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Digital Transformation Agency

REQUEST FOR TENDER TENDER EVALUATION PLAN

[Records and Information Solution DTA-ICT-119]

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Contents

PURPOSE OF TENDER EVALUATION PLAN (TEP)	5
EVALUATION TIMELINE	5
GOVERNANCE	6
<i>Tender Evaluation Plan</i>	6
<i>Authority to enter into Agreement</i>	6
TENDER EVALUATION PANEL (PANEL)	6
<i>Purpose</i>	6
<i>Membership</i>	7
<i>Preparation</i>	7
ROLES AND RESPONSIBILITIES	8
<i>Chairperson and Tender Evaluation Panel</i>	8
GUIDING PRINCIPLES	8
<i>Process</i>	8
<i>Adherence to Tender Evaluation Plan</i>	9
<i>Probity</i>	9
<i>Communication</i>	9
<i>Confidentiality</i>	10
EVALUATION - OVERVIEW	10
<i>Process Overview</i>	10
<i>Standard Procedure</i>	11
<i>Scoring</i>	11
<i>Averaging Scores</i>	13
TENDER EVALUATION CRITERIA	13
<i>Mandatory Requirement</i>	13
<i>Evaluation Criteria</i>	13



Australian Government
Digital Transformation Agency

<i>Sub-Criteria and Evaluation Elements</i>	14
<i>Weightings</i>	14
EVALUATION - PROCESS	16
<i>Phase 1: Receipt and Registration of Responses</i>	16
<i>Phase 2: Screening of Responses</i>	17
<i>Phase 3: Detailed Evaluation</i>	20
<i>Phase 4: Clarifications and Investigations</i>	24
<i>Phase 5: Evaluation of Value for Money and Risk</i>	25
<i>Phase 6: Tender Evaluation Report</i>	27
<i>Phase 7: Contract Negotiations</i>	29
<i>Phase 8: Finalise Selection of Successful Tenderer</i>	31
ENDORSEMENT BY TENDER EVALUATION PANEL MEMBERS	32
RECOMMENDATION	33
DELEGATE APPROVAL	33
Appendix A Procurement Plan	34
Appendix B Roles and Responsibilities	35
CHAIRPERSON, TENDER EVALUATION PANEL	35
TENDER EVALUATION PANEL	35
TENDER EVALUATION PROCUREMENT LEAD	36
PROBITY ADVISOR.....	38
TECHNICAL/SPECIALIST ADVISORS.....	39
Appendix C Risk Assessment	40
<i>Table 1 - Procurement Risk/Consequence Table</i>	40
<i>Table 2 - Procurement Risk Likelihood Table</i>	41
<i>Table 3 - Risk Matrix</i>	42
<i>Procurement Risk Assessment</i>	43
<i>Examples of Common Procurement Risks</i>	44



Australian Government
Digital Transformation Agency

Appendix D VFM Comparative Assessment Model	46
WEIGHTED TECHNICAL CRITERIA	46
<i>Weighted Technical Score</i>	46
<i>VFM Comparison Chart</i>	47
<i>Technical/Price Score Index</i>	48
<i>VFM Comparison Table – (Weighted Technical Scores Only)</i>	48
WEIGHTED TECHNICAL AND PRICE CRITERIA	49
<i>Weighted Technical Score</i>	Error! Bookmark not defined.
<i>Weighted Price Score</i>	Error! Bookmark not defined.
<i>VFM Comparison Chart</i>	Error! Bookmark not defined.
<i>VFM Comparison Table – (Weighted Technical and Price Scores)</i>	Error! Bookmark not defined.
Appendix E Corporate Evaluation Elements	50
Appendix F Comparative Assessment	51
Appendix G Price Evaluation Plan	52
PURPOSE	52
GOODS AND SERVICES TAX (GST)	52
INTERNATIONAL ORDERS AND GST	52
DETAILED PRICE EVALUATION	53
a. <i>Review RFT Pricing Tables</i>	53
b. <i>Population of Pricing Templates</i>	54
c. <i>Review Assumptions</i>	54
d. <i>Management of Identified Issues and Risks</i>	54
e. <i>Clarification Questions</i>	54
f. <i>Calculation of the Total Price</i>	54
g. <i>Evaluation Baselines</i>	54
h. <i>Normalisation Adjustments</i>	55
j. <i>Retained Costs</i>	55



Australian Government
Digital Transformation Agency

k. Indexation Adjustments.....	55
a. Net Present Value Adjustments.....	55
b. Scenario Testing.....	56
c. Pricing Evaluation.....	56

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RFT ID and Title	DTA-ICT-119- Records and Information Management Solutions
Business Owner	Section 22

PURPOSE OF TENDER EVALUATION PLAN (TEP)

1. The purpose of this TEP is to outline the approach of DTA Officials and affiliates involved in the evaluation of Tenders resulting from Request for Tender (RFT) – DTA-ICT-119- Records and Information Management Solutions issued by DTA.
2. The method of procurement being employed is an Open Tender (RFT) and the RFT will be advertised on AusTender. This approach has been approved in the Procurement Plan dated 22 06 2020 and is at **Attachment 1**. The evaluation will be conducted within the Evaluation Timeline outlined at **clause 30** (Evaluation Timeline).

EVALUATION TIMELINE

3. The timeline for the conduct of the RFT evaluation process is described below.

ACTIVITY	DATE
Tender Closing Time and Date	2:00pm (AEDT) on 21 07 2020
Shortlisting of up to 4 suppliers	28 07 2020
Proof of Concept begins	04 09 2020
Evaluation Complete	16 09 2020
Evaluation Report	18 09 2020
Negotiations Complete	25 09 2020
Contract Signed	28 09 2020

4. The timeframes outlined above are estimates only and may change after this Plan is signed by the Delegate.

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GOVERNANCE

Tender Evaluation Plan

5. The Delegate must approve this TEP prior to commencement of evaluation of the Tenders.
6. Any changes to the TEP, including membership of the Tender Evaluation Panel (Panel) must be approved in writing by the Delegate.

