Australian Government
AusAID

ADDENDUM 2

Date: 19 November 2009 Pages: five (5) plus attachments

Subject: Addendum 2 to the Papua New Guinea Economic and Public Sector Program Request For Tender of 17 October 2009

Tenderers are advised of the following:

Clarifications to the RFT

1. In clause 6.10(vii) of Part 1, delete the reference to “Clause 3.4” and replace it with “Clause 6.8(a)”.

2. In clause 6.10(x) of Part 1, delete the reference to “Clause 3.4” and replace it with “Clause 6.8(b)”.

Questions raised by interested tenderers at the pre-tender briefing held on 5 November 2009

3. **Question:** Is there any consideration being given to a whole of program harmonisation or standardisation of approaches across all of AusAID’s programs in Papua New Guinea with regards to allowances and terms and conditions for technical assistance?
Answer: This is still in the very early stages of discussion about its application and scope. While this is something that AusAID is considering, this will not be in place by the time EPSP is mobilised.

4. **Question:** What are the anticipated dates associated with the Technical Assessment Panel (i.e. interviews) and the contract start date?
Answer: It is anticipated that the Technical Assessment Panel will be held sometime between 19 and 29 January 2010. It is anticipated that the contract start date will be approximately 1 April 2010.

5. **Question:** With regard to mobilisation, the Contractor is expected to establish a program office in country within a very short period of time. Given the availability of office space in Port Moresby is currently a real issue, is there any flexibility on the timeframe required to set up the EPSP Program Office?
Answer: AusAID understands that there is a current shortage in available office space in Port Moresby. While AusAID is looking for a Contractor to deliver the program office in the timeframe defined in the Scope of Services as set out in Part 3 of the RFT, this issue can be discussed further with the winning bidder during contract negotiations.

6. **Question:** Is there any preferred location for the EPSP Program Office?
Answer: Port Moresby. There is no preferred location in the city.

7. **Question:** Clause 3.2 of Part 1 of the RFT requests that the Contractor provide the following personnel to attend the interview: "Contractor Representative, Program Director and two of the following personnel: Monitoring and Evaluation Specialist, Capacity Development Specialist, Gender Specialist or another representative nominated by the Contactor." Does AusAID have a preference for which two of the optional four it would prefer attend at the interview?
Answer: AusAID does not have a preference and has left this flexible to 1) give the bidder an opportunity to be able to focus on a particular strength it may have or approach it wishes to adopt and 2) in recognition that availability of specified personnel to attend the interview may be an issue.

8. **Question:** The Payment Milestones in the Basis of Payment (Part 4 of the RFT) are to be paid in arrears. Is AusAID prepared to place a timeframe on its review and approval process so that Payment Milestones are paid 30 days after receipt of the report and not 30 days after approval of the report?
Answer: AusAID will make the Payment Milestones within 30 days of acceptance of the report but will not place a timeframe within which to accept reports. AusAID may need to seek advice before approving them, however these will be significant reports and key products to facilitate implementation of EPSP so it will be in AusAID's interest to accept these reports in an efficient manner.

9. **Question:** Can you please tell us what the existing program office structure is under the Advisory Support Facility?
Answer: See Attachment 1.

10. **Question:** In terms of payment streams, where are the costs for Contractor Personnel to be paid from and where are the costs of technical advisors to be paid from?
Answer: Where a proposal to engage a technical advisor comes through, it will be worked out "at cost". The Variable Management Fee, if warranted, will be applied by the Contractor for that part of the technical advisor budget that is not reimbursable. The actual costs of the technical advisors are to be drawn down from the EPSP Imprest Account. Contractor Personnel will be paid out of Program Office Costs.

11. **Question:** Rent is expected to increase 100% over the next 2 years. Is there a facility to allow for that sort of escalation?
Answer: Tenderers are to bid based on their interpretation of the market in Papua New Guinea. However, if circumstances beyond the Contractor's control were to dramatically change, the Contractor may come to AusAID with an argument for further funding to address an increase in rent and the rent amount under the Contract may be renegotiated. However, for the purpose of bidder's Financial Proposal, bidders should state any assumptions or explanation for rates under their tables in their Financial Proposal where they feel such explanations are necessary.

12. **Question:** Under clause 6.10(vii) of Part 1 relating to other security costs under the Fixed Management Fee, Contractors are expected to pay for security for advisors. Given the likely impact that the Liquefied Natural Gas project may have on the cost and availability of security and other locally engaged staff in Port Moresby, what assumptions can be made about the these costs?
Answer: This clause is a catch all for program office personnel costs. Security costs for technical advisors will be part of the budget and costs of delivering a technical adviser. This will be reimbursed out of the EPSP Imprest Account. See also clause 8 of Annex B to the Scope of Services.

