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Tingim Laip (Value Life)
Phase 2

Industry Briefing and Tender Process Overview

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> Tender Probity

Developed by: Malcolm Brammer APM

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Managing a Good Procurement Process

❖ Elements of Procurement Probity and Ethics

Concepts of Ethics and Probity

>Ethical Behaviour

- encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency;
- is critical to government procurement as it involves the expenditure of public money, and is subject to public scrutiny;
- supports openness and accountability in procurement processes and gives suppliers confidence in the Government marketplace;
- can also reduce the cost of managing risks associated with fraud, theft, corruption and other improper behaviour, and enhance public confidence in public administration

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> **Probity**

- Probity is the evidence of ethical behaviour in a particular process;
- It is defined as complete integrity, uprightness and honesty;
- Contributes to sound procurement processes that accord equal opportunities for all participants;
- Probative procurement is one that involves largely common sense, clarity, openness, clear understanding and application equally to all parties to the process;
- It is integrated into all procurement planning, and should not be a separate consideration;
- Probity excludes suppliers whose practices are objectionable, dishonest, unethical or unsafe;

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> **Probity Guiding Principles**

Guidance to establishing probity in the tendering process is contained in a variety of instruments:

- Commonwealth Legislation Financial Management and Accountability Act
- Commonwealth Procurement Guidelines
- APS Values set down in Section of the Commonwealth Public Service Act
- Other Commonwealth and AusAID procurement policy and guidelines

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❖ Role of the Probity Advisor

To monitor the tender, evaluation and selection process to ensure

- Conformity
- Accountability
- Defensibility
- Fairness and equity;
- Assessment against same criteria;
- Preserve public and tenderer confidence in AusAID;

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>Probity Advisor Function

The general principles applying to the engagement of a probity advisor include;

- Develop an agreed Probity Plan for the tendering process
- Provide proactive advice on the conduct of the tender process
- Assess whether
  - tender rules and procedures are followed;
  - the tender process will be conducted fairly;
  - the tenders received are assessed in accordance with the stated evaluation criteria;
  - tangible and intangible risks that may impact or arise are properly identified and mitigated;
  - potential liability that may otherwise arise out of the conduct of a tender process is minimized;
  - a clear audit trail of the overall process is demonstrated tangibly;
  - there has been overall compliance with the probity plan.

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>Probity Advisor Exclusions

The Probity Advisor does not:

- **abrogate or reduce the responsibility of AusAID to conduct a probative tendering process;**
- **undertake the evaluation;**
- **provide advice on financial aspects of the tender or bids received;**
- **provide legal advice in relation to the tender process;**
- **have direct communication or liaison with probity auditors unless directed to do so by the TAP Chair;**
- **witness tender opening; or**
- **attend meetings purely as a independent observer;**

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>Probity Plan

As a general principle aspects that may be monitored by the Probity Advisor or reflected in a formal probity plan include [not necessarily limited, inclusive or prescribed];

- Authorizations and approvals;
- Confidential and handling of bidders proprietary information
- Adequacy of documentation
- Risk identification and management
- Tender process and rules;
- Non-conforming bids;
- Breaches of the tendering process;
- Problem solving on probity issues;
- Tender deviations and changes
- Tender inquiries and internal communications
- Tenderer and associates relationships
- Tender briefings
- Access to tender process information
- Checks on tenderers [including nominated persons]
- Guidelines on Conflicts and Disclosure
- Assessment and Negotiation
- Dealing with innuendo and hearsay;
- Records management [communications, meetings documentation]
- Finalization and awarding of contract

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> The Tender Process

Presenter: Pamela Larkin

Manager, Procurement and Agreement Services

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- >The Request for Tender (RFT)
- >The Selection Process
- >Value for Money

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- **The Request for Tender (RFT)**

>Structure of RFT

- **Section 1**
  - **Part 1 Project Specific Tender Conditions**
  - **Part 2 Project Specific Contract Conditions**
  - **Part 3 Scope of Services**
  - **Part 4 Basis of Payments**

- **Section 2**
  - **Part 5 Standard Tender Conditions**
  - **Part 6 Standard Contract Conditions**

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❖ The Request for Tender (RFT)

>RFT Particulars:

RFT Closing Time: 2:00pm local time Canberra, ACT, Australia, 4 March 2010.

