



Australia Indonesia Partnership

Kemitraan Australia Indonesia



Pre-Tender Briefing - LOGICA 2

Australia-Indonesia Partnership:

An Overview

Jakarta, 15 May 2009



AIP – Australia Indonesia Partnership

- AIP launched in June 2008
- \$2.5 billion over 5 years
- Five priority provinces – including Aceh
- Goal of the AIP: to work in partnership with the government of Indonesia to achieve a more prosperous, democratic and safe Indonesia



Sub-national governance

- A theme across all sectoral programs
- Improved sub-national governance will support better service delivery
- Australia's aim in improving sub-national governance is to unlock the GoI's own resources, and respond to community needs
- Strategy of Australian engagement addressing sub-national governance



Australia's engagement with Aceh

- From post-tsunami to post-conflict
- Commitment to peace, stability and prosperity
- Five years, up to \$50 million
- LOGICA the centrepiece of Australia's engagement in Aceh



Aceh context

- Continued poverty, inequality – despite wealth and resources
- Risks to peace process
 - Peace remains fragile – reintegration of ex-combatants
 - Poverty and inequality in deriving benefits from natural resource incomes, government resources and post-tsunami assistance



Aid Effectiveness Principles

- 1. Ownership**
- 2. Alignment**
- 3. Harmonisation**
- 4. Managing for results**
- 5. Mutual accountability**



Jakarta Commitment

- **Strengthening country ownership over development**
(using government systems, improve international governance of aid, strengthening south to south cooperation)
- **Building more effective and inclusive partnership for development**
(increase ownership, donor dialogue and coordination)
- **Delivering and accounting development**
(strong framework for measuring and monitoring, joint review by Gov of Indonesia and development partners)



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Local Governance Innovations for Communities in Aceh (LOGICA 2)

Pre-tender Briefing
Friday 15 May 2009



Aceh – general context

- Law on Governance of Aceh (LoGA) No. 11/2006 regulates Aceh's special autonomy and special regional status.
- Main sources for the Aceh provincial budget derived from:
 - special autonomy funds (est. Rp3.53 trillion per annum)
 - oil & gas revenue funds (est. Rp2.2 trillion per annum)
- Wide disparities exist in performance and resources across districts
- Continued fragility at both political and development level



Current AusAID Programs in Aceh

Programs completing in 2009

- Local Governance and Infrastructure for Communities in Aceh (LOGICA)
- Communities and Education Program in Aceh (CEPA)
- Aceh Research and Training Institute (ARTI)
- Asset Mapping Assistance Project (AMAP) for Aceh and Nias
- International Finance Corporation Private Enterprise Partnership for Aceh and Nias (IFC PEPAN)
- Aceh Water Resources and Aquaculture Program (AWRAP)

New program commencing in 2009

- Support for education Sector Development in Aceh (SEDIA)
- Local Governance & Innovations for Communities in Aceh (LOGICA 2)

