

Attachment 1 to Addendum 4 of IAFCP Facility RFT

AGENDA

PRE-TENDER BRIEFING

**INDONESIA AUSTRALIA FOREST CARBON PARTNERSHIP FACILITY
(IAFCP FACILITY)**

Thursday, 12 March 2009, Java Room, Borobudur Hotel, Jakarta

Registration at 09:30am

09.30-10.00	Registration at briefing and for one-on-one 15 minute company interview sessions/coffee/tea	
10.00 – 10.05	Welcoming and Briefing Outline	Didi Marjimi
10.05-10.20	IAFCP Program and Facility – AusAID Perspective	Dan Heldon
10.20 – 11.20	IAFCP Program overview and progress	Neil Scotland/Tim Jessup
11.20 – 11.35	GoI Perspective	Hermawan Indrabudi/Basuki Karyaatmadja
11.35 – 12.05	Briefing on Request for Tender (RFT) and Tendering process	Byron Singline
12.05 – 12.10	Probity Presentation	Keith Lingard
12.10 – 12.25	Q & A	All
12.25– 12.30	Official Wrap up	Didi Marjimi
12.30– 12.45	Coffee break + registration for one-on-one company sessions in afternoon	
12.45-13.00	“Tips for new Bidders to AusAID Tendering” (to assist companies new to AusAID) – available if needed)	Byron Singline
13.00-13.30	One-on-one 15 minute interview sessions begin (company 1 and company 2)	Byron, Neil, Didi and Keith
13.30-14.30	Break for Lunch	
14.30-17.00	Additional one-on-one 15 minute interview sessions with companies continue as required	Byron, Neil, Didi and Keith

**Indonesia Australia Forest Carbon Partnership Facility
(IAFCP Facility) Request for Tender (RFT)**

**Industry Pre-Tender Briefing
10am Ambon-Ceram room, Borobudur Hotel, Jakarta, 19th Floor
Thursday 12 March 2009**

Attendance List

No	Organisation	Company Location
1	Yayasan Kehati Indonesia (Indonesian Biodiversity Foundation)	Indonesia
2	Coffey International Development	Australia
3	IDSS (International Development Support Services Pty Ltd)	Indonesia
4	Cardno Acil	Australia
5	GHD Hassal	Indonesia
6	PT Asia Carbon Indonesia	Indonesia
7	Yayasan Gajah Sumatera (Sumateran Elephant Foundation)	Indonesia
8	Kemitraan (Partnership for Governance Reform)	Indonesia
9	GTZ	German
10	DAI	USA
11	GRM	Australia
12	Deltares	Netherland
13	Yayasan Inovasi Pemerintahan Daerah (District Government Innovation Foundation)	Indonesia
14	PT Penta Sumberdaya Nusantara (Natural Resources Consultant)	Indonesia
15	Booz & Company and IndoConsult	Indonesia
16	PT BCI Asia	Indonesia
17	PT Sucofindo	Indonesia
18	PT Wardhana Mitra Karya	Indonesia
19	Baker & McKenzie	Australia

20	PT Sinclair Knight Merz (SKM)	Australia
21	URS	Australia
22	Ata Marie Group (AMG)	New Zealand
23	Planete Urgence	France
24	PT Shalita Citra Mandiri	Indonesia
25	Australian Marine Science and Technology Ltd (Amsat)	Australia
26	NewForests	Malaysia
27	Euroconsult Mott MacDonald	Netherland
28	Carbon Conservation	Singapore
29	PT Relington Trelog	Indonesia
30	FPS Movers	Indonesia
31	DHV B.V	Netherland

**Indonesia Australia Forest Carbon Partnership Facility
(IAFCP Facility) Request for Tender (RFT)**

**Industry Pre-Tender Briefing
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One-on-one Information Session List (15 minute sessions)

1. Partnership & YIPD
2. Cardno Acil
3. Booz & Indoconsult
4. URS
5. GHD Hassal
6. GTZ
7. GRM
8. IDSS
9. SCM
10. SKM

Indonesia–Australia Forest Carbon Partnership (IAFCP) Facility

Pre-tender briefing

12 March 2009



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Introduction

- International Forest Climate Initiative (IFCI)
 - A\$200m over 2008-2012
 - AusAID and Department of Climate Change
 - Aims to demonstrate that REDD can be part of an equitable and effective post-2012 global outcome on climate change
 - Indonesia, PNG, global programs



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IAFCP

- IFCl in Indonesia – Indonesia-Australia Forest Carbon Partnership (A\$40m to date).
 - i) Policy development and capacity building to support participation in international negotiations and future carbon markets,
 - ii) Technical support for Indonesia to develop its national forest carbon accounting and monitoring system,
 - iii) Further development of demonstration activities, and the provision of related enabling assistance, to trial approaches to reducing emissions from deforestation and forest degradation.



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IAFCP Activities

Readiness activities (A\$10m)

- Forest Resources Information System / National Carbon Accounting System (FRIS / NCAS) (\$2-3m)
- Support for policy development (\$4m)
- Peat GHG Methodologies (\$1.5m)
- FireWatch Indonesia (not supported by the Facility) (\$1.5m)
- Project management (\$1m), including IAFCP Partnership Office

Kalimantan Forest Climate Partnership (Demo I) (\$30m)

REDD Demonstration II (up to \$30m)

Roadmap to International Forest Carbon Markets (\$?)



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Possible expansion of work

1. KFCP – contributions from other donors or partners
2. Additional resources for FRIS/NCAS work
3. Resourcing of the Roadmap work
4. Support for a possible Climate Change Adaptation initiative in future budgets



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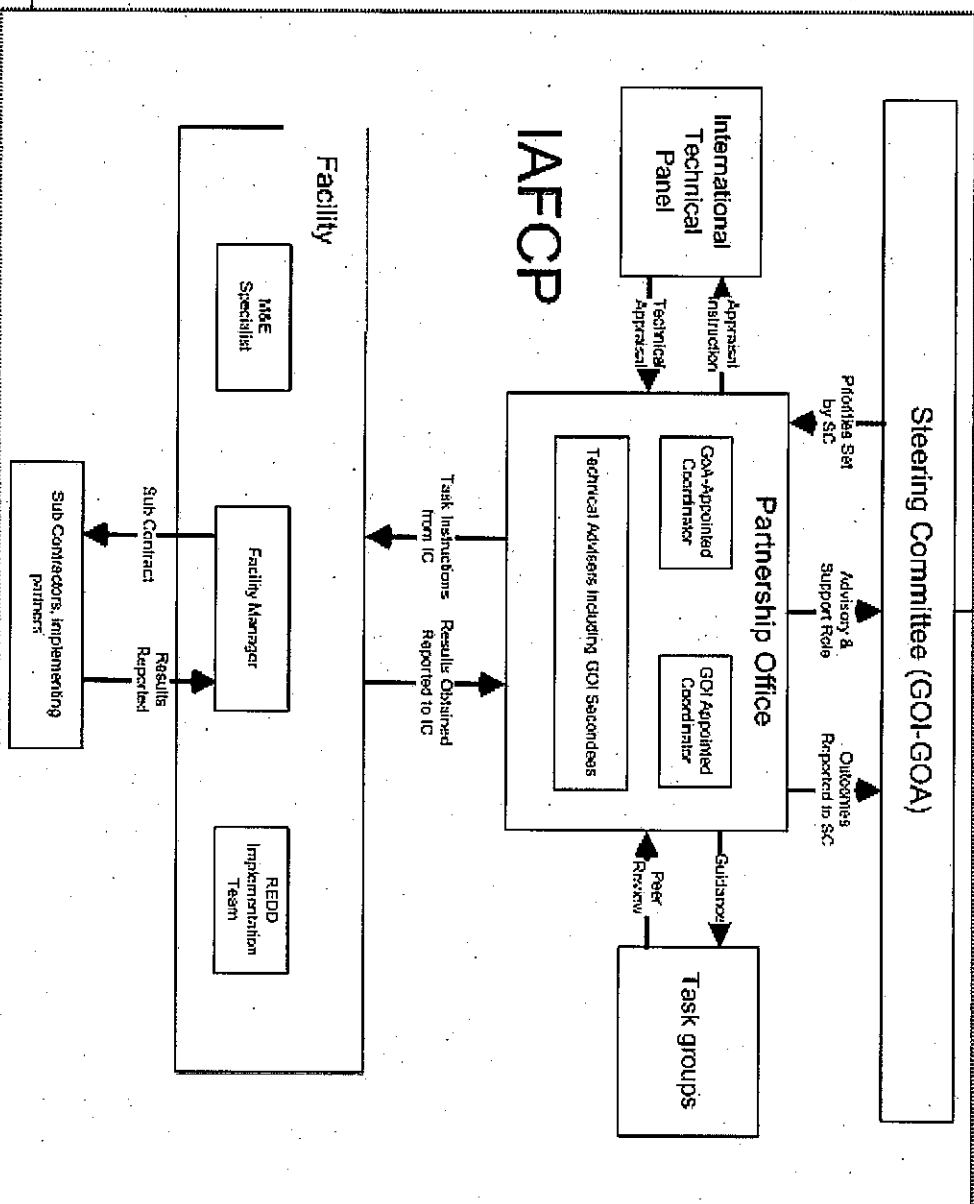


GOA Ministers
AusAID & DCC

NCCC
Bappenas, MOF, MOE

Stakeholders Group

Consultation



IAFCP Activities

FRIS/NCAS
Policy
(FireWatch)
Peat GHG

KFCP
REDD Demo II

Roadmap



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Role of the Facility

- Support and delivery mechanism for the IAFCP
- Support the Partnership Office to fulfil the objectives of IAFCP as directed by the Steering Committee
- Task areas:
 - Logistics, procurement, recruitment, financial management and administrative support to the IAFCP
 - Project management of KFCP and Demo II
 - Monitoring and evaluation for IAFCP and its activities



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Role of the Facility

- The Facility should not be outwardly seen as a separate entity but should be seen to be an integral unit of the Partnership Office
 - Facility situated within the Partnership Office.
- IAFCP Facility not like other AusAID facilities
 - The Partnership Office consisting of Coordinators and 3 Advisers will provide strategic and management direction.
- Mindful of costs of management and technical inputs
 - Already heavy with international TA, preference for national TA
 - Need to maximise IAFCP resources “hitting the ground” in demonstration activities.