Authority to enter into Agreement

7. In accordance with DTA AAls, all DTA officials may enter into and administer an arrangement to the limit of available funds. A DTA official that is appropriately connected to the procurement process will execute the final arrangement following final spend approval from the Delegate.
8. The Delegate will:
 - a. consider the Tender Evaluation Report (TER), including the recommendations of the TEP as to which Tenderer(s) represent best Value for Money (VFM)
 - b. approve the preferred Tenderer(s) to be invited to enter into Contract negotiations
 - c. authorise the execution of a Contract with the preferred Tenderer(s) or terminate the RFT process.

TENDER EVALUATION PANEL (PANEL)

Purpose

9. The Panel will be responsible for the oversight and operation of the evaluation process, including the screening and detailed evaluation activities, and to undertake the VFM comparative assessment.
10. The Panel will determine:
 - a. excluding any Tenderer during the evaluation process
 - b. which Tenderer(s) are assessed as representing best VFM; and

DTA-ICT-119- Records and Information Management Solutions

- c. the short-list of Tenderer(s) to be invited into Contract negotiations.
11. The Panel will make a final recommendation to the Delegate in regards to the final VFM comparative assessment and whether to execute a Contract with the preferred Tenderer(s) or to terminate the RFT process.

Membership

11. The Panel comprises the following members who also form part of the Multi-Disciplinary Procurement Team (MDPT).

PANEL MEMBERSHIP	
Role	Section 22
Chairperson	
Procurement Lead	
DTA Procurement Team and Probity Advisor	
Member	
Member	
Advisors and members of the Multi-Disciplinary Procurement Team (MDPT).	
Advisor	Section 22
Advisor	Department of Finance – Digital Records Transformation Initiative Team
Advisor	DTA SME as required for assessment and testing of solutions

The MDPT is a multi-agency, cross-functional and multi-disciplinary Tender evaluation team comprised of the Panel members from the DTA and the Department of Finance. The Delegate's representative is the Chairperson of the MDPT. The MDPT will assist in the evaluation of solutions in an advisory capacity to the Panel.

Preparation

12. All members of the Panel will be briefed on their responsibilities, including the need to demonstrate impartiality and equity to all Tenderers by either the Probity Advisor (if engaged) or the Procurement Lead.

DTA-ICT-119- Records and Information Management Solutions

13. In order to ensure a confident and well prepared approach to the evaluation, the Panel and other officials or affiliates involved in the evaluation must, as a minimum:
- a. read and understand the RFT
 - b. understand the relationship between the Evaluation Criteria and the response requirements in the RFT
 - c. understand their roles and responsibilities as outlined in this TEP
 - d. understand and conform only to the evaluation processes outlined in this TEP.

ROLES AND RESPONSIBILITIES

Chairperson and Tender Evaluation Panel

14. A description of the roles and responsibilities for each of the Panel members is located at **Appendix 2**. Officials should ensure they understand their role and responsibility as part of the Panel prior to commencing a Tender process.

GUIDING PRINCIPLES

Process

15. Officials involved in a procurement process must adhere to the AAls, *Commonwealth Procurement Rules April 2019* (CPRs), any published DTA procurement policies and procedures and this TEP.
16. The evaluation must be conducted in a systematic way using a structured process to identify the procurement options, which:
- a. best satisfy the requirements specified in the RFT
 - b. accord with current DTA and Commonwealth procurement policies and procedures.

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Adherence to Tender Evaluation Plan

17. In conducting the evaluation of the Tenders, the Panel must adhere to the Evaluation Criteria set out in the RFT and processes for evaluating the Tenders against the Evaluation Criteria in accordance with this Plan and its Attachments.

Probity

18. All Officials involved in the evaluation will attend a probity briefing and act in a manner consistent with the principles and protocols of probity required in the APS.

Communication

19. Any request by Tenderers for information regarding the Request for Tender and the evaluation prior to advertising will be addressed to the DTA Contact Officer and handled by the Procurement Lead. Once received by the DTA Contact Officer, all communication with Tenderers must be formally controlled and recorded for auditing purposes.
20. Any information provided to one Tenderer must be made available to the other Tenderers on a non-attributable basis. In addition, all RFT alterations, corrections and notices should be made available to all Tenderers.
21. Additional information or clarification, e.g. contact information, may be sought from Tenderers where the information does not materially impact on the compliance or competitiveness of the Tender. This should be sought by the Procurement Lead.
22. Only the Procurement Lead may give approval for communications with any person(s) or organisation(s) outside the Panel.
23. The undertaking of formal interviews, e.g. obtaining references, will only be conducted with prior approval of the Procurement Lead and in accordance with **clause 99** (Phase 4: Clarifications and Investigations) of this Plan. A minimum of two Panel members must be present.

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Confidentiality

24. Tenders must be treated as confidential. The Tender evaluation process and any Tenders must not be discussed in public locations or with any person who is not part of the Tender evaluation process, including Panel members, the Delegate or other Technical/Specialist Advisors. Any disclosure of information relating to the Tender evaluation process to parties outside those involved with the evaluation should be undertaken on a 'need to know basis'.
25. Tenders and associated documentation must be treated as OFFICIAL: Sensitive and retained in files marked or electronically controlled as in accordance with DTA's record keeping policies. Tenders must be kept in secure folders and, if physical, not left unattended. Only Officials and affiliates involved with the Tender evaluation process should access the files. Particular care must be taken with information relating to any Tenders content including pricing and financial viability information.
26. No discussion is to occur with any person outside of the Panel, the Delegate or DTA Officials or affiliates mentioned in this TEP regarding any aspect of any Tenders or the Tender evaluation process without the approval of the Procurement Lead.

