What Tier 1 & Tier 2 Procurement Actually Requires

A Plain Language Overview for NQ Civil Contractors, Earthmovers & Heavy Engineers

The Reality Most NQ Businesses Face:

Most NQ businesses have the capability to deliver major project work. The gap is not skill — it is documentation, systems and auditable proof. Procurement officers cannot award contracts based on reputation alone. They need to see evidence, in writing, across eight defined categories. This guide explains each one in plain language, so you know exactly what to build.

Understanding the Supply Chain

Who sits where — and what each tier means for your NQ business

PRIME CONTRACTOR (Tier 0)

Head contract holder — CPB Contractors, John Holland, BMD Group, ACCIONA

Holds the direct government or corporate contract. Not directly accessible to most SMEs. They procure capability and services from pre-qualified Tier 1 suppliers.

TIER 1 SUPPLIER — Your Target Zone

Direct supplier to the prime contractor — fully prequalified and contracted

This is where significant revenue is unlocked. Direct contracts, performance managed, multi-year agreements. Full prequalification required. This is the CDD target zone.

TIER 2 SUPPLIER

Supplier to a Tier 1 company — accessed via relationship

Where most NQ SMEs currently operate. Smaller subcontract packages, limited contract visibility, lower compliance bar — but also lower revenue ceiling.

TIER 3 & COMMODITY SUPPLY

Materials, consumables, general services — minimal prequalification

High volume, low margin, easily substituted. Little to no formal prequalification required. Not where growth and long-term contract security is built.

Where Most NQ Businesses Are Today

Technically capable but sitting at Tier 2 or below. Work flows through existing relationships and informal referrals — not direct contract access. Revenue is capped by who you know, not what you can deliver.

Where Tier 1 Readiness Takes You

Direct access to major project tenders. Invited to submit, not just referring. Larger contract values, longer durations, repeatable revenue from government and prime contractors across the $40B NQ pipeline.

The Prequalification Process — Simplified

EOI — Expression of Interest → **RFT** — Request for Tender → **Due Diligence** — Document Verification → **Probity Check** — Financial & Legal Review → **Award** — Contract Negotiation

Key Point:

Most NQ prequalification portals — Vendor Panel, ICN Gateway, QAssure, VendorPanel — require all documentation to be digital, current and ready to upload. Having the documents is step one. Having them professionally formatted and correctly described is what gets you through.

The 8 Core Requirements — Explained

What every prequalification actually evaluates — in plain language with no jargon

These 8 categories appear in virtually every Tier 1 prequalification — government, council and prime contractor. Most NQ businesses can satisfy all of them. The challenge is documentation: having evidence that is current, structured and ready for a procurement officer to verify without needing to call you.

01 WHS Management System

Your written safety management framework.

- Written Safety Management Plan (SMP) — current and signed off
- Safe Work Method Statements (SWMS) for all high-risk activities
- Incident reporting and investigation procedure documented
- Toolbox talk records and site induction register maintained
- Return-to-work and injury management process in place
- WorkCover insurance certificate of currency — valid

02 Financial Management System

Proof your business can carry the contract financially.

- Financial statements dated within the last 12 months
- ABN, GST registration and company structure documents
- Solvency confirmation — no outstanding court judgements
- Evidence of capacity to carry contract costs before payment
- Public Liability insurance schedule (minimum $20M)
- No current insolvency proceedings or ASIC adverse findings

03 Capability Statement

A documented proof of what you can deliver.

- Core services and works clearly described in plain language
- Key personnel CVs with qualifications, licences and experience
- Plant, equipment and technology register — current assets
- Past project summary: scope, value, client, outcome
- At least 3 verifiable client references with current contacts
- Industry memberships, certifications and accreditations

04 Capacity Evidence

Proof you can deliver at the required scale and speed.

- Current workforce headcount by trade and classification
- Peak labour capacity — how many people can you mobilise?
- Equipment availability and utilisation evidence
- Subcontractor management capability and register
- Demonstrated concurrent multi-project delivery history
- Mobilisation timeframe — how quickly can you start?

05 Quality Management System

Your documented process for delivering work to specification.

- Quality Management Plan or QMS documentation in place
- Inspection and Test Plans (ITPs) for key work types
- Non-Conformance Reporting (NCR) procedure documented
- Hold point and sign-off registers maintained
- Defect management and rectification procedure
- ISO 9001 certification — required by most Tier 1 contracts

06 Insurance Register

Current, adequate cover across all policy types — verified.

- Public Liability — $20M minimum per occurrence (some require $50M)
- Workers' Compensation — current certificate of currency
- Professional Indemnity — where services include advisory work
- Plant and equipment insurance — scheduled assets list
- Products Liability — if your work includes supplied products
- Marine / transit insurance where goods are transported

07 Compliance & Governance

Your obligations under modern legislation and client contracts.

- Modern Slavery Statement — required for govt contracts over $10M
- Environmental Management Plan (EMP or project-specific CEMP)
- Chain of Responsibility (CoR) policy — transport operations
- Equal Opportunity and Workplace Harassment policy
- Privacy policy and data handling procedures
- Cybersecurity baseline — email, device and data controls

08 Digital Capability & Reporting

Your ability to operate in a corporate project environment.