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Relationships

- Steering Committee
- Partnership Office
- Task Groups (Activity Management Committees)
- Technical Panel
- AusAID
- DCC
- Coordinators
- Novated Advisers (3)



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Steering Committee

- The SC represents the two governments and reports to the two governments
- The SC will be assisted and advised by the Partnership Office
- Provides strategic direction to the IAFCP and approves the PO's Rolling Prioritisation Plan
- The 6 monthly SC meetings and other works of the SC are supported by the Facility



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Coordinators

- The Facility Managing Contractor is contracted to AusAID but receives direction from the Partnership Office
- Instructions to the Facility are approved by or issued by the Coordinators.
- Coordinators should decide on tasking to the Facility by consensus
- The GOA Coordinator has sole authority over committing the Facility to make expenditure.
- The GOI Coordinator will be contracted to and paid by the Facility, but does not take direction from the Facility. Ditto for possible GOI secondees to the PO



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Novated Advisers (3)

- Currently contracted to AusAID
- Will be novated to Facility Managing Contractor
 - MC will pay their salaries and provide logistical and administrative support to their role leading various IAFCP activities.
- Report to the GOA Coordinator
- Provide technical leadership and monitoring for IAFCP activities, particularly FRIS/NCAS, KFCP, Demo II and the Peat GHG methodology work
- Adviser tasking to the Facility will be approved by the Coordinators



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AusAID and DCC

- IFCI is a joint AusAID-DCC initiative
- AusAID and DCC both on the Steering Committee
- The Facility is contracted to AusAID and reports AusAID on contract milestones and IAFCP finances, and to the Partnership Office on operational matters
- The GOA Coordinator is an AusAID staff member, jointly leading the PO (with the GOI Coordinator) and reporting to the SC



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Task Groups

- Tasks Groups will oversee IAFCP activities and technical issues
 - Eg. There will be TGs for KFCP, Demo II, FRIS/NCAS and policy work
 - Ie. the TG for KFCP will be KFCP Project Coordination Committee
- Tasks Groups will include a representative of the PO and the MC
- Based on priorities set by the SC, under the leadership of the PO, TGs will develop TORs for work to be implemented by the PO and Facility.
- The PO approves these TORs and authorises the Facility to implement
- TGs provide an oversight and approval function for such work.



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Indonesia–Australia Forest Carbon Partnership (IAFCP)

Pre-tender briefing

12 March 2009



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Introduction

- Design and tender of the IACFP Facility is taking place concurrently with the development of IAFCP activities.
- The purpose of this presentation is to provide bidders with an overview of the current status of the programme.



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IAFCP: “unique features”

- Time pressure: short period in which to demonstrate feasibility of REDD.
- Close interest from GoA and Gol.
- Twin agendas: immediate lesson-learning and longer-term capacity-building.
- Shifting policy and regulatory environment (international and domestic).
- Financial resources are likely to be scaled up over time.



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Partnership Office

- Staffing: GoA coordinator and 3 forest and climate experts recruited; Gol coordinator nominated.
 - Managing Contractor should provide complementary skills.
- Office: location identified and fit-out due to commence shortly.
 - Partnership Office and Managing Contractor will share this location.



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Ongoing work

Component 1: IAFCP Support (A\$10m)

- Forest Resources Information System / National Carbon Accounting System (FRIS / NCAS).
- Support for policy development.
- FireWatch Indonesia.



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Ongoing work

Component 2: REDD Demonstration Activities (A\$30m)

- Kalimantan Forests and Climate Partnership (KFCP)
- REDD Demonstration II.



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FRIS / NCAS

- FRIS / NCAS Grand Design completed by Ministry of Forestry (see tender website).
- Implementation now underway:
 - remote sensing (acquiring and processing data for mapping land use change).
 - biomass (methods to equate land use change to carbon emissions).
- AusAID to consider additional financial support.
- Detailed presentation to follow.



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Kalimantan Forests and Climate Partnership (KFCP)

- A\$30m budget – important programme activity.
- Detailed design is being finalised (see tender website).
- Consultation processes, impact assessment and baseline surveys now underway.
- Detailed presentation to follow.



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REDD Demo II

- Ministerial agreement to develop a second REDD demonstration activity (AIMF Nov 08).
- Demo II to be differentiated from KFCP.
- No final budget, but of similar level to KFCP; process to allocate funding will run alongside design.
- Aiming to identify concept by June, with detailed design to follow.



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Ongoing work

- A number of organisations and individuals have been engaged to contribute to this ongoing work.
- Contracts vary in length; many timed to end in June-July; others run to year-end.
- Ongoing contracts will be novated to MC; other contracts are likely to be extended.
 - Substantial management and administrative capacity will be required from the outset.



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Ongoing contracts

- Partnership office: Three forest and climate specialists and Gol coordinator.
- KFCP design and early implementation: Eight contracts with consultancy companies, research organisations, academics and NGOs.
- Peat and greenhouse gas methodologies: Nine contracts with universities and researchers.
- Carbon accounting: Four contracts with remote sensing and biomass experts



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Kalimantan Forests and Climate Partnership (KFCP)

- REDD demonstration activity in the Ex-Mega Rice Project area in Central Kalimantan
- Aims to:
 - Demonstrate REDD on peat forests
 - Inform UNFCCC negotiations on REDD
 - Facilitate Indonesian participation in future international carbon markets
- Supported with A\$30m (scalable up to A\$100m with contributions from partners)



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KFCCP Goal

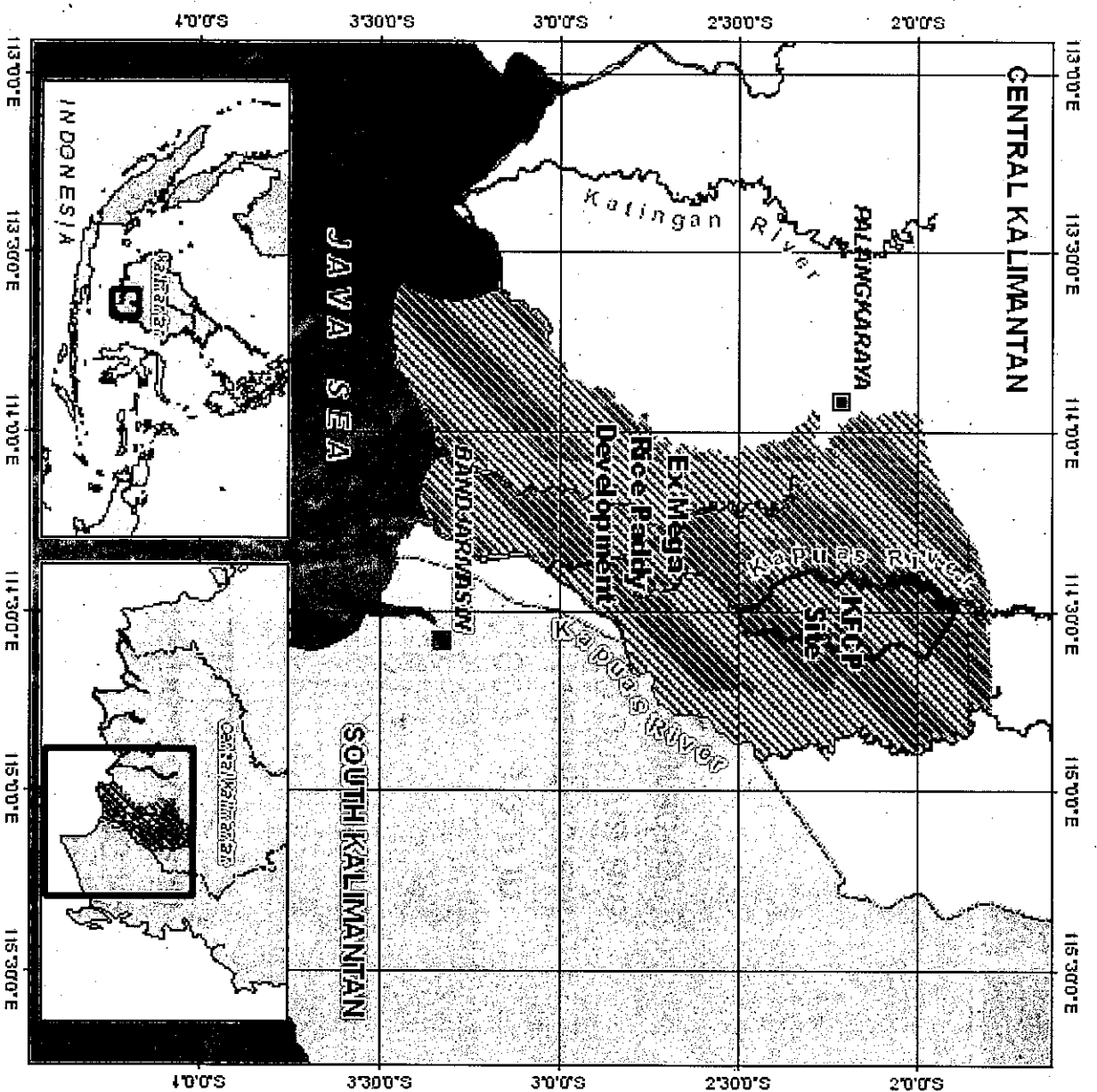
- *to demonstrate a credible, equitable, and effective approach to reducing greenhouse gas emissions from deforestation and forest degradation, including from the degradation of peatlands, that can inform a post-2012 global climate change agreement and enable Indonesia's meaningful participation in future international carbon markets.*



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KFCP operates
in Central
Kalimantan
within the
framework of
INPRES 2/2007
for rehabilitation
and
development of
the Ex-Mega
Rice Project
Area