EVALUATION - OVERVIEW

Process Overview

27. The Tender evaluation process will be divided into the following phases:

Phase 1: Receipt and Registration of Tenders via AusTender

Phase 2: Compliance Screening of Tenders

Phase 3: Detailed Evaluation, including Proof of Concept

Phase 4: Clarifications and Investigations

Phase 5: Evaluation of Value for Money and Risk

Phase 6: Tender Evaluation Report

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Phase 7: Contract Negotiations

Phase 8: Finalise Selection of Successful Tenderer (including Delegation approval, Contract execution, and debriefing unsuccessful Tenderers).

28. Tenderers may be short listed at any time during the evaluation.

Standard Procedure

29. The following Standard Procedures will apply to the evaluation of this Tender:

- a. detailed Evaluation Workbook will be provided by the Procurement Lead
- b. evaluation of Tenders will be recorded using the Detailed Evaluation Workbook
- c. the Panel will be responsible for the Corporate Evaluation as well as the Pricing Evaluation
- d. the Panel will not be permitted access to pricing information until the technical scoring is complete
- e. the Panel will be permitted access to all technical capability responses
- f. each member of the Panel must evaluate each Tender individually
- g. once all Tenders have been evaluated by each member, the Panel will convene and facilitate a group discussion. The objective of this discussion is to agree a single score for each Tender in that evaluation category, together with the reasons for the score.

Scoring

30. Each member of the Panel must score each Tender against the Evaluation Criteria. Each Panel member must record the reasons for the scores they have awarded against each of the Evaluation Criteria including the details of any risk identified.

31. Weightings, if any, will then be applied to each score in accordance with those specified in **clause 47** (Weightings). The rating table below provides sufficient detail to assist members of the Panel to remain objective in applying scoring for technical criteria.

DTA-ICT-119- Records and Information Management Solutions

32. The Panel must meet to discuss scores with particular reference to any major differences in the assessment by individual Panel members. A summary of the group assessment must be recorded and is to include the details of the revised risks. Broad consensus, but not necessarily unanimity, should to the extent possible be achieved within the Panel scoring.
33. The Panel may moderate their scores having regard to reasons/ arguments presented by other Panel members.
34. Following the moderation of scores by the Panel members, the moderated score provides the overall score for each criterion, for each Tender. These scores are multiplied by the applicable weighting factor and the results aggregated to arrive at a numerical rating of technical worth for each Tender.
35. The descriptions in the definition column are intended to act only as guidance on assessing ratings. They are not intended to be wholly inclusive of the issues to be taken into account, nor should they be applied literally.

SCORE	QUALITY/ EXPERIENCE / APPROPRIATENES S	REQUIREMENT / FUNCTIONALITY
5	Excellent	The Tender satisfies the Selection Criteria to a very high standard and presents minimal or no risk and its claims are fully supported by the information provided
4	Very Good	The Tender satisfies the Selection Criteria to a very high standard and presents minimal or no risk and its claims are fully supported by the information provided
3	Good	The Tender satisfies the Selection Criteria to a high standard and/or presents limited risk. The claims are supported by the information provided
2	Satisfactory	The Tender satisfies the Selection Criteria to a satisfactory degree and/or presents an acceptable level of risk. There are some minor deficiencies and shortcomings in the information provided
1	Poor	The Tender does not satisfy the Selection Criteria and/or presents an unacceptable level of risk to the Commonwealth.
0	Non-Compliant	Non-compliance either stated or demonstrated by the Tenderer or there is insufficient information to assess, high risk.

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Averaging Scores

36. Tender evaluation scores must not be averaged in order to arrive at a decision. Final scores must be arrived at by group agreement. Judgement must be applied in reaching the final recommendation. Where consensus among Panel members cannot be reached, the Chairperson will make a determination. Differences must be noted in the TER.
37. The Procurement Lead will combine both weighted and unweighted criteria and the data and information contained in the Detailed Evaluation Workbook for the Panel to conduct the Value for Money (VFM) assessment.

TENDER EVALUATION CRITERIA

Mandatory Requirement

38. The Mandatory Requirement must be identical to those published in the RFT and set prior opening any Tender.
39. A Tender failing to satisfy any Mandatory Requirement will not be evaluated and will be excluded from further consideration.

Evaluation Criteria

40. The Evaluation Criteria and any weightings must be identical to those published in the RFT.
41. Where a requirement is identified in the Procurement Plan to allow Tenderers to submit a Tender to provide Goods and/or Services in full or part thereof, it will be necessary to plan for an evaluation with options that enables the Panel to assess Tenders based on the Tenderers ability to provide the requirements in total (package) or, part thereof (itemised).
42. If required, this approach must be clearly identified in the RFT documentation and for ease of evaluation, should clearly specify how each Tenderer must present their Tender and pricing to allow a like comparison across Tenders. If this approach is considered, this Plan should be altered to give guidance to:
 - a. how the options will be scored
 - b. whether to favourably weight the preferred method (package)

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- c. identify the process whereby the VFM outcome warrants for a multi stage evaluation, which could result in more than one successful Tenderer.

Sub-Criteria and Evaluation Elements

43. Evaluation Criteria, where appropriate, are broken into Sub-Criteria for the purposes of focussing the evaluation. Sub-Criteria, where appropriate, are further broken down into a number of Evaluation Elements, which correspond to the specific response requirements to be provided by Tenderers in accordance with the Tender Response Templates.