www.indo.aisaid.gov.au



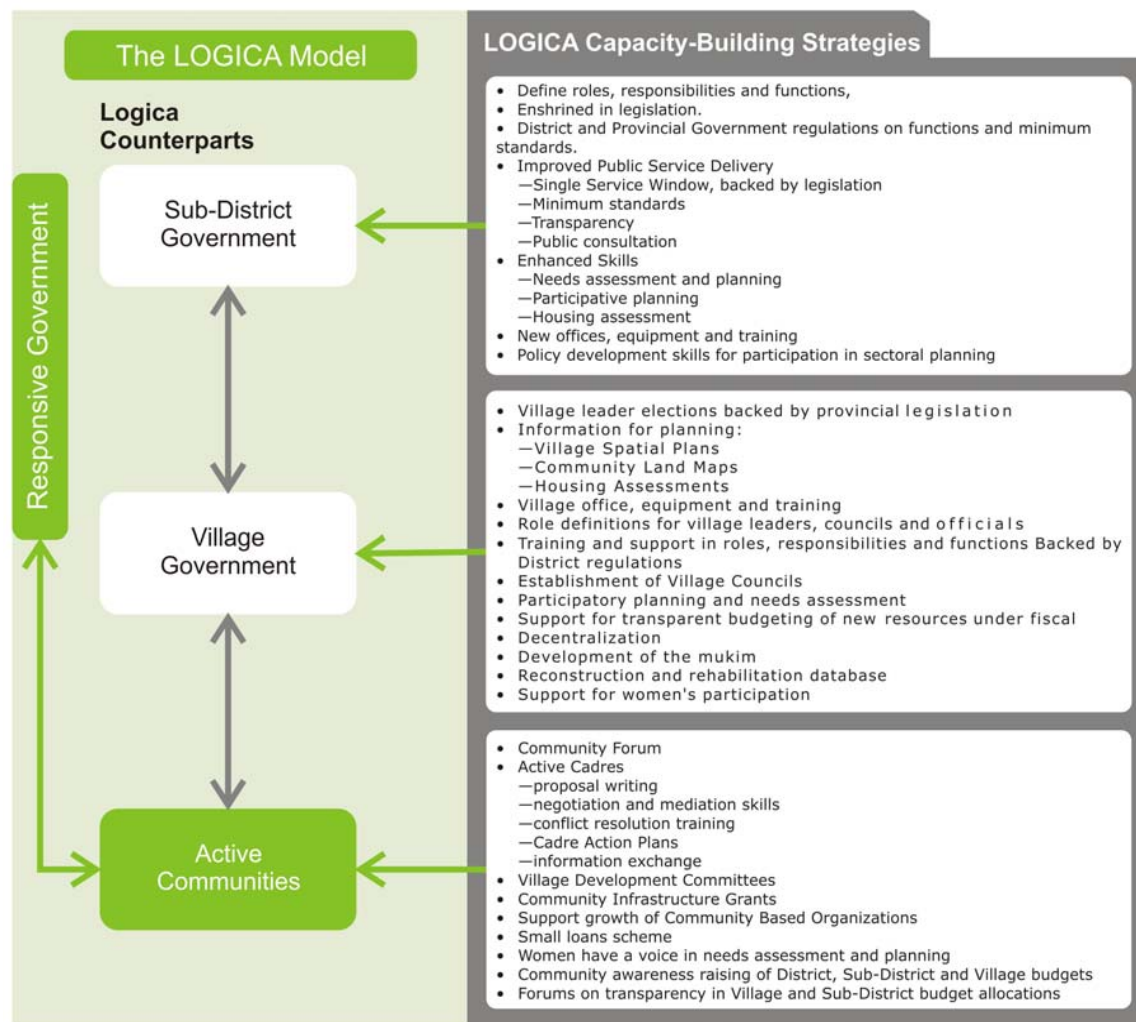
LOGICA I

(January 2006 – September 2009)

- Started as tsunami response
- Focused on aspects of local governance around tsunami related reconstruction
- Four main components
 - Re-establishing land ownership
 - Strengthening sub-district governments
 - Re-establishing village-level communities
 - Community Housing Assistance Monitoring Program (added subsequent to initial design)
- Cross cutting activities : Gender, transparency
- Since January 2008 changed it's focus to building ***active communities and responsive government***

The LOGICA 1 Model :

“Active Communities – Responsive Governments



The LOGICA 1 Model :

“Active Communities – Responsive Governments” (Continued)

Active Communities	Responsive Governments
- Equipping village representatives to be advocates - Strengthen the role of Village Development Committees (small infrastructure projects) - Responding to community housing problems - Formalising civil society and village governance (e.g. village councils, CBOs). - Generating livelihoods through small businesses - Promoting gender equity (e.g. awareness raising, public education, women elected village heads) - Managing village infrastructure - Awareness of land law and advocacy for community representatives	- Reforming administrative systems at the sub-district and district offices (e.g. records keeping, use of computers, regulations) - Improving service delivery - Streamlining business licensing - Better health outcomes for villages - Establishing a permanent operating base for sub-district government - Promoting transparency and accountability (e.g. published time and cost in SWS, OSS, citizen charters)

Success factors and lessons learned from LOGICA 1

Planning and Management

- Acehnese staff – development and implementation
- Strong partnership approach between contractor and AusAID and between contractor and partner government
- Appropriate levels of resourcing dedicated to project input
- Iterative, flexible design based on continuous learning and emerging needs
- Focused on achieving immediate and tangible results
- Provide a 'suite' of support services, which can respond to different livelihood needs
- Mainstream such issues as gender and transparency by allocating dedicated resources, and initiating practical actions.



