

GOVERNMENT CONTRACTS, LIST OF PREFERRED CONTRACTORS

1598. Hon TOM HELM to the Minister for Transport representing the Minister for Services:

- (1) Can the Minister for Services confirm that contractors wishing to tender for Government work have to pay to be entered onto a list of “preferred” contractors?
- (2) If yes, what is the fee and how it is arrived at?
- (3) Can the Minister explain why some contractors feel that they are being asked to pay to provide for this “cheaper” and “more efficient” service?

Hon M.J. CRIDDLE replied:

I assume the Hon Member is referring to the Contract and Management Services (CAMS) panel contract for public relations, marketing and marketing communications services on which a fee is proposed.

- (2) Two options are under consideration:
 - (i) a \$75 annual fee per sub-category; and
 - (ii) a fee based on 0.75% of turnover achieved by the contractor under their contract.

The fee was arrived at by calculating the annual management and marketing costs of the contract and devising an administratively simple and equitable mechanism for fee allocation.

- (3) Because there are substantial benefits for contractors in terms of the extent of management and promotional effort by CAMS. The fact that there are so many suppliers continuing to want to get a place on the contract and so few leaving would seem to indicate that the industry as a whole sees real benefit from this arrangement.