Weightings

44. The weighting of any Evaluation Criteria (which must total 100) is the decision of the Panel prior to approval by the Delegate of the RFT, as this may be published with the release of the RFT.
45. Weightings for Sub-Criteria are listed in the following table. Sub-Criteria weightings (if any) must add to 100% of the Criterion.
46. Weightings for Evaluation Elements (if any) must add to 100% of the Sub-Criteria. Evaluation Elements and weightings are set out in the relevant Detailed Evaluation Workbook and are agreed by the Panel prior to commencement of any evaluation activities.
47. The following table sets out the Evaluation Criteria for determining VFM. The Panel must apply the below Evaluation Criteria to evaluate Tenders.

EVALUATION CRITERIA	SUB-CRITERIA	ASSESSMENT BASIS	WEIGHT (100%)
Technical Evaluation			
1. Automated identification, classification and handling	1.1 The assessment of the technical capability to deliver the objectives/outcomes identified. This will consider partial competence and alternative solutions that achieve a similar outcome for the DTA. 1.2 Ability to deliver within the DTA environment in both a	Risk-based scoring	20%

DTA-ICT-119- Records and Information Management Solutions

		technical and cultural perspective.		
2. Findability and discoverability	2.1 The assessment of technical capability to deliver the objectives/outcomes identified. This will include partial competence and alternative solutions that achieve a similar outcome for the DTA. 2.2 Ability to deliver within the DTA environment in both a technical and cultural perspective		Risk-based scoring	20%
3. Reporting and visualisation	3.1 The assessment of technical capability to deliver the objectives/outcomes identified. This will include partial competence and alternative solutions that achieve a similar outcome for the DTA. 3.2 Ability to deliver within the DTA environment in both a technical and cultural perspective		Risk-based scoring	20%
4. Governance and Strategy	4.1 The assessment of the capability to deliver the objectives/outcomes identified. This will include partial competence and alternative solutions that achieve a similar outcome for the DTA. 4.2 Ability to deliver within the DTA environment in both a technical and cultural perspective.		Risk-based scoring	20%
5. Innovation and Creative Ideas	5.1 It will be assessed against the capability to support the outcomes		Risk-based scoring	20%

DTA-ICT-119- Records and Information Management Solutions

	from an immediate record management perspective whilst also demonstrating the capability of the DTA to continue to embrace innovation and growth in critical areas of Government Record and Information management activity.		
Corporate Evaluation			
6. Compliance	6.1 Corporate structure 6.2 Financial and corporate viability 6.3 Reliance upon Subcontractors arrangements 6.4 Compliance with the Draft Contract 6.5 Compliance with the Deed of Confidentiality DSO Affiliate	Risk Level	Not weighted
7. Price	7.1 Details of Fees 7.2 Fees for additional services/Transition In 7.3 Incentives/Discounts	Risk Level	
8. Security	8.1 Compliance with requirements and standards in the RFT.		Not weighted

EVALUATION - PROCESS

Phase 1: Receipt and Registration of Tenders

Lodgement

48. Tenders must be lodged electronically via the Australian Government Tender System, AusTender, at <https://www.tenders.gov.au> before the Tender Closing Time and Date at **clause 3** (Evaluation Timeline).

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49. For any Tender submitted electronically, the time displayed on AusTender is deemed to be the correct time and will be the means by which DTA will determine that Tenders have been lodged by the Closing Time and Date.
50. Any Tender submitted by hand, fax or email must NOT be accepted.

Late Tenders

51. Any attempt to lodge a Tender after the Closing Time and Date will not be permitted by AusTender. Such a Tender will be deemed to be a Late Tender.
52. Where an electronic submission has commenced prior to the Closing Time and Date but concluded after the Closing Time and Date, and upload of the Tender file/s has completed successfully, as confirmed by AusTender system logs, the Tender will not be deemed to be a Late Tender. Such Tenders will be identified by AusTender to DTA as having commenced transmission prior to, but completed lodgement after, Closing Time and Date.
53. Late Tenders and incomplete Tenders, including those with electronic files that cannot be read or decrypted, any Tenders which DTA believes to potentially contain any virus, malicious code or anything else that might compromise the integrity or security of AusTender and/or DTA computing environment, will be excluded from the Tender evaluation process.
54. The judgement of DTA as to the time a Tenders has been lodged will be final.

Electronic Tender Box Management

55. Electronic Tender box management and registration of Tenderers will be undertaken by DTA Procurement Team in accordance with DTA Electronic Tender Box Management and Opening Instructions.

Phase 2: Compliance Screening of Tenders

56. The Procurement Lead will screen all Tenders to identify those, which have failed to comply with:
 - a. Mandatory Requirements
 - b. Minimum Content and Format Requirements and/or
 - c. any Conditions for Participation.
57. The Procurement Lead will also screen Tenders to identify those which:

DTA-ICT-119- Records and Information Management Solutions

- a. contain unintentional errors of form or
 - b. are incomplete.
58. Screening is an ongoing process and the Panel may decide during the detailed Tender evaluation process that Tenders or Tenderers fall within the categories listed in **clauses 57** and **58** (Phase 2: Compliance Screening of Tenders).
59. Any Tender that fails to comply with **clauses 49 to 51** (Phase 1: Receipt and Registration of Tenders) will be excluded from further participation in the Tender process and will not go on to be included in Phase 3: Detailed Evaluation. The proposal will be recorded as 'Phase 2: Screening of Tenders – Requirements Not Met' in the TER.
60. The Panel will approve the setting aside of any Tenders that do not meet the Phase 2: Screening of Tenders requirements.
61. All Tenders that meet the Phase 2: Screening of Tenders requirements will proceed to Phase 3: Detailed Evaluation.