Success factors and lessons learned from LOGICA 1 (continued)

Community support

- Promote participatory planning and management approaches from the outset.
- Provide adequate resourcing for Village Facilitators and Village Cadres mobilisation (or their equivalent).
- The quality of village leadership is critical.
- Effective capacity building strategies incorporate a focus on 3 levels concurrently - institutions, systems and individuals.
- Consciously promotes gender equality by using cultural and religious principles in the Aceh context



Success factors and lessons learned from LOGICA 1 (continued)

Government services

- Working from the bottom up work (i.e. start from the village government)
- Provincial and district authorities need to be engaged (early and on-going)
- Use written agreements to formalise support arrangements
- Pick discrete high value services to demonstrate improvements (SWS, OSS, Public Health Reform)
- Local 'study visits' are a cost effective way of promoting learning and change (i.e. peer to peer learning in Indonesia works)
- Investment in M&E and baselines will pay off in obtaining long term support to replicate and scale up



LOGICA 2 Goal and Objective

Goal :

To contribute to a stable and peaceful Aceh by supporting effective governance that addresses priority village needs.

Objective :

In response to community-wide advocacy, Governments deliver services to improve living standards



LOGICA 2 – Approach

Flexible design – partnership – equal focus on 2 program components

Active Communities

- Gampong communities identify, analyse and prioritise their needs.
- Communities represent their priorities to government and effectively advocate for improved services
- Communities measure the impact of services on living standards and contribute to service delivery reform

Responsive Government

- Governments understand community priorities and the needs of the marginalised
- Governments deliver services and allocate resources to address the priority needs of communities
- Governments improve and replicate services in response to community feedback



Principles for Engagement

- Partnership and Building Local Capacity
- Sustainability and Replication
- Progressive Engagement
- Flexibility and Responsiveness
- Gender and Social Inclusion
- Community Empowerment
- Commitment to Reform
- Innovation and Continuous Learning
- Peace-building and Social Cohesion



Program Timing & Location

- It is anticipated that the project will commence in September 2009 and will continue over three years with an option to extend for a further two years
- LOGICA2 will work with up to 2,200 villages across up to twelve Districts in Aceh.



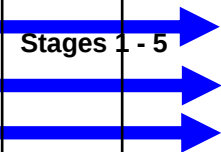
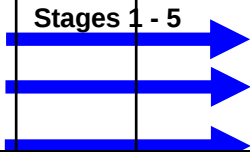
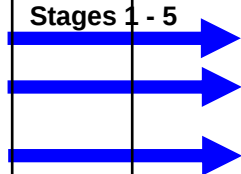
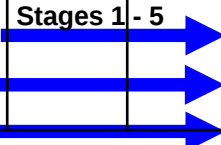
How LOGICA 2 will work

- Implement multiple parallel program activities
- Use of existing government systems, if not, use simple and applicable systems that can be replicated by GoI
- Use of facilitators
 - local government offices (Kabupaten and Kecamatan),
 - targeted Villages
- Small grant schemes (approx. AUD 5 million)
- On-going strong coordination with AusAID and other relevant donor programs, with PNPM as the primary focus

How LOGICA will work (cont.)