>Mode of Submission:

Either:

- Electronically, via AusTender at https://tenders.gov.au before RFT Closing Time;

Or

- Hardcopy, by depositing by hand in the Canberra Tender Box before RFT Closing Time at address below.
- Address: Ground Floor, AusAID, 255 London Circuit Canberra ACT 2601Australia

The closing date and time will be strictly adhered to.

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- The Request for Tender (RFT)

Late Tenders

– Late Tenders that are rejected by AusAID will be returned to tenderers unopened, except in cases where a Tender must be opened to identify the return address of the Tenderer or to establish which tender process the Tender was for.

Non Conforming Tenders

– Tenders will be regarded as non-conforming if they fail to conform with one or more of the requirements of the RFT.

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❖ The Request for Tender (RFT)

>**Submission requirements:**

– **For electronic tender lodgement**

- **Tenderer's Declaration:** One (1) electronic copy in a separate file.
- **Tenderer's Submission Checklist:** One (1) electronic copy in a separate file.
- **Tender Schedule A - Technical Proposal:** One (1) electronic copy containing all parts and annexes.
- **Tender Schedule B – Specified Personnel:** One (1) electronic copy containing all parts and annexes.
- **Tender Schedule C - Financial Proposal;** One (1) electronic copy in a separate file
- **Tender Schedule D – Financial Assessment:** One (1) electronic copy in a separate file.

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❖ The Request for Tender (RFT)

>**Submission requirements:**

– **Endorsement of hard copy Tenders: "Tender for Tingim Laip Phase 2"**

– **For hard copy tender lodgement**

- **Tenderer's Declaration:** One (1) signed original, to be included with the Financial Proposal.
- Tenderer's Submission Checklist: One (1) signed original, to be included with the Financial Proposal.
- **Tender Schedule A - Technical Proposal:** One (1) printed Original containing all parts and annexes.
- **Tender Schedule B – Specified Personnel:** One (1) printed Original
- **Tender Schedule C - Financial Proposal:** One (1) printed Original, in a separate, sealed envelope.
- **Tender Schedule D – Financial Assessment:** One (1) printed Original, in a separate, sealed envelope.
- **One CD/DVD** containing all the files specified for electronic lodgement.

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❖ **The Request for Tender (RFT)**

>**Questions on the RFT:**

- **should be asked after this presentation; or**
- **after lunch today;**

We will register interested Tenderers for individual sessions of 15 minutes per organisation; or

- **forwarded to James Passmore no later than 18 February 2010 at** TL2@ausaid.gov.au

>**Answers:**

- **will be issued by public Addendum via AusTender (www.tender.gov.au) as soon as practical.**
- **last issue of addendum will be close of business Thursday 25 February 2010.**

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❖ **The Request for Tender (RFT)**

Tender Schedule A: Technical Proposal Selection Criteria

(A) Management Capability (Weighting 40%)

A Management Capability Statement that demonstrates the Tenderer’s ability to implement a community-based HIV prevention strategy in 37 sites across 13 provinces of Papua New Guinea with the capacity to respond to the urgent need for a targeted behaviour change intervention including:

- appropriate systems and processes to support large and complex activities in diverse locations with a wide range of partners
- the ability to successfully manage and support a large and diverse team
- the ability and capacity to develop and implement equitable, inclusive and accountable systems in support of partnership principles

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- **The Request for Tender (RFT)**

Tender Schedule A: Technical Proposal Selection Criteria

(A) Management Capability (continued)

- ability to harmonise with the HIV and AIDS work of other donors/government/Non Government Organisations and align with the Government of Papua New Guinea systems, programs and priorities

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- **The Request for Tender (RFT)**

Tender Schedule A: Technical Proposal Selection Criteria

(B) Approach
(Weighting 40%)

A Statement of approach that demonstrates the Tenderer's understanding of:

- the development context in Papua New Guinea
- key stakeholders and linkages necessary for the success of the Project including the ability to manage the critical relationships with various stakeholders while balancing program priorities and resources
- critical constraints that may impede the Project's success in the form of a critique of the Request for Tender and Design Documents, including identification of key issues and priorities for the project and risks to the success of the Project

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❖ **The Request for Tender (RFT)**

Tender Schedule A: Technical Proposal Selection Criteria

(B) Approach (continued)

- practical and strategic approach to fulfilling the objectives within the specified timeframe and resources identified to ensure successful Project implementation including a sound plan to effectively address and manage program risks
- where Tenderer's are part of a consortium or association with another party, the lead bidder will need to demonstrate robustness in the linkages established as well as a clear management framework detailing the roles and responsibilities of each party.