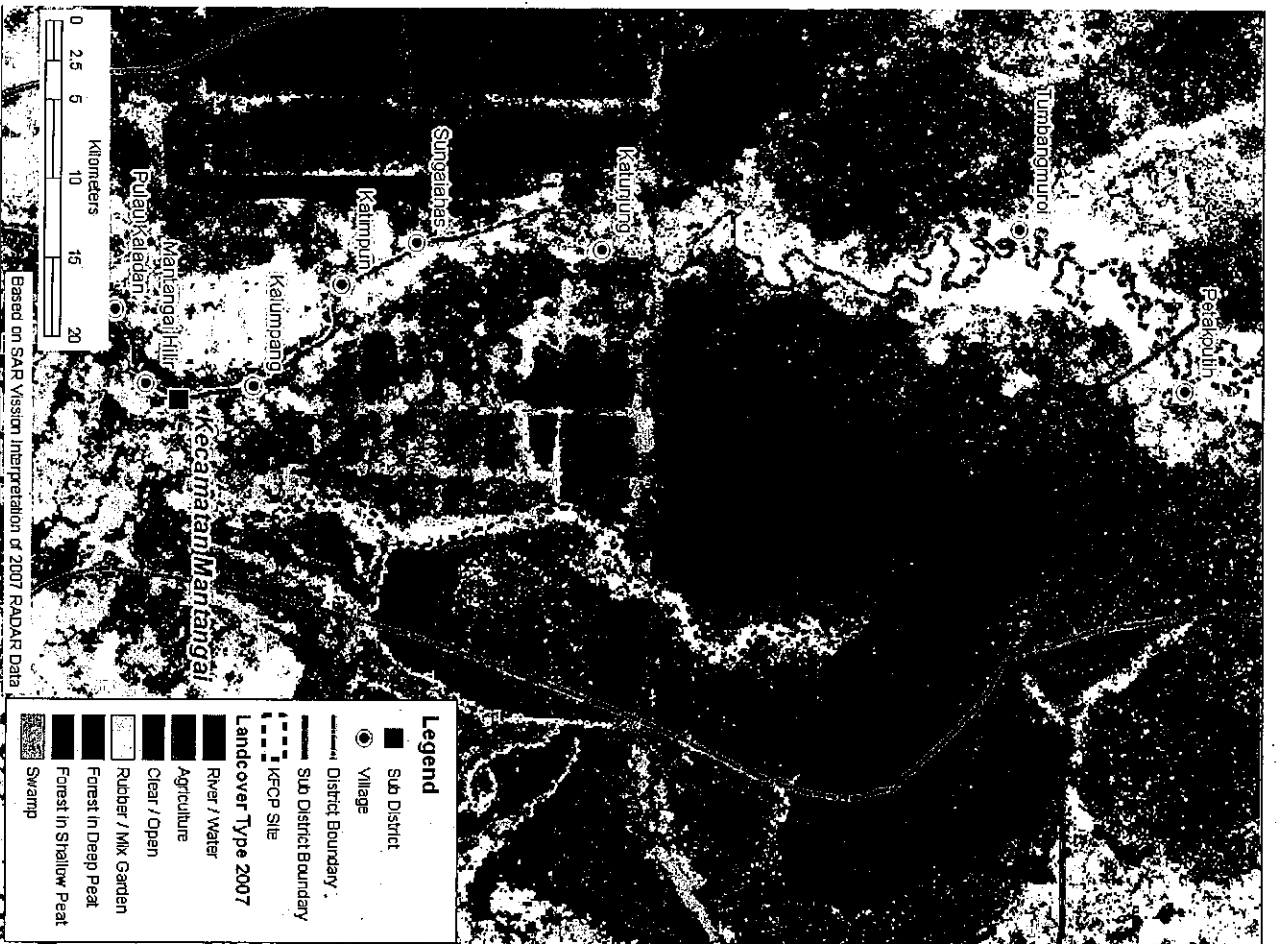


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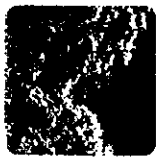


The KFCP demonstration site covers about 120,000 ha in a single peat dome in Kapuas District

About 70,000 ha are in intact peat swamp forest and about 50,000 ha are in severely degraded peatland



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Forested and deforested peatland

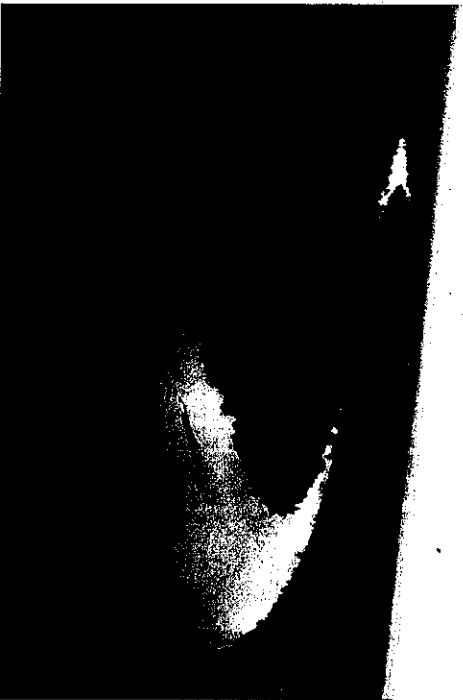


Photo by Ruandha, MoF

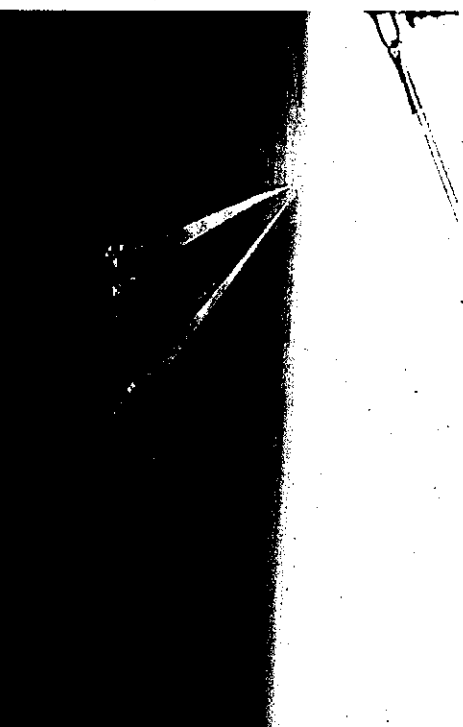
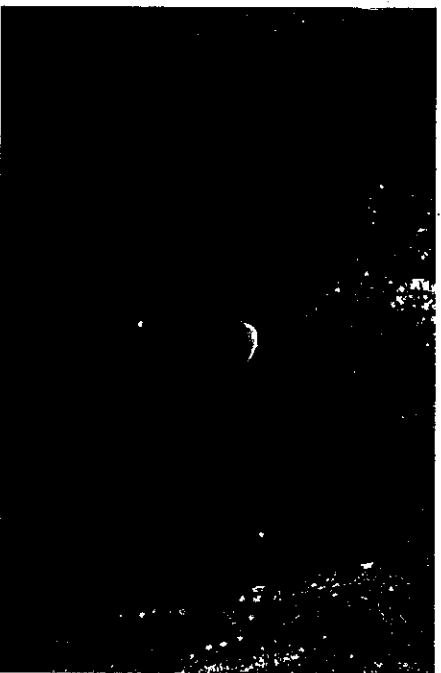


Photo by Ruandha, MoF



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Key Implementation Approaches and Principles

- Phased Approach
- Flexible/Adaptive Management
- Learning Approach
- Scientific Rigor
- Orientation to a *Compliance* Market
- Behaviour-Change Communications
- Work within GoI Systems



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Key Implementation Approaches and Principles

- Capacity to Scale Up
- Whole-of-dome Approach
- Multiple Monitoring Tools
- Promote Climate Change Policies of Indonesia and Australia
- Do No Harm: incorporate GoA policies on the environment, gender equality, and anti-corruption.



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KFCP Objectives

Goal: to demonstrate a credible, equitable, and effective approach to reducing greenhouse gas emissions from deforestation and forest degradation, including from the degradation of peatlands, that can inform a post-2012 global climate change agreement and enable Indonesia's meaningful participation in future international carbon markets.

Component/Intermediate Result 1:

Deforestation and degradation of peat swamp forest reduced through interventions in fire prevention, forest restoration, canal blocking, and alternative livelihood development.

Component/Intermediate Result 2:

Knowledge from REDD demonstration activities captured through monitoring/research and communicated within Indonesia and internationally.

Component/Intermediate Result

3: KFCP GHG emissions measurement and monitoring program established and linked to NCASI.

Component/Intermediate

Result 4: Practical and effective REDD GHG payment mechanisms demonstrated.

Component/Intermediate Result

5: REDD management/technical capacity and readiness developed at provincial, district, sub-district and village levels



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Logic of the KFCP Intervention Strategy

All KFCP interventions in concert aim to reduce deforestation and degradation of peat swamp forest, primarily by reducing fire risk and mitigating the frequency and severity of fire:

- **Blocking canals** to raise the water table and re-wet the peat will inhibit oxidation, including the incidence and spread of fire;
- **Re-establishing tree cover** in highly degraded areas will help raise soil moisture levels and humidity, thus further reducing fire risk especially in dry years;
- **Livelihood interventions**, including incentives to adopt sustainable land-use practices, are a key part of the overall threat mitigation strategy because current farming methods depend on fire as the most economical means of land clearing and preparation.



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Physical and ecological interventions

- Fire prevention and suppression
- Hydrological restoration
- Revegetation and restoration with appropriate species



Canal blocking (WWF Indonesia)

- **Local interventions should be supported by action on systemic issues, such as illegal logging and forest governance**



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Incentives to encourage sustainable practices will take three forms

- *Input-based*: immediate remuneration or other direct benefits linked to adopting and implementing interventions--building dams, planting trees, supplying dam-building and tree-planting operations, or eliminating fire use on peat soils.
- *Performance-based*: annual payments for sustaining interventions so as to achieve the desired results--maintaining dams in order to keep water levels high, protecting forest from encroachment, or reducing the incidence and extent of fire.
- *Outcome-based*: payments commensurate with GHG emissions reductions, initially as a proxy for tradeable credits in a future forest carbon market.



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Phases and Sequencing

- **Design and Early Implementation (1 January to 30 June 2009): implementing partners and consultants under direction of the IAFCP Partnership Office**
- **Implementation Phase (1 July 2009 to 30 June 2012): partners and sub-contractors under direction of the KFCP Coordinator**



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Preparatory Activities

- **CARE:** Conduct a socioeconomic baseline survey in target villages and prepare for the village land use planning process and monitoring system.
- **Wetlands International:** Assess land cover and forest status in Block's A and E and contribute to development of the Peatland Restoration Strategic Plan.
- **Borneo Orang-utan Survival (BOS):** Develop approaches to reforestation and assess community use of forest resources.
- **Kemitraan:** Assess governance issues related to REDD implementation at all levels and propose options for strengthening the legal framework and institutions.
- **World Agroforestry Centre (ICRAF):** Analyse land tenure and land use as it affects the implementation of KFCP activities and assess the potential for agroforestry systems as a livelihood option.



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Preparatory Activities

- **Peat and GHG Working Group:** Develop GHG measurement and monitoring protocols for peat swamp forest.
- **Payment Mechanism Working Group:** Develop options for payment mechanisms.
- **Socioeconomic Baseline and Livelihoods Working Group:** Guide the design of the socioeconomic baseline survey and asses procedures/criteria for selecting livelihood options.
- **Consultants:** A group of consultants will develop a Peatland Restoration Strategic Plan to guide canal blocking and reforestation, while other consultants will develop the GIS/Remote Sensing System, assess livelihood and other socioeconomic issues, and finalize the KFCP Design Document.



