



# Building Management and Works

## Bulletin Supplier Demerit Scheme

The Department of Finance, Building Management and Works (BMW) has expanded the operation of its Contractor Sanction Scheme that was introduced in October 2015, and rebadged it as the Supplier Demerit Scheme (the Scheme). The Scheme will give the Department a mechanism to deal with instances of especially poor performance by contractors and consultants (suppliers).

### About the Scheme

The Scheme has the following key terms:

**Infraction** - occurs when a supplier fails to meet an important BMW requirement as listed in section 1.3 of the Supplier Demerit Scheme Guideline, which is available on the Department's website.

**Demerit point** - when an infraction occurs, the supplier will be issued one or more demerit points unless BMW determines otherwise.

**Sanction** - when a supplier has three demerit points, a sanction will be applied unless BMW determines otherwise.

A demerit is applied with consideration to the nature of the infraction.

A demerit will expire:

- Three years from the date of issue, or
- When a sanction is fully served.

A sanction can include downgrade or suspension of a contractor's prequalification status or contracting framework membership, downgrade or suspension of a consultant's panel membership, or ineligibility to be awarded a contract or contracts.

Suppliers will have the opportunity to detail any extenuating circumstances before BMW decides whether to issue a demerit, and may appeal the application of either a demerit point or sanction. The Scheme is overseen by the Supplier Demerit Committee, which is made up of senior BMW officers.

### What are the major changes?

The Contractor Sanctions Scheme focused on contractor compliance with the Government Building Training Policy. The expanded Scheme has a wider coverage.

Demerit points issued under the Contractor Sanction Scheme will be transferred to the Supplier Demerit Scheme.



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### Who will this impact?

The Scheme applies to suppliers that are engaged through a panel or under a contract that includes reference to the Scheme.

### When will this happen?

The Scheme will come into effect for all requests released and panel consultants engaged from 30 September 2017.

### Want more information?

For full information on the Scheme and how it applies to you please see the [Scheme guideline](#), available on the Department's website, or contact BMW's Industry Liaison team on (08) 6551 1984 or

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Website: [www.finance.wa.gov.au/works](http://www.finance.wa.gov.au/works)