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❖ **The Request for Tender (RFT)**

Tender Schedule A: Technical Proposal Selection Criteria

(C) Specified Personnel

(Weighting 20%)

Demonstrated appropriate skills, experience and team balance and the Tenderer's capacity to recruit, retain and effectively manage high quality staff over the life of the Project. Tenderers are required to nominate personnel for the following positions:

- **Finance and Administration Manager**
- **Development Practitioner – Prevention**
- **Development Practitioner – M&E and Research**
- **Development Practitioner – Capacity Development**
- **Development Practitioner – Gender**
- **Development Practitioner – Communications and Media**

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- The Request for Tender (RFT)

Tender Schedule A: Technical Proposal

- **Annexes:**
  - **Annex 1: Past Experience. No more than four(4) examples and details of each activity must not exceed one (1) A4 page**
  - **Annex 2: Not used**
  - **Annex 3: Not used**
  - **Annex 4: Risk Management Plan three (3) A4 pages**
  - **Annex 5: Mobilisation Plan three (3) A4 pages**
  - **Annex 6: Letters of Association**
  - **Annex 7: Commonwealth Government Policies Compliance**

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The Request for Tender (RFT)

Tender Schedule B: Specified Personnel

Position	Name	Total Inputs in person months		Referee Contact Details		Commitments
		Home Base	O/s	#1	#2	
Finance and Administration Manager	specify					
Development Practitioner – Prevention	specify					
Development Practitioner – M&E and Research	specify					
Development Practitioner – Capacity Development	specify					
Development Practitioner – Communications and Media	specify					
Development Practitioner – Gender	Specify					

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- **The Request for Tender (RFT)**

Tender Schedule C: Financial Proposal

Table A – Like-for-like assessment

	Initial Contract Period		Option Period			
	Year 1 (1 May 2010 to 30 June 2011)	Year 2 (1 July 2011 to 30 June 2012)	Year 3 (1 July 2012 to 30 June 2013)	Year 4 (1 July 2012 to 30 June 2013)	Year 5 (1 July 2014 to 30 June 2015)	Total Cost (A$)
Table B						
Table C						
Table D						
Table E						
Table F						
Total						Total for like-for-like assessment

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- **The Request for Tender (RFT)**

Tender Schedule C: Financial Proposal (continued)

Table B – Fixed Management Fee (FMF)

	Initial Contract Period		Option Period			
	Year 1 (1 May 2010 to 30 June 2011)	Year 2 (1 July 2011 to 30 June 2012)	Year 3 (1 July 2012 to 30 June 2013)	Year 4 (1 July 2013 to 30 June 2014)	Year 5 (1 July 2014 to 30 June 2015)	Total Cost (A$)
Fixed Management Fee	14 x monthly rate	12 x monthly rate	12 x monthly rate	12x monthly rate	12 x monthly rate	Total for like-for-like assessment

Note: Tenderers must provide a comprehensive and detailed breakdown of the Fixed Management Fee in their response to the RFT.

Table C – Variable Management Fee (VMF)

Variable Management Fee	Total
VMF per field office	Total for like-for-like assessment (5 x VMF per field office)

Note: for the purposes of the like-for-like assessment the VMF is multiplied by five (5), as this is the estimated number of additional field offices the Contractor is expected to establish during the course of TL2. However, Tenderers should note that field offices will be established as required to support the portfolio of TL2 sites and this number is indicative only.