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Peat and GHG group

- Part of the Technical Panel see IAFCP Design
- 10 peat and GHG measurement specialists
- Provide scientific rigorous methodologies on peat and GHG measurement and monitoring
- Provide results and methods on peat swamp forest and peat measurement to UNFCCC negotiations and COP 15
- Contracts until at least Dec 09 – extendable



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GIS & Data base

- Developed a GIS and database for monitoring and evaluation
- LIDAR and other remote sensed data for baseline determination
- Linked to NCASI and Firewatch (not managed by Facility)

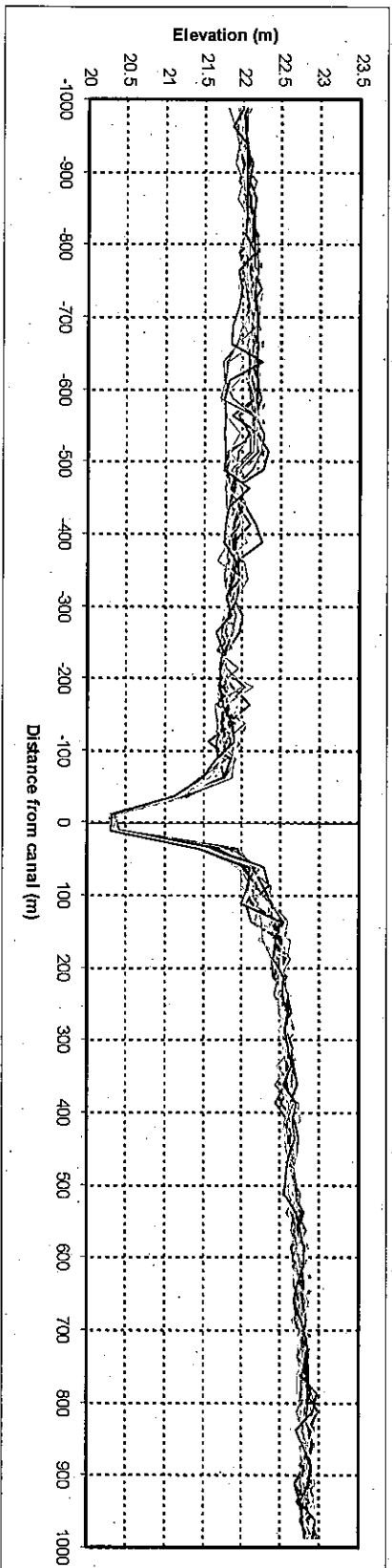
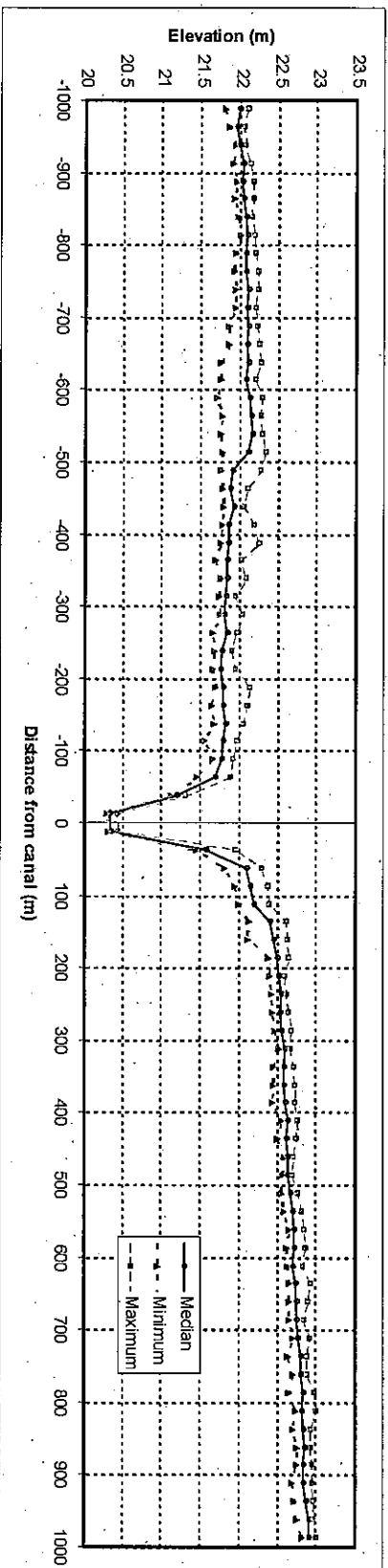