Other Requirements

62. Any requirements considered as essential by DTA must be clearly identified as such in the Statement of Requirement in the RFT. Where this has occurred, all Tenders must be reviewed to ensure compliance.
63. The Panel must exclude Tenders from further consideration, which have not complied with any Mandatory Requirement identified as such in the Statements of Requirement of the RFT.

Minimum Content and Format Requirements

64. The CPRs require that any Minimum Content and Format Requirements must be clearly identified as such in the RFT. Where this has occurred, Tenders must be reviewed to ensure compliance.
65. The Panel must (subject to **clauses 57** and **58**) exclude any Tenders from further consideration, which have not complied with all Minimum Content and Format Requirements identified in the RFT.

Conditions for Participation

66. Any Conditions for Participation must be clearly identified as in the RFT. All Tenders must be reviewed to ensure compliance.

DTA-ICT-119- Records and Information Management Solutions

67. The Panel must exclude any Tender from further consideration, which has not complied with all Conditions for Participation identified in the RFT.

Unintentional Errors of Form

68. If the Panel considers that there are unintentional errors of form in a Tender, the Panel may ask the Tenderer to correct or clarify the error. No material alteration or addition to that Tender is permitted.

69. If the Panel provides one Tenderer an opportunity to correct an unintentional error of form the same opportunity must be provided to all Tenderers.

70. Any decision to issue requests for correction or clarification of errors of form should at the discretion of the Procurement Lead and referred to the Probity Advisor, if required.

Incomplete Tenders

71. Tenders that are incomplete or clearly non-competitive may be excluded from consideration at any time during the Tender evaluation process. The Panel may, however, still consider these Tenders and seek clarification if it believes that this is appropriate.

72. Any decision to exclude incomplete or non-competitive Tenders should be cleared by the Procurement Lead and referred to the Probity Advisor if required.

Redaction and Removal of Pricing Information

73. The Procurement Lead will be responsible for reviewing the Tenders to identify pricing or pricing related information contained outside of the RFT Pricing Tables.

74. The Procurement Lead will be responsible for either redacting or removing pricing and pricing related information from both the hard and soft copies made available to the Panel members.

75. Pricing information will only be made available to the Panel in Phase 5: Evaluation of Value for Money and Risk.

Phase 2 Report

76. The Procurement Lead will prepare a Phase 2: Screening of Tenders Report following conclusion of the Phase. The report shall provide a summary of the screening of Tenders and identify any Tenders that have not met the

DTA-ICT-119- Records and Information Management Solutions

requirements to proceed to Phase 3: Detailed Evaluation. A Phase 2: Screening of Tenders Report template is provided at **Appendix 8**.

Phase 3: Detailed Evaluation

Stage 1 Short-listing

77. The objective of Stage 1 is to identify which Tenderers can deliver requirements to a satisfactory level on the basis of their Tenders and set aside Tenders from further evaluation in accordance with the following:

- a. where a conflict of interest exists or is perceived to exist
- b. where the Tender demonstrates a low level of compliance with the Evaluation Criteria, the Draft Contract and any other conditions that may apply
- c. where there is lack of experience in providing Goods and/or Services of a similar nature
- d. insufficient evidence of demonstrated capability to efficiently and effectively manage and provide the Good and/or Services
- e. an adverse security, integrity and/or probity check of the Tenderer
- f. an adverse or insufficient financial capability assessment of the Tenderer or
- g. the Tender is not demonstrably viable based on the tendered pricing.

78. The Panel may, at any stage during the Tender evaluation process, reach the view that a Tender or Tenderer is within the categories listed above.

79. If a Tenderer is not shortlisted, the Panel must ensure that the reasons for not short listing any Tenderer are comprehensively documented (for audit review and Tender debriefing purposes).

Stage 2 A. Technical Evaluation

80. Stage 2 A of the evaluation will identify those Tenderers that are assessed as being able to meet the RFT requirements. In doing so, the Panel must consider all relevant information for each criterion provided in each Tender and conduct an objective analysis against the Evaluation Criteria. In addition, the Panel may use material Tendered in Tenders to one Evaluation Criterion in the evaluation of

DTA-ICT-119- Records and Information Management Solutions

another criterion. The Panel will also utilise the Proof of Concept exercise as part of the technical evaluation.

81. Panel members will individually assess and score each Tender in accordance with the Evaluation Criteria specified in the TEP at **Clause 48** (Tender Evaluation Criteria) using the scoring ratings provided in the table at **clause 36** (Scoring). The individual scores will then be used to determine a consensus score prior to application of the weightings and calculation of an overall Weighted Technical Score.
82. The Procurement Lead will work with the relevant Panel members to review submissions and scores to ensure the Panel has a common understanding of each Tenderer's offering. Any differences in scores between evaluators will be reviewed. The Procurement Lead may seek clarifications from the Tenderers to enable the Panel members to arrive at a common score for each requirement.
83. The Chairperson may exercise judgement where a difference remains and will make a determination. Any differences will be documented in the TER each with their retrospective strength, weakness and risks.

Stage 2 B. Price Evaluation

84. In assessing the pricing component of Tenders, the Panel may prepare a Detailed Evaluation Workbook to allow easy comparison of the fees proposed in each Tenders.
85. Pricing is assessed on a risk adjusted basis. This may include the level of risk transfer, assumptions underpinning any costs, and other matters, which may be relevant to evaluating the level of costs and their impact upon achieving overall VFM.
86. The assessment of price in achieving VFM must take into account whether the price offered is reflective of the Evaluation Criteria detailed in **clause 48** (Tender Evaluation Criteria).
87. Stage 2 B of the Evaluation will calculate the Total Price for each remaining Tenderer. The Total Price is the tendered price plus any adjustments required to normalise the price, such as including optional components in order to achieve a like-for-like comparison. The process for evaluating price is detailed at **Attachment 7**, Price Evaluation Plan.