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- **The Request for Tender (RFT)**

Tender Schedule C: Financial Proposal (continued)

Table D – Reimbursable Long Term Personnel Costs

Position	Name	Total Inputs in initial contract period (months)	Initial Contract Period		Option Period			Total Cost (A$)
			Year 1 (1 May 2010 to 30 June 2011)	Year 2 (1 July 2011 to 30 June 2012)	Year 3 (1 July 2012 to 30 June 2013)	Year 4 (1 July 2013 to 30 June 2014)	Year 5 (1 July 2014 to 30 June 2015)	
Development Practitioner - Capacity Development	specify	11	9 x monthly rate	2 x monthly rate	2 x monthly rate	2 x monthly rate	2 x monthly rate	Total
Development Practitioner - Prevention	specify	26	14 x monthly rate	12 x monthly rate	12 x monthly rate	12 x monthly rate	12 x monthly rate	Total
Development Practitioner – Gender	specify	26	14 x monthly rate	12 x monthly rate	12 x monthly rate	12 x monthly rate	12 x monthly rate	Total
Development Practitioner - M&E and Research	specify	26	14 x monthly rate	12 x monthly rate	12 x monthly rate	12 x monthly rate	12 x monthly rate	Total
Finance and Administration Manager	specify	26	14 x monthly rate	12 x monthly rate	12 x monthly rate	12 x monthly rate	12 x monthly rate	Total
Development Practitioner - Communications and Media	specify	26	14 x monthly rate	12 x monthly rate	12 x monthly rate	12 x monthly rate	12 x monthly rate	Total
Total								Total for like-for-like assessment

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- **The Request for Tender (RFT)**

Tender Schedule C: Financial Proposal (continued)

Table E – Head Office Set Up Costs

Item	Units	Cost per item	Total (A$)
specify (eg desk)	specify	specify	Total for like-for-like assessment

Table F – Head Office Operating Costs

	Initial Contract Period		Option Period			
Item	Year 1 (1 May 2010 to 30 June 2011)	Year 2 (1 July 2011 to 30 June 2012)	Year 3 (1 July 2012 to 30 June 2013)	Year 4 (1 July 2012 to 30 June 2014)	Year 5 (1 July 2014 to 30 June 2015)	Total (A$)
specify (eg rent)						Total for like-for-like assessment

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- **The Request for Tender (RFT)**

Tender Schedule D: Financial Assessment

No Contract will be entered into unless AusAID has satisfied itself of the financial capacity of the Tenderer to undertake the contractual obligations. In this regard, AusAID requires that each Tenderer provide information on its financial status.

Option 1 or Option 2

Tenderers should be aware that AusAID may wish to contact the nominated financial accountant to obtain further information to assess the financial capacity of the Tenderer to undertake the Contract.

AusAID reserves the right to engage appropriate external expertise to assist with the analysis of the financial information.

The financial information of Tenderers will be treated confidential.

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- **Tender Selection Process:**

> Tender selection is a combination of Technical (weighted 85%) and Financial (weighted 15%).

> Technical Assessment will be conducted by a Technical Assessment Panel (TAP).

> The TAP composition will include independent external representatives as well as AusAID representatives, providing a diverse range of skills and expertise.

> The role of the TAP is to rank conforming Tenders on the basis of technical merit against the selection criteria in the RFT.

> TAP members are required to make their assessments in a objective manner, drawing upon the information set out in the tenders and their professional experience.

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❖ **Tender Selection Process:**

> **The Technical Assessment**

- Following consideration by the TAP of the technical merit of the tender, AusAID will invite selected tenderer's key personnel to interview.
- The following personnel will be required to attend: Finance and Administration Manager, Development Practitioner – Prevention and one other representative nominated by the Tenderer.

> **The Financial Assessment**

- Information provided in the financial proposal will be assessed on a like-for-like price basis.

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❖ Value for Money:

> As an Australian Government Agency that is governed by the Financial Management Act AusAID’s overriding priority is to achieve a Efficient, Effective, Ethical, Value for Money outcome.

> Value for money means “the best available outcome when all relevant costs and benefits over the procurement cycle are considered”

> Value for money does not necessarily mean the lowest price and price alone is not a reliable indicator of value for money.

> Value for money is enhanced in government procurement by:
- encouraging competition by ensuring non-discrimination in procurement and using competitive procurement processes;
- promoting the use of resources in an efficient, effective and ethical manner; and
- making decisions in an accountable and transparent manner.

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Key Dates

Close of business **18 February 2010**	Final date for questions to AusAID on RFT
Close of business **25 February 2010**	Final date for AusAID to issue addenda including responding to questions.
2:00 pm local Canberra time **4 March 2010.**	RFT closing date