Active Communities Component (Component 1)	Responsive Government Component (Component 2)
Stage 1: Preparation and Research (both components) – 3 months	
<u>Stage 1(a):</u> Determine target Kabupaten Kecamatan and Gampong <u>Stage 1(b):</u> Engage with other donor programs	
Stage 2: Stakeholder Engagement - 3 months	
<u>Stage 2(a):</u> Engage with target Gampong	<u>Stage 2(b):</u> Engage with Kabupaten/ Kecamatan offices
Stage 3: Participative Needs Assessment and Action Planning – 6 months	
<u>Stage 3(a):</u> Gampong communities identify, analyse and prioritise their needs through participative consultation <i>(Intermediate Outcome 1, Outcome 1(a))</i>	<u>Stage 3(b):</u> Governments understand community priorities and identify possible improvements in existing consultative, administrative, planning and service delivery systems. <i>(Intermediate Outcome 2, Outcome 2(a))</i>
Stage 4: Advocacy, Service Reforms and Performance Monitoring – 12 months	
<u>Stage 4 (a):</u> Gampong communities represent their needs to government and advocate for improved services <i>(Intermediate Outcome 1, Outcome 1(b))</i> <u>Stage 4(c):</u> Gampong communities monitor and measure the performance of services and contribute to service delivery reforms and replication by government <i>(Intermediate Outcome 1, Outcome 1(c))</i>	<u>Stage 4(b):</u> Governments implement service delivery reforms to address community priorities <i>(Intermediate Outcome 2, Outcome 2(b))</i> <u>Stage 4(d):</u> Governments continuously improve and replicate services in response to community feedback <i>(Intermediate Outcome 2, Outcome 2(c))</i>
Stage 5: Consolidation and replication - ongoing	
<u>Stage 5(a):</u> Gampong communities seek reforms in other areas of unmet meet <i>(Intermediate Outcome 1, Outcomes 1(a)-(c))</i>	<u>Stage 5(b):</u> Governments engage with Gampong communities to implement reforms in other priority areas <i>(Intermediate Outcome 2, Outcomes 1(a)-(c))</i>

Proposed Phased Roll Out and Geographic Coverage

Kabupaten	Yr 1	Yr 2	Yr 3	Yr4	Yr 5	No. Target SDs	No. Target Gampong	
Phase 1: 1. Aceh Jaya 2. Pidie 3. Aceh Singkil						2-3 5-12 2-5 Range = 9-20 SD	34-86 146-366 23-58 Range = 203-510 V	
Phase 2: 1. Aceh Timur 2. Aceh Selatan 3. Nagan Raya						4-11 3-8 1-3 Range = 8-22 SD	97-242 49-123 44-111 Range = 190-476 V	
Phase 3: 1. Aceh Utara 2. Bireun 3. Aceh Tengah						5-14 3-9 3-7 Range = 11-30 SD	171-427 122-305 54-134 Range = 347-866 V	
Phase 4: 1. Aceh Tamiang 2. Aceh Tenggara 3. Aceh Barat Daya							2-6 3-8 2-5 Range = 7-19 SD	43-107 77-193 26-66 Range = 146-366 SD
Totals						35 – 91 Kecamatan	886-2,218 Gampong	



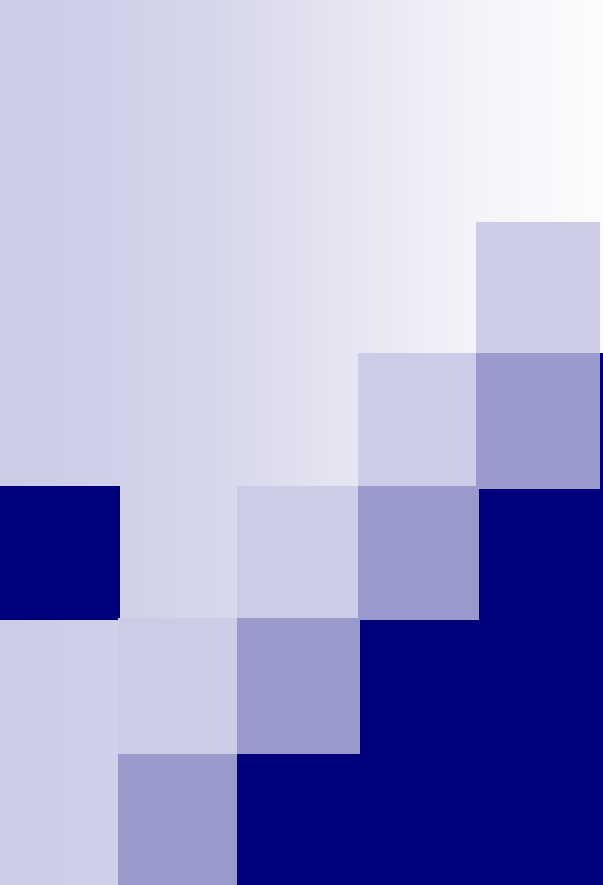
M&E Arrangements

- LOGICA 2 M&E Frame Work
 - Need to focus on outcomes not only outputs
- Base line data from LOGICA 1
- Monitoring Review Group → annual



Cross cutting issues to be considered.....

