

1. SCOPE

This Technical Guidance Note provides guidance on an approach to develop improved supplier partnerships within the Road Industry.

2. BACKGROUND

Supply chain management is a strategic role within any organisation. Close collaboration between Client and Supplier is vital for continuous improvement and improved service to the customer. To this end, a number of organisations within the Road Industry have set up Panels of contractors to provide the users in both Metropolitan and Regions with a list of pre-qualified contractors able to provide a range of goods and services. This provides a competent pool of resource to provide the goods or service but in addition it creates competition, ensuring value for the customer.

3. PANEL SELECTION

In principal, suppliers who meet specific criteria can be included on the Panel list. Initially, Panel members are chosen from existing suppliers but on occasions, suppliers may be 'recruited' via external advertising to widen the coverage and introduce new vendors to the Road Industry.

Each panel has its own set of criteria against which each submission to join is assessed both technically and commercially. This assessment is carried out by a minimum of two people to achieve some impartiality in the process. Applicants are then scored and advised of the results, positive or negative.

4. ACCEPTANCE CRITERIA

For welding, assessment of competency and the ongoing measurement and review of performance are considered to be key factors in ensuring the effective delivery of welding services to the Road Industry. To ensure that all suppliers are capable of meeting the Road Industry's quality, delivery, cost and continuous improvement objectives only those suppliers added to the service panels are able to supply.

The process for becoming a qualified supplier is:

Step 1 - Initial supplier profile survey

The supplier shall complete an Initial Supplier Profile Survey and provide this information to the Road Industry.

The evaluation criteria includes the following:

- General and administration
Company contact details, ABN number, business insurances, web address etc
- General capabilities
- Quality systems
Quality system certification or progress toward a quality system, Quality awards, techniques, testing capabilities etc
- Financial
Turnover figures etc
- Engineering capabilities
Resource availability, CAD systems used etc.
- Safety performance & reporting systems
- Referees
- Recent work record
- Key personnel & qualifications
- Documentary evidence of welder and procedure qualifications

- Draft weld procedures in place
- Management systems, Weld testing & Reporting

Step 2 - Supplier screening / data analysis process

The completed Initial Supplier Profile Survey shall be assessed and the Road Industry shall determine whether the supplier shall be added to the Panel. If the supplier is added to the Panel at this stage they are designated Pre-Qualified Supplier. Unsuccessful vendors do have the opportunity to re-apply and address the areas they were scored lower on.

Step 3 - Supplier assessment

Once the initial screening process is complete and the supplier is identified as a potential supplier, the supplier shall be supplied with a copy of the specification and a self-assessment or an audit at the supplier's premises shall be conducted. This is to ensure that the supplier has the required competencies to supply the goods and/or services.

Step 4 - Supplier Approval

Once the supplier has successfully delivered a package of work under contract they will be designated as a Qualified Supplier. Unsatisfactory performance will result in the supplier being re-designated as designated Pre-Qualified Supplier. The Client shall provide written feedback to the supplier identifying areas for improvement. Until these areas are improved on and a satisfactory package of work delivered the supplier will remain designated as Pre-Qualified Supplier. Ongoing unsatisfactory performance shall result in the disqualification of the supplier.

Step 5 - Ongoing performance measurement and supplier performance rating

Depending on on-going performance one of the following supplier ratings shall be assigned

- Preferred
- Qualified
- Pre-Qualified
- Disqualified

5. BUYER'S GUIDE

A Buyers Guide is produced for each panel and is designed to advise customers of the manner in which the panel is to be used. This includes when and how to call for quotations and how many to call based on a monetary value. It also refers customers to the various Policies, Procedures and standards that apply to the contractual and welding requirements. In addition, it contains contact names and a chart containing all the panel members, contract numbers and contact names, numbers and addresses.

For the business rules for quotations, the guideline states:

Goods and services of less than \$5000.

Request quotes from a minimum of two panel members with the successful quotation to be confirmed in writing.

Goods and services over \$5000 but less than \$50,000.

Request a minimum of three written quotations from panel members, with sufficient detail and specification to allow a reasonable comparison between alternative offers.

Goods and services over \$50,000.

Request quotes from a minimum of three panel members and one non-member. For major projects, the tender process is outlined at the specific Road Industry Organisation.

Contractor Performance Reports are requested so that an accurate record can be kept of the works undertaken. This assists in future work tenders and whether to retain a contractor on the panel or used to identify possible areas of improvement.

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NDNP TECHNOLOGY DIFFUSION ACTIVITY # 27	 Welding Technology Institute of Australia ABN 69 003 696 526	Document No: 9.4.5QR-0002
	NATIONAL DIFFUSION NETWORKS PROJECT TECHNOLOGY QUESTIONNAIRE Road Industry Group "Development of Service Panels for Managing Welding Contractors"	Revision No: Rev 0
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		Date: 21 Nov 2005

As part of the WTIA National Diffusion Networks Project, the Road Industry Sector has identified the need to develop improved supplier relationships in the welding field. The WTIA has prepared a Technical Guidance Note "Development of Service Panels for Managing Welding Contractors" to outline an approach to qualify and maintain its welding suppliers. As a valued technology expert in this area we would like you to be part of the Technology Expert Group to review this note. Please complete this questionnaire so that we can gauge the success of meeting this need.

Objective 1: Identify the need to increase understanding on the development of service panels for managing welding contractors

There is an increasing need to develop and manage a competent pool of resources to provide goods or services within the Road Industry. This guidance note is intended to provide the Road Industry with an approach to set up panels and manage their suppliers more systematically. How well does the document explain the development of service panels for managing welding contractors?

poor average good very good

Comments: _____

Objective 2: Identify appropriate technology receptors in the Road Industry

This document was written for Welding Coordinators and procurement personnel in the Road Industry. Are these people the appropriate individuals we should be targeting?

yes no

What other types of companies and/or personnel do you suggest we target? _____

Objective 3: Identify current best practice for the development of service panels for managing welding contractors

The document was written to reflect current best practice for the development of service panels. Do you envisage opportunities for the use of this technology in the industry?

yes no

If yes, what and where, if no why not? _____

Objective 4: Is the information provided clear, concise and accurate?

yes no

If not, why? _____

Objective 5: Broad dissemination of technology to the Road Industry

Please indicate how best to disseminate this Technical Guidance Note to the appropriate Road Industry Recipients

Free Website Download Poster Pocket Guide Pamphlet

If poster, what size? A1 A2 A3 Laminated What selling price? \$

If a pocket guide, what selling price? \$

Other format? _____

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Objective 6: Continuous Improvement

Please Identify areas where the document can be improved or return the document with your recommended additions/amendments. Alternatively, please use the area below to provide any additional comments.

Respondents Name: _____ Company: _____ Phone: _____

Fax: _____ Email: _____ Date: _____

Please Fax (02 9748 2858) or E-mail (j.baker@wtia.com.au) your response. Your prompt response is appreciated.



The WTIA has joined forces with industry and Governments and created a multi million dollar Technology Support Centres Network. This Network assists industry to identify and exploit world's best technology and manufacturing methods to establish a vibrant Australian industry beyond 2006. Together we are implementing a step-by-step process that will lead to ongoing viability and greater profitability for all concerned:

- (1) Determine your technological and manufacturing needs;
- (2) Identify world's best practice;
- (3) Draw upon the Network to implement world's best practice at your site.



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