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Airborne LIDAR

Cross section over the western canal in Block A



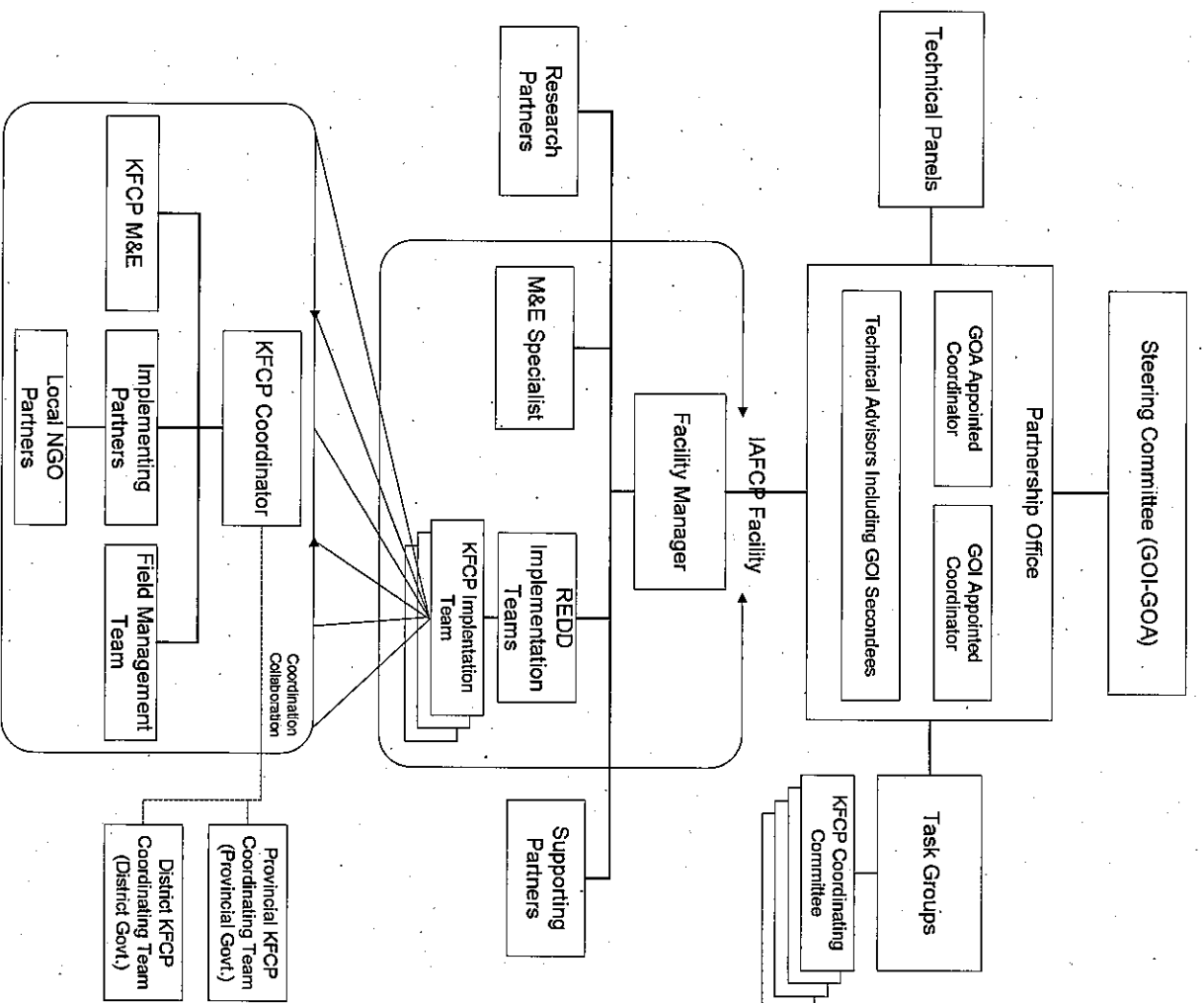
Source: EMRP Master Plan



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the IAFCP structure



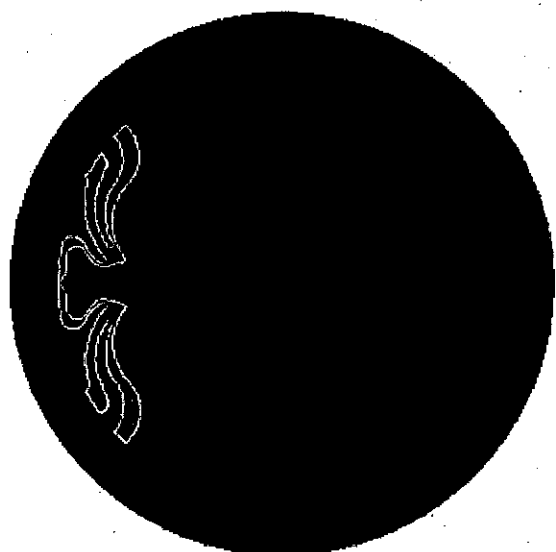
Terima kasih



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FRIS & NCAS



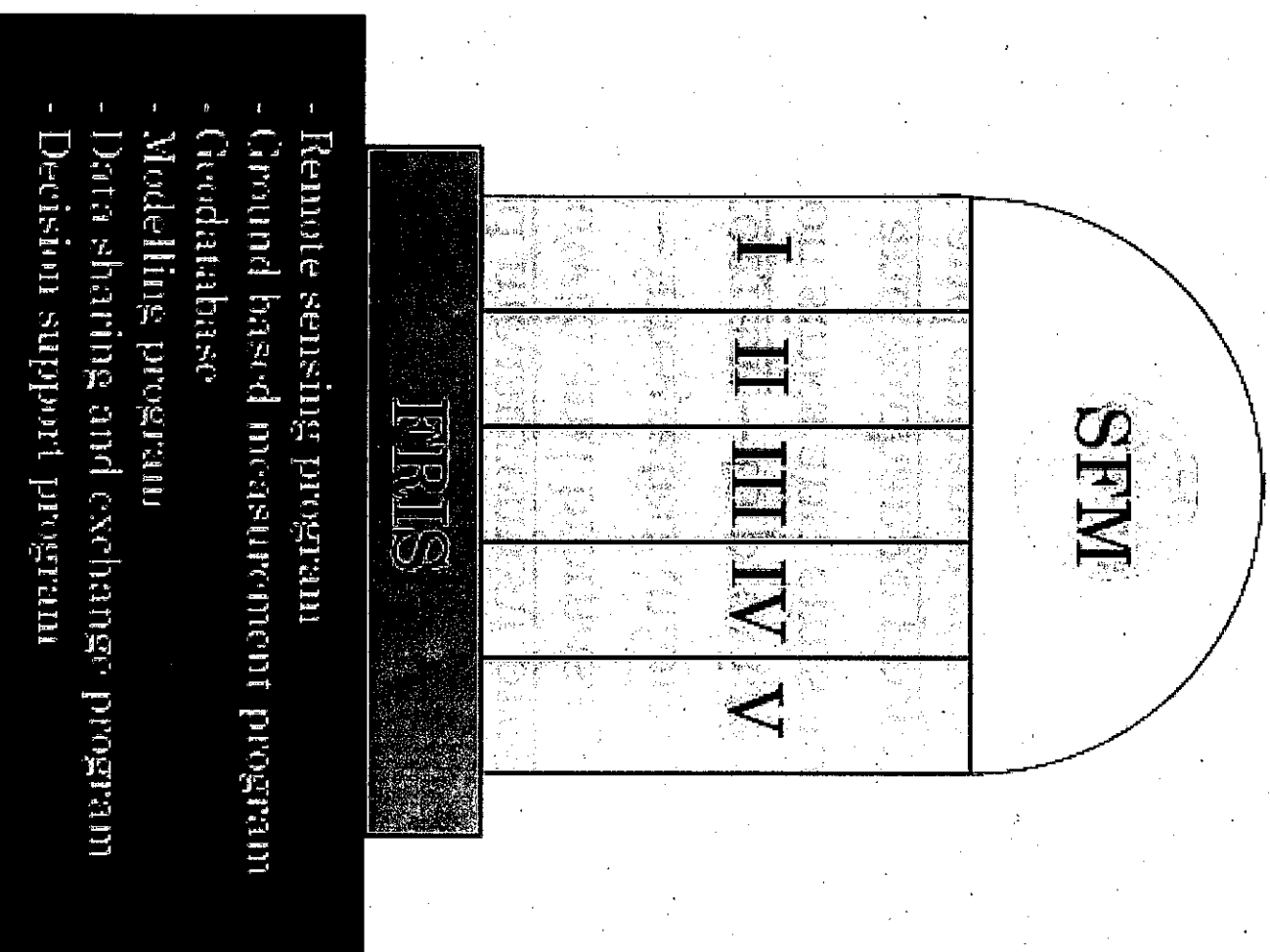
Forest Resource Information System

FRIS

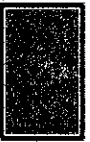
An information system

- to support and implement sustainable forest management
- to compile critical information on land use change within Indonesia's designated forestlands
- to facilitate a process of data sharing and exchange
- to support decision making.

THE FRIS FRAMEWORK



 Pillars

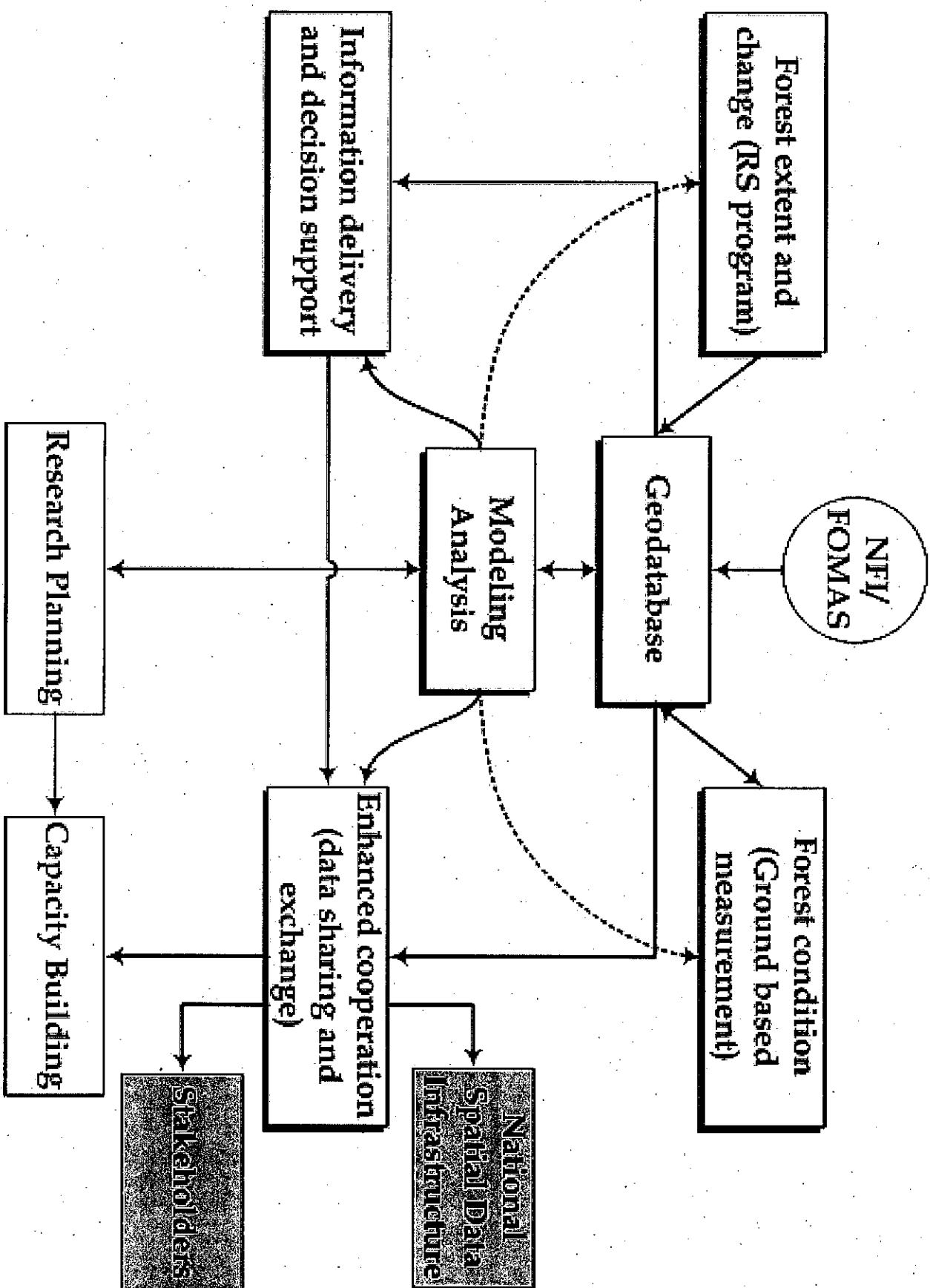
 Basement

 Foundation

FRIS Foundations

1. Remote sensing program– info on forest extent and change
2. Ground based measurement program – info on forest condition, growth and biomass.
3. Geodatabase – integrated information system.
4. Modelling program – to provide estimates on forest growth, carbon sinks and emissions
5. Data sharing and exchange program – to ensure transparency and enhance cooperation and information sharing
6. Decision support program – to ensure info generated by FRIS is used and applied by decision makers.

SYSTEM STRUCTURE



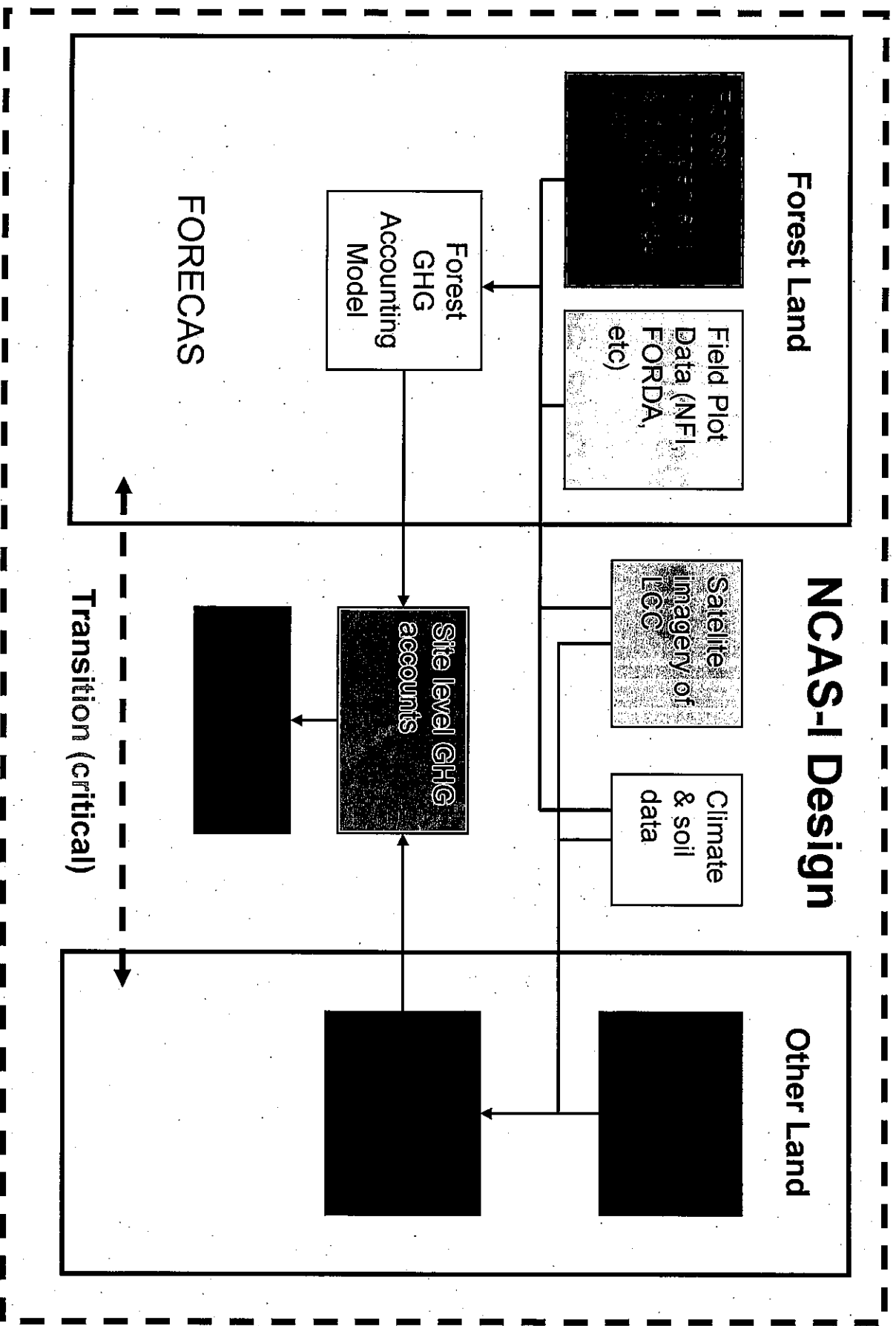
Indonesia's National Carbon Accounting System

- Provide a comprehensive and credible account of Indonesia's land based emissions profile and sinks capacity.
- Support Indonesia's reporting requirements under the UNFCCC and a Reduced Emissions from Deforestation and Forest Degradation (REDD) post-Kyoto climate protection regime.