- Anti corruption
- Gender
- Environment
- Partnerships
- Donor Harmonisation
- Harmonisation with other AusAID activities
- Child protection
- Disability



Terima Kasih



Australian Government

AusAID

The Australian Government's
Overseas Aid Program

Local Governance Innovations for Communities in Aceh (LOGICA2)

- Industry Briefing and overview of the tender process

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

Structure of RFT

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



LOGICA2 Tender

[per Addenda 1 issued on 06 May 2009]

- Tender Closing Time

- ◆ 2.00pm CBR time (11.00am JKT time) 22 June 2009

- Mode of Submission

- ◆ Electronically via AusTender at <http://www.tenders.gov.au> before the tender Closing Time
- ◆ Hard copy, deposited in the Canberra Tender Box before the tender Closing Time.

Electronic Submission

Technical Proposal (Tender Schedule A and B)

- ★ One (1) separate file in English and One (1) separate certified true translation in Indonesian
- ★ Declaration from Senior Representative that the Indonesian translation of Tender Schedule A and B is a true and accurate translation of the English version.

Financial Proposal (Tender Schedule C)

- ★ One (1) separate file in English only

Financial Assessment Material (Tender Schedule D)

- ★ One (1) separate file in English only



Hard Copy Submission

Technical Proposal (Tender Schedule A and B)

- ★ One (1) printed Original and 3 (three) copies in English. One (1) certified true translation in Indonesian
- ★ Declaration from Senior Representative that the Indonesian translation of Tender Schedule A and B is an true and accurate translation of the English version.

Financial Proposal (Tender Schedule C)

- ★ One (1) printed original in English only, in a separate sealed envelope

Financial Assessment Material (Tender Schedule D)

- ★ One (1) printed Original copy in English only, in a separate sealed envelope

CD

- ★ One (1) CD containing PDF versions of the application
- ★ Both the name of the tender and your name should be written on the outside of the package



Conforming Tender

- Technical Proposal (Tender Schedule A)
 - ◆ Management Capability Statement (up to five (5) A4 pages)
 - ◆ Statement of Approach (up to five (5) A4 pages)
 - ★ Annex 1 Past Experience Forms (up to three (3) forms – one page each, A4)
 - ★ Annex 2 Six Month Workplan (GANTT Chart up to two (2) A3 pages, plus up to two (2) A4 pages narrative)
 - ★ Annex 3 Personnel Inputs Bar Chart (up to four (4) A3 pages)
 - ★ Annex 4 Letters of Association (1 page per organisation)
 - ★ Annex 5 Commonwealth Government Policies Compliance

Conforming Tender

- Specified Personnel (Tender Schedule B)
 - ◆ List of personnel (referees, commitments in table provided)
 - ◆ Curriculum Vitae (up to two (2) A4 pages per nominated person)
- Page limits (above) refer to the English version of the tender response
- Certified true and accurate Indonesian translation of Tender Schedule A and B
- Tender Declaration Form

Conforming Tender

■ Financial Proposal (Tender Schedule C)

Reimbursable Costs

- ◆ Table 1 – Long Term Personnel Costs
- ◆ Table 2 – Short Term Personnel Costs
- ◆ Table 3 – Long Term Personnel Costs (Option Period)

Fees

- ◆ Table 4 – Profit and Management Fee
- ◆ Table 5 – Escalation to Profit and Management Fee

Attachment A - Insurances

- ◆ Table 6 - Tenderer's Bid Price

Preparing a Financial Proposal

Personnel Costs

- Personnel engaged to assist in the development of a strategy specifically for the Project and/or assist in the development of deliverables by the Contractor – **Long/Short Term Personnel or Profit and Management Fee**
- Technical assistance to support local and village governments and communities, including village facilitators and district coordinators - **Imprest Account**



Personnel Costs cont...

Reimbursable Long and Short Term Personnel (Part 1 Tender Schedule C Tables 1 and 2)

- Please note that the rates actually paid by the Contractor to Long and Short Term Personnel will be the amounts reimbursed by AusAID up to the amount stated in the contract.
- If the rates paid to personnel are lower than the rates stated in the contract then the Contractor will not be entitled to difference.

