

PANELS 101

What is a panel?

- A panel arrangement is a way to procure goods or services regularly acquired by entities. In a panel arrangement, suppliers have been appointed to supply goods or services for a set period of time under agreed terms and conditions, including agreed pricing.
- Once a panel has been established, an entity may then purchase directly from the panel by approaching one or more suppliers.
- Each purchase from a panel represents a separate procurement process. When accessing a panel, you must be able to demonstrate [value for money](#) has been achieved for each engagement.
- Procurements from existing panels are not subject to the rules in Division 2 of the [CPRs](#). However, these procurements must still comply with the rules in Division 1.
- A contract (often referred to as a Work Order or an Official Order) is formed under a Panel each time an entity purchases goods or services under the panel arrangement.
- A panel cannot be used to purchase goods or services that fall outside the scope of the arrangement. Any other service outside of the Panel provided by that business would need to be procured via a different procurement process.



Mandated Panels

- When considering what procurement method is most appropriate for your procurement, you must first determine whether the goods or services you are looking to procure are subject to a [Whole of Australian Government Procurement](#).



Who to approach on a panel?

- When selecting who to approach on the panel, and how many suppliers, you should consider:
 - Competition;
 - Size and scope of the procurement;
 - Supplier performance; and
 - Providing an opportunity to new suppliers.
- Wherever possible, you should approach more than one supplier on a Panel for a quote. Even though value for money has been demonstrated for the supplier to be on a panel, you will still need to demonstrate value for money when engaging from a Panel, and competition is one of the easier ways to demonstrate this.
 - Where you only approach one supplier, you should provide your delegate with reasons on how value for money will be achieved in the procurement.



Procuring from a Panel

- A Panel is designed to deliver efficiencies for both agencies and the supplier – with that in mind, when procuring from a panel, you should resist seeking all suppliers on a Panel to provide a quote unless there is a demonstrated business need for such an approach.
- Irrespective of the value, an entity must be able to justify the decision to use the panel and demonstrate value for money. This is particularly relevant where only one supplier has been approached. Decisions should be documented and proper records maintained in accordance with the CPRs (refer paragraphs 7.2 – 7.5).
- A key element leading to value for money is pricing. Panels will typically have negotiated rates for goods and services – these rates are the maximum rates, and entities should consider seeking reduced rates, discounting or alternative pricing structures to deliver enhanced value for money. Entities should also note that some Panels have order value discounts (that is, if the order is for more than \$500,000, a further percentage discount may apply).
- The terms and conditions of the Panel will apply to every Work Order entered into under that arrangement.
- Generally, contract terms and conditions are consistent for all panelists and are not re-negotiated after a contract has been established. However, there may be circumstances where this is appropriate.
- When accessing a panel the templates associated with that panel must be used. The panel templates are available from the entity responsible for managing the panel. The contact details for that entity can be found against the Standing Offer Notice on AusTender or within the Panel record in Dynamic Sourcing for Panels (DS4P).



Managing your Work Order

- For non-corporate Commonwealth entities, contracts that result from a panel that are valued at or above \$10,000 must be reported through a Contract Notice on AusTender¹.
- Good contract management is crucial to achieving value for money. For practical guidance on contract management refer to the Australian Government [Contract Management Guide](#).



¹ Other Commonwealth entities, please refer to the Commonwealth Procurement Rules for relevant reporting thresholds.

