www.apcc.gov.au.