NCAS Components

The NCAS will be a highly integrated system that will compile information from all of Indonesia's lands to provide a robust emissions profile from:

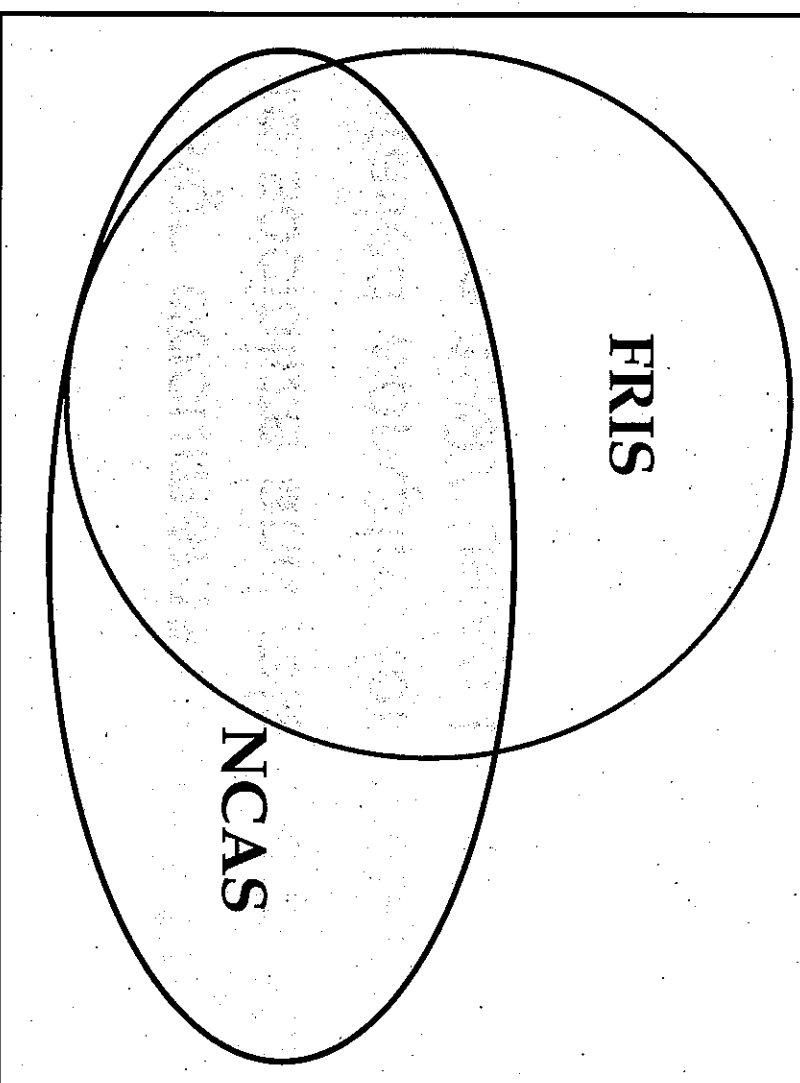
- Remotely sensed land cover change data
- Land use and management data
- Climate and soil data
- Growth and biomass data
- Spatial and temporal ecosystem modeling



Linkages between the FRIS and NCAS

The FRIS will generate information from Indonesia's forestland to support SFM. It will also provide relevant information to Indonesia's NCAS. Indonesia's NCAS will provide a credible account of all of Indonesia's land base emissions profile and sinks capacity.

**Range of
Information**



Area

(coverage/scale)

Progress to date

- Developed design documents for the FRIS and NCAS. Plan to socialize and release in March 09.
- Developed detailed workplan for assessing land cover change since 1997 using Landsat data as the base. Initiated in March 09.
- Developed detailed workplan for obtaining information on carbon stocks and biomass from published literature, unpublished literature and destructive samples. Initiated in March 09.

Terima Kasih

Thank

**Indonesia-Australia Forestry
Carbon Partnership Facility –
(IAFCPF)
Probity Adviser**

**Pre-Tender Briefing
12 March 2009**

PROBITY PRINCIPLES

- 1.1 Best Value for Money
- 1.2 Encouraging Competition
- 1.3 Efficient Effective and Ethical use of
Commonwealth Resources
- 1.4 Accountability and Transparency
- 1.5 Confidentiality & Impartiality

Commonwealth Procurement Guidelines ¹

Legislative & Policy Framework

Governs Australian Public Service

Financial Management Framework

*Governs financial management, including proposals to
spend public money*

Procurement Policy Framework

*Governs duties related to the procurement
of property or services*

¹ Department of Finance & Deregulation – Financial Management Guidance No. 1

1. PROBITY PRINCIPLES

1.1 Value for Money

- Core principle underpinning the procurement
- Cost is only one element in assessing VFM

1.1.1 Whole of life value for money assessment

- Fit for purpose
- Performance history of the supplier
- Relative risk of each proposal
- Flexibility to adapt to change

1. PROBITY PRINCIPLES (Cont'd)

1.2 Encouraging Competition

- Potential suppliers should have an equal opportunity

1. PROBITY PRINCIPLES (Cont'd)

1.3 Efficient Effective and Ethical use of Commonwealth Resources - requirement of S44 of the Financial Management & Accountability Act 1997

1.3.1 Efficiency – the selection of the procurement process in terms of transparency and fairness.

1.3.2 Effectiveness – accuracy in the specification, rigor in the evaluation process and contract negotiations, and management of the contract.

1.3.3 Ethics – moral boundaries underpinning the procurement process, eg. honesty, consistency, integrity

1. PROBITY PRINCIPLES (Cont'd)

1.4 Accountability & Transparency

- Prime consideration throughout the procurement process.
- Documentation of the procurement process to facilitate scrutiny.

1. PROBITY PRINCIPLES (Cont'd)

1.5 Confidentiality & Impartiality

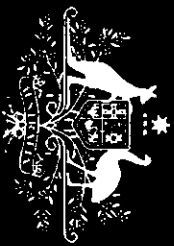
- Proposals are treated as Commercial in Confidence
- TAP members are required to sign Confidentiality and Conflict of Interest declarations
- Proposals are only assessed on responses to the selection criteria



2. *Probity Advisor*

2.1 *Advisor vs Auditor*

2.2 *Probity Audit Opinion*



Australian Government

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The Australian Government's
Overseas Aid Program

Indonesia Australia Forest Carbon Partnership Facility (IAFCP Facility)

Request for Tender (RFT)

Pre-Tender Briefing/Information Session

Thursday 12 March 2009, Jakarta



Australian Government
AusAID

Procurement Process Presentations:

Topic 1) RFT/Selection Process, and Contract Overview (Byron Singline, Contracts Officer, Procurement Management Group, AusAID Canberra)

Topic 2) Hints for New Players/Advice for New Companies about Bidding for AusAID Work (Byron Singline)

Contact email regarding the RFT: iaifcptender@ausaid.gov.au ;
(Fax: +61 2 6206 4885)

Australian Aid Topic 1 –Tender Particulars (RFT)

Topic 1: IAFCP Facility RFT Selection Process and Contract Overview

Presenter: Byron Singline
Procurement Management Group,
AusAID Canberra

Topic 1 –Tender Particulars (RFT)

Request for Tender Particulars

- RFT Closing Time: 14:00 pm (AEST) Thursday 16 April 2009
- Mode of Submission: Either:

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

or:

-Hardcopy, by depositing by hand/courier in the Canberra
Tender Box before RFT Closing Time, address below.

- Address:

“Attention to Byron Singline (PMG)
Tender for the IAFCP Facility”
Ground Floor, AusAID
255 London Circuit,
Canberra ACT 2601
Australia

Submission Requirements:

- Electronic Submission - One (1) electronic file (.pdf format) of the Technical Proposal, one (1) electronic file of the Financial Proposal, and one(1) electronic file of the Financial Assessment material.
- Hardcopy Submission: One (1) ‘original’ (marked) copy each of the Technical Proposal, Financial Proposal and Financial assessment material. Also two (2) other copies of the Technical Proposal and one (1) CD containing one (1) electronic (.pdf) file for each of the above three required submissions.



Australian Aid Topic 1 –Tender Particulars (RFT)

Any questions on contract or program issues:

- To be submitted in writing to the Contracts contact (myself) via the RFT email address: iafcptender@ausaid.gov.au .
- I will ensure addressed by appropriate area in AusAID and responded to as soon as possible via public addendum.
- Can be submitted anytime prior to COB (AEST) Thursday 2 April 2009 (14 days before the close of the Tender period)
- Will be answered by issue of a public Addendum on the AusTender website (www.tenders.gov.au) as soon as possible prior to COB 9 April 2009 (7 days before the close of the Tender).



Topic 1 – Tender Particulars (RFT)

Structure of the Request for Tender (RFT)

The RFT is separated into 2 sections and 6 parts:

Section 1:

- Program Specific Tender Conditions (Part 1)
- Program Specific Contract Conditions (Part 2)
- The Draft Scope of Services (SOS Part 3)
- The Draft Basis of Payment (BOP Part 4)

Section 2:

- Standard Tender Conditions (Part 5)
- Standard Contract Conditions (Part 6)

(Other documentation released with RFT : the IAFCP Facility Design Document, the KFCP Design Framework Design Mission Final Draft Report, and General Advice to Bidders on KFCP)



Australian Aid Topic 1 –Tender Particulars (RFT)

Tenderers are encouraged to familiarise themselves with the following documents available on the Ausaid website:

- the AusAID contracts charter:
(<http://www.ausaid.gov.au/business/pdf/charter.pdf>); and
- the Commonwealth Procurement Guidelines (CPGs)
(http://www.finance.gov.au/procurement/procurement_guidelines.html)

Topic 1 – Tender Particulars (RFT)

Tenderers expected to be compliant with AusAID policies :

- ❑ Expected to be familiar and compliant with overarching policies including Gender Equality and Development, and the Environment Policies, in the context of the Facility role and program
- ❑ <http://www.ausaid.gov.au/publications/pubs.cfm?Type=PubPolicyDocuments>
- ❑ Recent additions to be aware of:
- ❑ Child Protection Policy (2008) – to provide a framework for managing and reducing risks of child abuse by persons engaged in delivering Australian aid program activities; and
- ❑ Development for All (2008) – to ensure that people with disability are included and supported in improving their quality of life through all aspects of the aid program.