Clarification: Profit and Management Fee

- Delete Part 4 Clause 6.2(o) and replace with the following:
 - ◆ “(o) any Australian Goods and Services Tax.”
- PMF Escalator – formula for application

$$\frac{[\text{PMF value (A\$)}]}{[36 \text{ (months)}]} \times [\text{duration of extension period (months)}] \times [X\%] = \text{PMF value for extension period.}$$

Conforming Tender

- Financial Assessment (Tender Schedule D)
 - ◆ Option 1 of Option 2
- Tenderers should be aware that AusAID may contact the nominated company accountant to obtain clarification of bid or further information.
- AusAID intends to utilise external expertise to analyse the financial information of the preferred tenderer.
- Financial information will be treated with confidence by AusAID and will not be made available to the Technical Assessment Panel.

Assessment Process

- AusAID will check tenders for conformity
- TAP assesses written technical proposals
- A short list of tenderers may be invited to interview
 - ◆ Interviews – nominated Team Leader, at least one other adviser and company representative; in Jakarta
- Following interviews a final aggregate technical score will be determined. AusAID will combine this with the financial assessment as a recommendation to the appropriate AusAID delegate for approval



Value for Money

- The Financial Management and Accountability (FMA) Act requires AusAID to achieve a value for money outcome.
- Value for Money means ‘the best available outcome when all relevant costs and benefits over the procurement cycle are considered’
- There is no formula to assess value for money, and cost is not the sole determining factor in assessing value for money, lowest price is not a reliable indicator of value for money.



Assessment of Value for Money

- AusAID considers the following:
 - ◆ technical ranking of tenders,
 - ◆ overall cost of the tenderers bid,
 - ◆ overall past experience - a record of achievement, satisfaction of previous clients,
 - ◆ tenderers ability to undertake the work at the price tendered – able to deliver quality outcomes, on time and on budget, and
 - ◆ tenderers financial capacity to meet contractual obligations, incl. an assessment of any risks associated with the structure of the financial proposal.



Addressing Value for Money

- Flexibility to adapt to change
 - ◆ Does your bid recognise the need for flexibility in the environment in which it will be implemented?
 - ◆ Does it propose strategies to manage change?
 - ◆ Is the proposal balanced in terms of its articulation of inputs, outputs, outcomes, risks, costs, quality and timeliness and overall effectiveness?
 - ◆ In your proposal, you should demonstrate to AusAID the value for money merits within the page limit for the technical proposal



Questions on LOGICA2 RFT

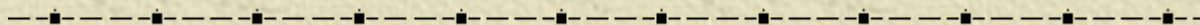
- Questions need to be submitted in writing to the RFT contact person no later than 14 days prior to Closing Time (i.e. 8 June 2009)
- Contact Person: Sari Siahaan
- Email address: logica2@ausaid.gov.au
- AusAID will respond to all questions via the issue of an addendum to the RFT, no later than 7 days prior to Closing Time (i.e 15 June 2009).

Key Dates

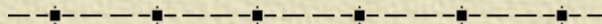
8 June	Final date for questions to AusAID on RFT (14 days prior to closing date)
15 June	Final date for AusAID to issue addenda incl. responding to questions (7 days prior to closing date)
22 June	RFT closing date
w/b 13 July	TAP short-listing
w/b 20 July	TAP assessment of technical proposal, interviews and TAP recommendation
July – August	AusAID approval of preferred tender, contract negotiations
September	Project starts on contract signature



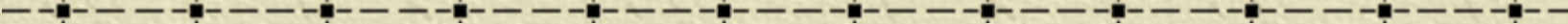
Local Governance Innovations for Communities in Aceh (LOGICA2)



Pre-Tender Briefing
15 May 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

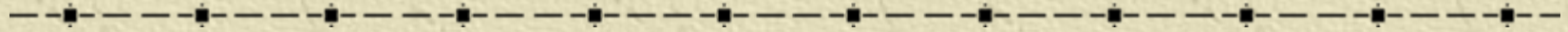
1.1 Value for Money

- 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