DTA-ICT-119- Records and Information Management Solutions

88. The Tenderer's Total Price will include all of the fees and charges, as well as relevant costs to DTA to implement and support the Tenderer's offering.
89. Other price requirements, such as conditions, payment terms, etc., may be assessed as part of the Contract compliance assessment (Stage 2 C).
90. The price evaluation will be conducted using the following broad method for each Tenders, to achieve a common price basis for comparison:
 - a. evaluation of the proposed fees and charges
 - b. analysis of any potential financial risks that could arise with the offer
 - c. incorporating any additional costs or adjustments as a result of assumptions indicated by Tenderers
 - d. consider any likely whole of life cost implications of pricing submitted with particular reference to any ongoing additional costs and or pass through and retained costs
 - e. consideration of likely financial impact of risks identified
 - f. if required, an evaluation of sensitivity analysis to assess the elasticity or sensitivity of the whole of life cost to volume and or other variations.

Stage 2 C. Corporate Evaluation

91. In assessing the corporate component of Tenders the Panel may prepare a Detailed Evaluation Workbook to document and allow easy comparison of the risks proposed in each Tenders.
92. Stage 2 C of the evaluation will determine the level of compliance of each Tenderer to the proposed Contract requirements, check referee reports and assess the Tenderer's financial stability and viability (Corporate Viability Assessment (CVA)).
93. A Tenderer's non-compliance with the Draft Contract will not automatically exclude a Tender from the Tender process, however, a Tenderer's inability to meet the Contract terms and conditions may be a risk factor considered in accordance with **clause 116**.
94. At the discretion of the Procurement Lead, following initial assessment by the Panel, a legal advisor may be engaged to undertake the assessment of the Tenderer's compliance with the Draft Contract terms and conditions and conduct

DTA-ICT-119- Records and Information Management Solutions

a review of the Statement of Compliance provided by each Tenderer. This review will identify any significant areas of non-compliance identified by the Tenderer and, to the extent possible, make an assessment of those issues that may require either significant negotiations or a substantive concession on the part of the DTA to resolve.

95. Tenders may be set aside if they do not meet minimum standards of Contract compliance, before doing so the Procurement Lead will seek DTA Legal advice.

96. The Corporate Evaluation will be conducted using the following broad method to assess the level of corporate risk for each Tenderer:

- a. Response to the proposed Contract requirements and note omissions, areas of non-compliance and associated risks to be assessed in accordance with *DTA Risk Management Framework*.
- b. Risks will be assessed in accordance with the *DTA Risk Management Framework* using the Rating Scale contained in **Attachment 3**, Risk Assessment. The individual risks identified for each Tenderer will be used to determine an overall risk rating for that Tenderer. The untreated risk will be used for the purposes of VFM comparative assessment. Mitigations identified will identify courses of action including clarification and negotiation.
- c. The evaluation findings of the corporate and risk related information supplied in each Tender will be incorporated in the Corporate Evaluation.
- d. An additional assessment will be undertaken, on the preferred Tenderer(s), of the financial viability risk, adequacy of insurance coverage and other risks such as litigation and subsequent events. Assessment will be limited to publicly available information unless further clarification is deemed necessary. A table of Corporate Evaluation assessment elements for evaluating compliance and financial stability is provided as guidance at **Attachment 5**, Corporate Evaluation Elements.
- e. The risk ratings for each Tenders is to be updated on this basis and considered by the Panel for clarification or recognised as a risk for mitigation to be addressed during negotiations.
- f. The outcomes will be documented in the TER during Phase 6: Tender Evaluation Report and or in Phase 7: Contract Negotiations.

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Stage 3 *Risk and Score Revision*

97. As part of the evaluation, the Panel must assess risk in terms of the likelihood of each Tenderer achieving what has been offered in its Tender. The degree of risk represented by the Tender will be assessed using the *DTA Risk Management Framework* to form an overall risk rating for the Tenderer. Individual assessments of perceived risk may vary among members of the Panel. The Panel must resolve variations as they are identified by discussion and the application of the risk assessment factors. The risk assessment process and factors are detailed in **Attachment 3**, Risk Assessment.
98. Following Panel discussion, any interviews with Tenderers and feedback from referees, all members of the Panel must review risks and, where applicable, revise scores.

Phase 4: Clarifications and Investigations

Clarifications

99. If during the course of Phase 3: Detailed Evaluation it is considered necessary to seek clarification from Tenderers on certain aspects of their Tender, a clarification question will be drafted by the Panel member raising the question and managed in accordance with this section: **Phase 4: Clarifications and Investigations**.
100. Clarification of Tenders may be sought from Tenderers. All requests for clarification must be in writing and from the Procurement Lead and direct that answers from Tenderers must be in writing and submitted to the Procurement Lead.
101. The Procurement Lead may consult the Probity Advisor prior to issuing any clarification question. Additional or new information must not be sought unless it is by way of clarification of elements of the information already submitted.
102. Clarifications must focus on addressing an ambiguity, error or omission, which is relevant to the evaluation of the Tender. Where a clarification is of a more general nature, then advice/information should be requested from all Tenderers.

Interviews and Presentations

103. Where interviews or presentations are conducted or required by the Panel, an agreed list of questions must be established and decisions made about which

DTA-ICT-119- Records and Information Management Solutions

questions will be transmitted to Tenderers and which will be asked directly to those Tenderers at their interviews.

104. Subsequent to interviews, further discussions within the Panel may take place to achieve broad consensus and finalise scoring.