Conforming Tender:

- ❑ **Technical Proposal (Tender Schedule A):**
 - ◆ Response to selection criteria (up to 12 A4 pages plus annexes)
 1. Annex 1 Past Experience Forms (up to 5 forms – one page each, A4)
 2. Annex 2 Work Plan (up to 2 pages, A3)
 3. Annex 3 Risk Management Plan (up to 6 pages, A4)
 4. Annex 5 Letters of Association (1 page per organisation)
 5. Annex 6 Commonwealth Government Policies Compliance
 6. Annex 7 Advertising Survey

Conforming Tender:

- ❑ **Specified Personnel (Tender Schedule B)**
 - ◆ List of personnel (referees, commitments in table provided)
 - ◆ Curriculum Vitae (4 pages max A4 per nominated person)
- ❑ **Tender Declaration Form**

Conforming Tender:

- **Financial Proposal (Tender Schedule C):**
 - ◆ Facility Management Fees table
 - ◆ Reimbursable Costs – personnel and Facility Operation Costs
 - ◆ Financial Proposal Summary Table -
- **Financial Assessment Information**
(Tender Schedule D - as per Clause 10 Part 1 RFT)

Topic 1 –Tender Particulars (RFT)

Tender Schedule A : Technical Proposal (Response to Selection Criteria)

- Limited to twelve (12) pages maximum plus annexes; Curriculum Vitae's four (4) pages maximum each.

Selection Criteria

A.

PERSONNEL

(40% weighting)

- i) Appropriate qualifications and experience of proposed personnel, and their ability to work with diverse partners to achieve outcomes.

B.

ORGANISATIONS

(30% weighting)

- i) The capacity of the organisation/consortia to provide the range of administrative, managerial, procurement and technical skills required to implement the IAFCP Facility, and their track record and experience of implementing complex programs and facilities.

C.

PROGRAM UNDERSTANDING AND APPROACH

(30% weighting)

- i) Understanding and proposed approach to implementing the IAFCP Facility, with specific consideration of the approach to policy, and readiness activities, and reducing emissions from deforestation and forest degradation (REDD) demonstration activities.

Australian Aid Topic 1 – Tender Particulars (RFT)

Annexes to Tender Schedule A:

- All annexes have page limits -
 - ◆ Annex 1: Past Experience Forms (5 x 1(A4) per activity- see table on p.6 of the RFT for format) – referees to be provided for each form submitted please.
 - ◆ Annex 2: Work Plan (2 x A3 pages max.)
 - ◆ Annex 3: Risk Management Plan (max. 6xA4 pages)
 - ◆ Annex 5: Letters of Association and details of other proposed sub-contractors (as required-see Clause 9 Part 5 Standard Tender Conditions)
 - ◆ Annex 6: Commonwealth Government Policies Compliance (see Clause 17 Part 5)
 - ◆ Annex 7: Advertising Survey – submit completed table with tender

Australian Aid Topic 1 – Tender Particulars (RFT)

Tender Schedule B – Specified Personnel:

Tenderers required to submit list of proposed team members in format below, and include a CV for each member, as well as 2 referees.

<i>Position</i>	<i>Name</i>	<i>Total Inputs in person months</i>	<i>Referee Contact Details (#1 / #2)</i>	<i>Commitments</i>
Facility Manager		36 + 24*		
Monitoring and Evaluation (M&E) Specialist		36 + 24*		
KFCP Coordinator		36 + 24*		

Topic 1 –Tender Particulars (RFT)

Curriculum Vitae in proposals - must be submitted for each proposed key personnel as follows:

- ❑ (in accordance with clause 7.16-7.17 of Part 5 Standard Tender Conditions of RFT)
- ❑ CV's for each proposed personnel must nominate 2 referees who can provide an objective assessment (see clause 7.18 of Part 5) –and referees must be available and contactable for 3 wks after close of RFT to comment on individual. They must also be able to comment in English.
- ❑ Tenderers must also be aware of and manage any actual or potential sources of conflict of interest (see Clause 11 Part 5 for details)
- ❑ Existing and proposed personnel commitments must be advised (see Clause 8 of Part 6) – or AusAID will reject tender.
- ❑ AusAID preference for personnel with no conflicting commitments. It will be a case by case assessment by AusAID as to whether any conflicts of staff availability will affect services to be provided by the Facility and can be managed or not.

Topic 1 – Tender Particulars (RFT)

Tender Schedule C – Financial Proposal:

- ❑ must include the following three (3) components and four (4) tables:
A) – Facility Management Fees (Table 2) – see Part 1 of RFT, Clause 8.3 - 8.7
B) – Reimbursable Costs (Table 3) – see Part 1 Clauses 8.8 - 8.10

-Consisting of:

- i) Personnel Costs (as per Table 3, Clause 8.9)
- ii) Facility Operation Expenses – to max.A\$1,864,000 for first 3 years (as per Clause 8.11)

C)- Financial Proposal Summary Table (as per Table 4, Clause 9.1)

Tenderers should note:

The financial proposal must be fully costed based on outputs and inputs as specified in the Draft Scope of Services (Part 3 of RFT) including:

- ❑ Escalation of any foreign exchange rate variations, other price risks, necessary insurances required (note – to be listed separately and itemised as per Clause 8.2 (a) (ii)), and separate costs for Unconditional Financial Undertaking and Performance Guarantee as per Clause 8.7 of Part 1 RFT)

- ❑ Also any other assumptions used in preparing the pricing of the bid

- ❑ **A cost included in one of the above components may not be included in any other component**

- ❑ Information here will assist AusAID to assist assessment and Value for Money rankings of bids, following the Tender Assessment Panel (TAP)
- technical assessment of bids.

Topic 1 –Tender Particulars (RFT)

Tender Schedule D – Financial Assessment:

- New Procedure for this RFT:
- Previously AusAID provided two (2) options; tenderers had to provide details/submission of records to AusAID to satisfy one of those options .
- AusAID now trialling new process, see Clause 10 of Part 1 RFT.
- AusAID has appointed an independent financial assessor to undertake this evaluation directly, with that assessor contacting the tenderer after close of tender period to gather necessary records and data to undertake the assessment for AusAID.
- Tenderers should note this – and be aware they don't need to submit any additional financial records or documentation to AusAID (other than fully costed Financial proposal as per Tender Schedule C).
- All they need to submit is the following details for Tender Schedule D:
 - ◆ Name, telephone number and email address of the tendering entity's nominated contact point for the financial assessment.
- While the financial records provided to the assessor, and available to AusAID also, will not be provided to the TAP and will be treated and stored confidentially, the financial assessors report on capacity of the Tenderer to undertake the Contract may be provided to either the TAP or AusAID delegate, should the TAP chair deem it necessary and useful.
- **Clause 10.7 of Part 1 RFT : “Failure by a Tenderer to provide financial information when requested by the financial assessor may result in the tender not being assessed further.”**

Australian Aid **Topic 1 –Tender Particulars (RFT)**

Some Aspects of Technical proposal we want to highlight :

Schedule A: Technical Proposal Submission

- ❑ **Annex 2:Workplan; and**
- ❑ **Annex 3: Risk Management Plan**

- These are Important documents submitted with the tender

You need to cover mobilisation; identify resources, dependencies and milestones as appropriate to the facility and program; and include a detailed Risk Management Plan.

-will be used as part of technical assessment of bidders approach to the program

Australian Aid Topic 1 –Tender Particulars (RFT)

Detail of Contract Basis of Payment (Part 4 RFT)

Facility Management Fee (FMF)

- Fee Contractor paid for running the Facility (see Clause 5 of Part 4 Basis of Payment)
- to include ALL profits (including commercial margins/mark-up for personnel), such as any overhead costs, head office costs, financial management costs, security, taxes, insurance, reporting costs, subcontracting costs, Imprest Account administration costs, all escalators, allowances for risks/contingencies for life of contract.
- Paid on the basis of equal Milestone payments through life of contract (see Annex 2 of Schedule 2 Basis of Payment)
- The FMF will be set for the term of the contract, based on the running costs of the Facility from preferred tenderers bid.

Reimbursable Costs (Clause 2 and 3 of BOP)

- Includes Long Term Personnel Costs and Facility Operating Expenses
- Personnel Costs reimbursed quarterly, and Facility Operating Expenses reimbursed within 30 days of submission of correctly rendered invoice, based on actual cost incurred.
- Note: Facility Operating Expenses are not to include ANY profit or mark-up/margins etc. all of which are contained solely in the Facility Management Fee.

Imprest Account

- (see Clause 4, BOP)
- Money advanced to contractor quarterly basis according to approval of cash flow projections for coming period and acquittal of previous payment.
- For the funding of 'approved activities and implementation support' by the Partnership Office and through the RPP process only, and not for use by the Contractor to fund any other inputs or contract costs
- Any additional resources required to deliver the services must be absorbed into the Facility Management Fee (FMF).



Australian AID **Topic 1 - Summary of IAFCP Facility Contract Particulars**

Duration of Contract:

- ▣ Contracting for 3 years (June 2009- June 2012)

NB: AusAID has sole discretion of taking up a 2 year Option to Extend.

An Idea of Facility Role and Phasing within the IAFCP Program:

- ▣ Transition Phase for program (Phase 1 in design doc) – Jan 09 to June 09 : program to finalise KFCP design and MC for Facility put in place.
- ▣ Mobilisation Phase (Phase 2 in design doc)–through the first 10 months after commencement - key role will be to assist the PO and implement REDD demonstration activities and document them scientifically to assist in ongoing international negotiations
- ▣ Next Phase (Phase 3 in design doc) – Following COP 15 and results of international negotiations- focusing on assisting PO to design and implement REDD demo activities to assist ongoing policy development (to June 2012)

Topic 1 –IAFCP Facility- Some Contract Particulars to note:

Monitoring Review Group (See Clause 6 Part 2 – Program Specific Contract Conditions)

- ▣ AusAID may set this up at any time if deemed necessary by program, to provide independent technical advice and assistance assessing the performance of the services by the Facility.
- ▣ Clause 6.2 outlines the Contractor's responsibilities and the expectations AusAID has of them in such a situation.

Sub-Contracting

- (Clause 8 of Part 2 RFT, and standard conditions Clause 11 of Part 6) core principle for contractor is Value for Money
- ▣ Contractor must seek AusAID's approval to subcontract services valued at A\$100,000 or more (except to specified personnel), and all subcontracting must be in done in with consideration of the Commonwealth Procurement Guidelines (CPGs) - including consideration of value for money, transparency, fair process and competition, according to size of procurement, to locate and subcontract appropriate candidate.
 - ▣ The Contractor may not not subcontract the whole of the services.