- Ability to receive and submit documentation digitally
- Progress and HSEQ reporting in electronic format
- Project management system in use — even basic is acceptable
- Can use client platforms: Procore, Aconex, SAP Ariba
- Digital document control — version management process
- Electronic timesheets and site diary capability

Tier 1 vs Tier 2 — Side by Side

What changes as you move up the supply chain — and why the difference is significant

Requirement Comparison at a Glance

What procurement teams are measuring at each tier

REQUIREMENT	TIER 2 SUPPLIER	TIER 1 SUPPLIER (YOUR TARGET)
WHS System	Basic SWMS + safety policy only	**Full WH&SMS, audited annually**
Public Liability	$5M–$10M minimum cover	**$20M minimum per occurrence**
Quality System	Informal QC, site-based checks	**ISO 9001 QMS — documented & current**
Financial Evidence	Basic P&L, no audit	**Audited financials, solvency confirmed**
Capability Statement	General overview, word-of-mouth	**Evidence-based, with verified references**
Modern Slavery	Not required at this tier	**Required for govt contracts over $10M**
Prequalification	Via Tier 1 — no direct access	**Direct with prime contractor & govt**
Reporting Format	Informal — verbal or email	**Formal digital reports, set templates**
Insurance Register	Basic cover, likely gaps	**Full schedule, all policies current**
Environmental Plan	Awareness only, nothing documented	**Documented EMP or CEMP per project**
Chain of Resp.	Generally not enforced	**CoR policy — transport operations**
Digital Capability	Spreadsheets or paper-based	**Procore, Aconex or SAP Ariba capable**

Why Businesses Fail Prequalification

The most common gaps — all fixable with the right documentation system

! WHS Documentation Outdated

SWMS and Safety Management Plans not reviewed in the past 12 months. Many portals auto-reject anything over 12 months old.

! Insurance Below Threshold

Public Liability under $20M or Workers Compensation expired. Non-negotiable — portals reject immediately.

! Capability Statement Too Vague

States what you do but cannot prove it. No references, no CVs, no equipment register with evidence.

! No Quality Management System

No documented QMS, no ITPs, no NCR process. ISO 9001 is now mandatory for most Tier 1 contracts in NQ.

! Financial Statements Not Current

Statements older than 12–18 months or not in audited format. Solvency unconfirmable — application fails probity.

! Missing Governance Documents

No Modern Slavery statement, no EMP, no CoR policy, no Equal Opportunity documentation on file.

CDD Note:

The six failure points above account for over 80% of prequalification rejections in NQ. None of them require expensive consultants to fix. They require structured documentation, current insurance and a QMS. That is exactly what CDD's 10-Week Accelerator builds.

Your Prequalification Readiness Checklist

Tick what you have today. Every blank is a gap CDD can close.

Use this checklist to assess your current position. If you can tick every item, you are likely Tier 1 ready. If you have gaps — that is exactly what CDD's structured programme closes, with actual documents, not templates.

WHS MANAGEMENT

- ☐ Written Safety Management Plan — current, signed and dated
- ☐ SWMS templates for all high-risk activities on file
- ☐ Incident reporting and investigation procedure documented
- ☐ Training records, inductions and toolbox talk logs maintained
- ☐ WorkCover insurance certificate of currency — valid and current

CAPABILITY STATEMENT

- ☐ Formal Capability Statement document — not just a website
- ☐ Key personnel CVs with qualifications and licences
- ☐ Plant and equipment register with current asset list
- ☐ Minimum 3 client references with verifiable contact details
- ☐ Past project summary: scope, value, client, outcome

FINANCIAL MANAGEMENT

- ☐ Financial statements within the last 12 months on file
- ☐ Public Liability insurance — $20M or above confirmed
- ☐ ABN, GST and company structure documents accessible
- ☐ No outstanding court judgements or insolvency proceedings
- ☐ Evidence of capacity to fund project work before payment

INSURANCE & GOVERNANCE

- ☐ Workers' Compensation certificate of currency — current
- ☐ Professional Indemnity insurance (where applicable)
- ☐ Chain of Responsibility (CoR) policy for transport
- ☐ Equal Opportunity and Workplace Harassment policy
- ☐ Insurance register — all policies documented in one place

QUALITY & COMPLIANCE

- ☐ Quality Management Plan or QMS documented
- ☐ Inspection & Test Plans (ITPs) for key work types
- ☐ Non-Conformance Reporting (NCR) procedure in place
- ☐ Modern Slavery Statement prepared
- ☐ Environmental Management Plan or CEMP template

DIGITAL & REPORTING

- ☐ All documents stored digitally and accessible within 24 hours
- ☐ HSEQ reporting capability in electronic format
- ☐ Can submit prequalification applications online
- ☐ Project management system in use — even basic is acceptable
- ☐ Document version control process in place

Score Your Readiness:

28-30 ticked = Tier 1 Ready | 18-27 = Close, targeted gaps | Below 18 = Start with the CDD Accelerator

What CDD Builds For You

The 10-Week Business Strategy Accelerator produces real documents — not templates, not theory.

- **WHS System**
  Audit-ready safety management documentation
- **Financial Framework**
  FMS, insurance register and capacity evidence
- **Capability Statement**
  Evidence-based with project history and personnel
- **Quality Management**
  QMS, ITPs, NCR process and hold point registers
- **Compliance Register**
  Modern Slavery, EMP, CoR and governance policies
- **Digital Profile**
  LinkedIn capability statement and document suite

Three Ways to Get Started Today

1. **Book a Complimentary Discovery Call**
   www.consultancydd.com
2. **Attend the $40B Opportunity Summit**
   Townsville — consultancydd.com
3. **Enrol in the 10-Week Accelerator**
   reward@consultancydd.com | 0418 186 294