Proof of Concept

105. Following a short-listing process, an opportunity for those selected Tenderers to present a Proof of Concept of their solutions may be provided. An agreed set of testing scenarios must be established, and decisions made about the scenarios, operating conditions and environment for the Proof of Concept will be communicated to Tenderers.
106. As much as possible those tenderers participating in the Proof of Concept will have the same amount of time and conditions to prepare and demonstrate their solution.
107. Subsequent to Proof of Concept demonstrations, further discussions within the Panel may take place to achieve broad consensus and finalise scoring.

Referee Contact

108. The Procurement Lead may undertake referee checks and formally control all communications with the Tenderer's referees.
109. If the Panel conducts referee checks they must ensure that the same set of questions are asked for each referee and that all questions and Tenders are documented.
110. Following the conclusion of the referee checks, the Panel must reassess its previous evaluation in light of the information obtained during each referee check and reflect that.

Phase 5: Evaluation of Value for Money and Risk

Process

111. The Panel must determine overall best VFM from the evaluation of all the short-listed Tenders, and must include an assessment of risk in the context of the risk profile presented for each Tender.

DTA-ICT-119- Records and Information Management Solutions

112. The VFM comparative assessment for each Tender must be documented as part of the TER.
113. The VFM comparative assessment must also take into consideration any report recommendation from independent third parties relating to the legal status or risk assessed from any Tender.

Cost

114. The Total Price to DTA may differ from the price detailed in a Tender because differing proposals may generate different costs for DTA to consider. These costs may not have been identified in the RFT as a cost but, may be a related cost associated with the type of Good and/or Services being procured. The Panel must consider the Total Price as part of the Tender deliberations.

Assessment of Risk

115. The risk assessment must include a consideration of the Evaluation Criteria, including the Statement of Compliance.
116. In undertaking their VFM comparative assessment, the Panel must take into consideration any report of the legal advisor regarding Contractual compliance associated with each Tender and associated risks.

Risk Profile

117. In determining the risk profile presented by each Tender, the Panel must assess risk in terms of likelihood of the Tenderer achieving what has been offered in its Tender. Individual assessments of perceived risk may vary among members of the Panel. The Panel must resolve variations as they are identified by discussion and the application of the risk assessment factors.

Methodology

118. VFM is a comprehensive assessment that takes into account cost (including whole of life) represented by the assessment of Total Price; technical worth / value represented by the assessment of Weighted Technical Scores; and an assessment of the level of risk a Tender is likely to pose to DTA.
119. The following comparative assessment of VFM (where price is non-weighted) will be used to determine a preferred Tenderer(s):
- a. Technical Score - Score out of 5

DTA-ICT-119- Records and Information Management Solutions

- b. Total Price - Total price including all normalisation adjustments
 - c. Corporate Risk - Overall level of risk (risk rating).
120. The following comparative assessment of VFM (where price is weighted) will be used to determine a preferred Tenderer(s):
- a. Technical Score - Score out of 5
 - b. Total Price - Score out of 5 derived from Total price including all normalisation adjustments
 - c. Corporate Risk - Overall level of risk (risk rating).
121. An example of the VFM comparative assessment is provided at **Attachment 4**, VFM Comparative Assessment Model.

Phase 6: Tender Evaluation Report (TER)

Tender Evaluation Report

122. The Panel will maintain appropriate documentation of the decision making process for each procurement. The TER provides this, as well as being used to seek the endorsement of the Delegate to enter into negotiations with the preferred Tenderer(s), and failing this, some other course of action. The Panel must prepare the TER for submission to the Delegate for final approval.
123. A TER will be submitted that comprises the Evaluation Criteria headings, together with a brief description of the content.
124. The TER must include the following:
- a. executive summary
 - b. the RFT process followed
 - c. details of any late Tenders received and the actions taken
 - d. the actions taken by the Panel where any Conditions for Participation, Minimum Content and Format Requirements or Mandatory Requirements were not met by any Tender
 - e. evaluation rankings with scores, any comparative evaluation adjustments used during the assessment and the ranking for each Tenders

DTA-ICT-119- Records and Information Management Solutions

- f. summary of the assessment of each Tender including the risk rating and details of any identified risks rated significant or above. A summary for each Tenderer including, strengths and weaknesses, identified errors and omissions, number and nature of clarification questions and any risks and issues
 - g. copies of the Panel consensus assessment sheets for each Tender
 - h. summary of any clarifications sought
 - i. details of any discussions with Tenderers
 - j. details of any referee reports
 - k. outcomes of security integrity and/or probity checks
 - l. the proposed negotiation strategy and points of negotiation for each Tenderer
 - m. following completion of the RFT Process, where negotiations occurred, the TER should be amended to include the copies of the completed negotiation templates with the points for negotiation, the Tender to the negotiation from each Tenderer, DTA's negotiation position and the final negotiated position reached, included as appendices to the TER
 - n. recommendations to the Delegate
 - o. the justification of any recommendations.
125. The TER may recommend that:
- a. a Tenderer(s) be selected as the successful Tenderer(s) or
 - b. no Tenderer is selected as the successful Tenderer and terminate this RFT process, if that is in the public's interest and/or if no other Tender represents VFM.
126. The members of the Panel should endeavour to reach unanimity in their recommendation(s). If any of the Panel does not agree with the majority report and recommendation, that member's dissenting view (and any alternative recommendation), together with the reasons for it, must be set out in the TER.
127. The Panel can consult the Probity Advisor if required.

DTA-ICT-119- Records and Information Management Solutions

128. The Panel on completing the TER must collectively sign the report for Delegate consideration prior to commencement of negotiations (if required) or selecting a successful Tenderer.