Topic 1 –IAFCP Facility - Reports

Outline of Reports and when Due: (see Part 3 SOS Clause 5.18)

Prior to Mobilisation:

1. Contractor should prepare a plan to take-over existing work from HK Logistics (interim contractor carrying out preparatory activities);
2. A Security Plan is to be submitted to AusAID and the Partnership Office (PO);

Within 30 days of Mobilisation/Facility Commencement Date:

3. A Financial Operations Manual and Procurement Guidelines to PO for approval;
4. A Provisional M&E Plan for the Facility;

Within 3 months:

5. Contractor's Portion of the Rolling Prioritisation Plan (RPP) – initial draft due to PO 20 Sep 2009 (then due 6 monthly, 3 weeks before Steering Committee meeting, so PO to comment on/approve)
6. Financial Reports - previous 3 months expenditure and forward projection 3 months expenditure (Clause 3 Part 2 RFT)

Within 3 months of mobilisation:

7. Comprehensive M&E Plan for Facility (due end Sep 2009)

Other ongoing reports through life of contract:

8. Contribution Reports toward lessons learned from REDD activities as coordinated by PO.
9. Completion reports including Task Group Completion Report for each funded activity (and a Final Completion Report due 3 months prior to end of Contract)

NB: Standard condition of AusAID contract to prepare Handover Plan (see Clause 14 Part 6 RFT)

Australian AID Topic 1 – Some Standard AusAID Contract Conditions

Some Standard Conditions to be aware of:

Fraud (Clause 36 Part 6)

- Responsibility of Contractor to prepare a fraud risk assessment and zero tolerance fraud control strategy.
- Contractor responsible for preventing, detecting and is accountable for fraudulent activities within it's own staff and its subcontractors' staff during implementation
- AusAID may appoint its own investigator if it deems appropriate to protect Commonwealth interests and AusAID program money.

AustralianAID Topic 1 – Some Standard AusAID Contract Conditions

Reviews (Clause 17, Part 6)

- AusAID can at any time appoint an independent reviewer to ensure Contract being properly performed
- Contractor must cooperate with any such review fully, and respond within 28 days to any draft review report , each party must bear its own costs of such review(s)
- A review doesn't reduce the Contractor's responsibility to perform its obligations in accordance with agreed Contract.

Publicity (Clause 28, Part 6)

- Contractor must identify and implement appropriate opportunities for publicity of the Program
- Prior approval by AusAID Public Affairs Group (PAG) must be obtained for any press, media or other relating to the Program

Topic 1 – Some Standard AusAID Contract Conditions:

Insurance (Clause 34, Part 6)

- ▣ This lists the levels of insurance AusAID requires the Contractor to have in place while implementing the Program

Handover Plan (Clause 14, Part 6)

- ▣ As mentioned previously is a standard requirement – draft due by end of year 1, final due 1 month prior to contract end date (ie. May 2012 for IAFCP Facility).

- ▣ Tenderers should note:

- ◆ All other Standard Tender and contract conditions (Part 5 and 6 of the RFT) are not negotiable

Topic 1 – Where to from here?

Important Dates in the Tender Process following Briefing:

- Final Questions on RFT/Program due Thurs. 2 April 2009
- Answers to final RFT questions provided via Addendum on AusTender website by COB Thursday 9 April 2009
- RFT Closes 2pm (AEST) (equivalent to 10am Jakarta time) on Thursday 16 April 2009
- AusAID will check tenders for conformity and forward them to the TAP to technically assess
- Tender submissions will be technically assessed by a Technical Assessment Panel (TAP) and short-listed, if required, in late April/Early May (tbc)
- A TAP will be held, including interviews of Key Personnel, on short-listed bids in Jakarta in the week beginning 11 May 2009 (tbc) – and the TAP will make a recommendation for preferred tenderer to the AusAID delegate
- AusAID will then undertake a Value for Money assessment of the bids and the delegate (who is not bound by TAP decision) will ask PMG to enter into negotiations with chosen tenderer to form a contract.
- If negotiations should break down with preferred tenderer, and if other tenderers' proposals were found technically viable, AusAID may move to the next preferred tenderer to try to negotiate a contract.
- AusAID is aiming for mobilisation by Facility Contractor in Indonesia in June 2009.

Australian Aid

Topic 1 - Conclusion

□ Any questions?



Australian Government
AusAID

Australian Aid

IAFCP Facility RFT

Topic 2: Hints for New Players / Advice for New Companies on Bidding for AusAID Work

Presenter: Byron Singline

Procurement Management Group,
AusAID Canberra

Topic 2 – Advice for new companies bidding on AusAID work

New Tenderers wishing to be a part of Australia's overseas aid program should:

- ▣ Take advantage of early warning of tenders on AusAID's website (www.ausaid.gov.au) and Austender (www.tenders.gov.au); you don't have to wait until tenders are advertised before beginning preparation of your bid
- ▣ Consult the provided information on how AusAID conducts its business and contracts out at www.ausaid.gov.au/business/default.cfm

Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

- ▣ Adopt a strategic and focused approach by targeting specific projects and opportunities where your organisation has expertise
- ▣ Understanding AusAID is very important. You are always welcome to meet with Country Program Managers and Contracts staff for general information
- ▣ Understand agency needs, and offer best value for money to suit them
- ▣ Network with other consultants and organisations as bids comprising several companies in association with each other are common and can benefit new companies with developing bids and expertise in new market areas

Topic 2 – Advice for new companies bidding on AusAID work

- ▣ After a tender process (whether successful or not), take advantage of AusAID's offer of a debrief
- ▣ Bidding is a highly competitive process and bidders should be prepared for a medium to long term view about doing business with AusAID rather than expecting to win vast amounts of work in the short term
- ▣ Liaise with Managing Contractors who have been awarded AusAID contracts before

Australian Aid Topic 2 – Advice for new companies bidding on AusAID work

- ❑ Read the documentation carefully to ensure your bid meets all requirements
- ❑ Directly address the selection criteria and substantiate your claims strongly
- ❑ Note any weightings attached to selection criteria, and subsequently ensure that the emphasis in your submission reflects the weightings on the selection criteria

Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

- Ensure your bid is subjected to some form of quality control and checking prior to its submission to AusAID – an independent review to assist in editorial and logical consistency is recommended.
- If you are unsure of something, please ask questions. We are here to respond.
- Don't make claims that can not be substantiated

Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

- ❑ Clearly identify management inputs (who will do what, and with what level of input) as well as your proposed management framework. This is particularly necessary when a joint venture or consortium bid is submitted

Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

- ❑ Bidders need to demonstrate original thought. Do not just repeat what AusAID has already provided in the tender document.
- ❑ Bidders need to show that they understand what the activity is about.
- ❑ Specifically identify project risks and how you propose to manage them



Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

- CVs should be provided for all Key Personnel nominated. The CVs should be focused towards skills required and clearly outlined the duration and extent of the nominee's involvement in activities
- Provide referees who can comment on the nominee's experience and their claims against the selection criteria. AusAID can identify and contact referees of its choosing if it considers that it is not getting a complete picture

Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

- ❑ Prices submitted with bids must reflect the whole of life costs of undertaking the activity.
- ❑ AusAID is not interested in proposals from bidders that do not adequately resource the task.

Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

- ❑ Bidders may be invited to meet with the Technical Assessment Panel to make a brief presentation or to undertake an interview. In those instances, AusAID recommends the following
- ❑ Keep the presentation focused and within the allocates time limit
- ❑ Ensure the team is fully knowledgeable of the proposal

Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

- ▣ Ensure the presentation is vibrant and engaging remembering that several will be sat through by the panel
- ▣ Avoid overly complicated diagrams
- ▣ Let team members answer questions posed to them. Do not answer questions on their behalf
- ▣ The TAP process allows bidders to send an observer to the briefing. This provides an ideal opportunity for either bid writers or management to see how their team performs and to understand comments provided during the briefings.

Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

- As an Australian Government Agency that is governed by the Financial Management Act AusAID's overriding priority is to achieve a
- Value for Money outcome.
- “Value for money is the core principle underpinning Australian Government procurement. In a procurement process this principle requires a comparative analysis of all relevant costs and benefits of each proposal throughout the whole procurement cycle.”

Topic 2 – Advice for new companies bidding on AusAID work

Value for money is enhanced in Government procurement by:

- Encouraging competition
 - ◆ transparent, public tender process
 - ◆ seeking your proposals and costings
- Promoting the efficient, effective and ethical use of resources
 - ◆ AusAID will evaluate your proposal accordingly

Topic 2 – Advice for new companies bidding on AusAID work

- Cost is not the only determining factor in assessing value for money.
- There is no formula to measure value for money
- 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.

Topic 2 – Advice for new companies bidding on AusAID work

- Some important considerations when assessing value for money include:
- The performance history of each tenderer
- Does your firm have a record of achievement?
- Does your firm deliver a quality outcome, on time and on budget?
- Are your previous clients satisfied with your companies performance?



Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

- ▣ The relative risk of each proposal
- ▣ Does your proposal adequately address attendant risks?
- ▣ Do you identify risk and propose strategies to deal with these risks?
- ▣ Are the proposed costings, methodology and approach appropriate to the risk identified?

Topic 2 – Advice for new companies bidding on AusAID work

- The flexibility to adapt to possible change
- Does your proposal recognise the need for flexibility in the project environment?
- Does it propose strategies to manage this change?



Topic 2 – Advice for new companies bidding on AusAID work

- Financial considerations including all relevant direct and indirect benefits and costs.
- Have you costed your proposal to allow for all known costs at appropriate rates, in a way that allows for reasonable profit, head office overheads and variables?
- Costings that are too high or too low could make a difference!



Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

- Is the proposal balanced in terms of its articulation of inputs, outputs, outcomes, risks, costs, quality and timeliness and overall effectiveness.
- As a client, AusAID & GOI need to be satisfied that the winning proposal is sound, capable of being implemented and effective in achieving stated objectives within a timeframe and budget that is acceptable.

Topic 2 – Advice for new companies bidding on AusAID work

In your proposal you need to explain and demonstrate to AusAID the Value for Money (VFM) merits and considerations of your proposal – and how they will ensure efficient and effective implementation



Australian Aid **Topic 2 – Advice for new companies bidding on AusAID work**

Value for Money Assessment by AusAID:

- ▣ Will be an overarching consideration when the delegate makes a decision on preferred tenderer, along with consideration of the technical assessment rankings of the TAP
- ▣ All information provided by tenderers in Technical Proposal, Financial Proposal and all Annexes will be utilised by the AusAID to do this.
- ▣ Financial Assessment of Tender by external auditor will be employed also to assist AusAID's decision

Topic 2 – Advice for new companies bidding on AusAID work

- Any Questions??