13. **Question:** Can you please outline the taxation status for employees and advisors working on EPSP? Will income for long term and short term personnel, technical advisors and program office personnel be subject to PNG taxation?
Answer: AusAID does not provide taxation advice. We recommend that independent taxation advice be sought if necessary.

14. **Question:** In terms of diagnostics reviews undertaken to date on PNG government departments, do AusAID or the PNG Government have a preferred methodology in plans and do any relevant reviews already exist?
Answer: Where possible, AusAID can provide existing diagnostics to the successful bidder or assist the successful bidder to obtain these from the PNG government. However, there are no existing diagnostics of agencies in the form that AusAID is expecting and requiring for the EPSP. AusAID is looking for a fresh approach to undertaking capacity diagnostics at the agency level. AusAID and the new Contractor will agree on a methodology on the diagnostics, which may build upon previous work where appropriate.

15. **Question**: You mentioned 10 departments in the PDD. Can you please give us a list of possible partner agencies?
Answer: Partner agencies may possibly include PM&NEC, DPM, DNPM, Treasury, Finance, DLIR, IRC, AGO, CSTB and PNGIPA.

16. **Question:** Can you please provide more information about the role of the Public Sector Adviser, particularly in relation to the Public Sector Adviser's interactions with the EPSP program office?
Answer: The Public Sector Adviser will be contracted directly by AusAID and AusAID will manage their performance. The Public Sector Adviser will have no management role in the EPSP Program Office but effective coordination between the Public Sector Adviser and the Program Office will be critical. AusAID has previously stated that the role of the Public Sector Adviser will be a position located within AusAID initially. However, at some point, AusAID might seek to place him/her in the Program Office or in a PNG Government agency. AusAID envisages this will be a purely advisory role, providing intellectual and technical inputs for AusAID, particularly in the development of the Annual Strategic Frameworks and agency-level Partnerships for Capacity Development. The Adviser will not have a decision making role in the Program Management Group and will not manage performance of contracted inputs. The Adviser will also facilitate important linkages with other AusAID programs.

17. **Question:** With regards to a like-for-like assessment of the allowances for program personnel, there would be a discrepancy between personnel with a family verses personnel with no family. Had you though about separating so only having salary component inside the like-for-like?
Answer: AusAID has considered this issue and has decided to leave the requirement in place.

18. **Question:** Will GST on imprest and grant amounts be inside the stated amount of $25million a year for EPSP?
Answer: GST, where payable, will be included in the $25million appropriated for EPSP. However, the $25million a year will pay for all AusAID program costs, so $25million may not go through the EPSP contract each year.

19. **Question:** How will the costs for vehicles and the recruitment of Technical Assistance (TA) personnel be reimbursed?
Answer: If there is a request/proposal for TA, then the Contractor will be asked to support that proposal by analysing an agency's Terms of Reference and drafting a budget proposal for the TA. For example, these costs will vary depending on the duration of the placement, technical skills of the position and additional costs that may be required to support the placement (such as equipment, computers, phones, personal vehicles etc) and how these will be provided (e.g. leased or purchased). These costs are to be included in the budget proposal and, if approved, will be paid by funds drawn down by the EPSP Imprest Account. A Variable Management Fee, if appropriate, can be claimed within the budget proposal

20. **Question**: The final sentence in paragraph one of Annex L of the Scope of Services (page 116) states, "The Managing Contractor will propose the extent and structure of the inputs during the Tender process". What does AusAID expect by this?
Answer: This sentence is saying that AusAID is not specifying a position for these inputs, rather it is up to the Contractor to propose an approach for providing and managing these inputs in their bid. For example, training is a specialist input. It is up to the contractor to determine whether, for example, to engage a full time position dedicated to managing all training needs and inputs for EPSP, a part time position, a set number of month's inputs, to enter into a subcontract for training or another means.

21. **Question:** Concerning Part 1 Clause 4.3 (Annexes) and specifically Annex 2 – Work Plan: Can you please clarify the required duration (ie. mobilisation, first 6 months or whole program)?

22. **Answer:** This is to cover the period of the first 12 months (expected to be 1 April 2010 to 31 March 2011) and this will include the delivery of Milestones 1 to 5. Milestone 5 is "2010 Program Annual Report".

Attachments to this Addendum

1. PNG Advisory Support Facility II Organisational Chart.

2. PowerPoint presentation given at the EPSP Pre-Tender Briefing on 5 November 2009 on the Project Design Document by Warren Turner.

3. PowerPoint presentation given at the EPSP Pre-Tender Briefing on 5 November 2009 on the Scope of Services and Basis of Payment by Jim Catchlove.

4. PowerPoint presentation given at the EPSP Pre-Tender Briefing on 5 November 2009 on the Request for Tender by Tamara Green.

All other information as set out in the RFT dated 17 October 2009 remains unchanged.