Phase 7: Contract Negotiations

Negotiations

129. Where the Panel concludes that detailed discussions and negotiations are required with Tenderer(s) to enable the Panel to distinguish between Tenderers or maximise the benefits to DTA of the Tenderer's offer, it will inform the Delegate and utilise Phase 7: Contract negotiations of the TEP, which may include Tenderers being asked to improve any or all aspects of their Tenders.

Negotiation Plan Approval

130. The Procurement Lead should develop a Negotiation Plan for approval by the Delegate for high risk or complex negotiations. The Negotiation Plan must be approved by the Delegate before the Panel notifies Tenderers of its decision to negotiate or any negotiations commence. The negotiated outcome and impact on VFM comparative assessment must form part of the TER once negotiations are complete.
131. The Panel should use the Negotiation Plan to guide the process of negotiations. Negotiations will be led by the Procurement Lead and may involve members of the Panel or Technical/Specialist Advisors.

Preferred Tenderer(s)

132. Based on the outcome of the VFM comparative assessment as part of the evaluation process in the assessment of Tenders, DTA may enter into negotiations with one or more Tenderers (which may be parallel negotiations).
133. DTA may accept or exclude any Tender(s) in negotiations, and to decide on the inclusion of any Tender to negotiations.

Notice to Tenderers

134. Following Delegate approval of the Negotiation Plan, DTA may give notice to Tenderers that it wishes to commence negotiation with.

DTA-ICT-119- Records and Information Management Solutions

135. Notifications and exchanges of negotiation issues and Tenders from Tenderers to issues must be controlled by the Procurement Lead in accordance with the Negotiation Plan. Tenderers will be advised that DTA may use the negotiations phase to distinguish between Tenderers.
136. During negotiations, Tenderers must not be permitted to raise areas of non-compliance with the Draft Contract terms and conditions that were not stated clearly in the Statement of Compliance or elsewhere in their Tender.

Advice

137. The Procurement Lead may seek advice from the Probitry Advisor during negotiations in accordance with the Negotiation Plan to ensure that the Tenderer(s) are not given an unfair advantage.

Retracted Offer(s)

138. In the event that DTA concludes that during the RFT process, a Tenderer has retracted, or attempts to retract, representations it has made in its Tender, DTA may:
- a. suspend negotiations and consider making any adjustment to the VFM comparative assessment based on the retractions or representations
 - b. terminate this RFT process, if that is in the public's interest and/or if no other Tender represents VFM or
 - c. re-enter negotiations with other Tenderers (including or excluding the preferred Tenderer).

Negotiation Outcome

139. Concluding final successful negotiations, the Panel must review the outcomes of the negotiations and prepare a final VFM comparative assessment.
140. The final VFM comparative assessment must take into consideration the negotiated position of each Tender subject to the negotiated outcome and a review of the risks and risk rating, technical scores and whole of life costs from Phase 5: Evaluation of Value for Money and Risk where these changed are as a result of negotiations.
141. The Panel will prepare a summary of negotiated outcomes inclusive of the reviewed risk ratings, price and scores recommending the negotiation outcome.

DTA-ICT-119- Records and Information Management Solutions

The Procurement Lead will update the TER with the negotiation outcome and final VFM comparative assessment.

142. Where the revised TER reflects a VFM comparative assessment that is inferior to the assessment in the TER approved by the Delegate, the Delegate will be provided the revised TER for approval prior to proceeding to Phase 8: Finalise Selection of Successful Tenderer.

Phase 8: Finalise Selection of Successful Tenderer

Selection of the Successful Tenderer and Finalising the Contract

143. Following negotiations, or at any other stage in the evaluation process, DTA may select a successful Tenderer(s) to provide the Goods and/or Services.
144. The Contract offered to a successful Tenderer will be made on the basis of:
- the terms and conditions of the RFT and in particular the Draft Contract
 - the successful Tender
 - any negotiations with the successful Tenderer.

Notification of the Successful Tenderer

145. Neither the lowest priced Tender, nor any Tender, will necessarily be accepted.
146. A Tender will not be deemed to have been successful unless and until notice in writing for and on behalf of DTA of such an outcome is issued.
147. Acceptance of a Tender will be subject to the execution of a Contract between DTA and the preferred Delegate approved Tenderer.

Notification and Debriefing

148. Once the Contract has been executed with the Delegate approved Tenderer, unsuccessful Tenderers must be notified in writing and should be given the opportunity of a debrief.
149. DTA will notify each unsuccessful Tenderer in writing that its Tender has not been successful no later than 2 weeks after the signing of the Contract with a successful Tenderer, or the end of the Tender process, whichever is the later.

DTA-ICT-119- Records and Information Management Solutions

150. Tenderers will not be provided with information concerning other Tenders, except for publicly available information such as the name of any successful Tenderer and the total price of the winning Tender.
151. The debrief provided to Tenderers (on request) will provide feedback on their Tender bid and the relative merits against the Evaluation Criteria and will not refer to any other Tender. No confidential information about any other Tenderer will be disclosed or comparisons made with other Tenders.
152. Debriefs will be provided verbally only. Debriefs will be cleared by the Procurement Lead and/or Probity Advisor if using prior to provision.

ENDORSEMENT BY TENDER EVALUATION PANEL MEMBERS

153. I have read and agree to the process, activities and obligations set out in this TEP. I agree to evaluate the Tenders in accordance with this Plan inclusive of the Evaluation Criteria outlined at **section 8** (Tender Evaluation Criteria).
154. As a condition of participating in the evaluation process, I have read and agree to comply with the *Commonwealth Probity Principles*.

EVALUATION PANEL	SIGNATURE
<div data-bbox="689 1361 826 1395" data-label="Text">Section 22</div>	

DTA-ICT-119- Records and Information Management Solutions


Section 22

RECOMMENDATION

155. It is recommended that you approve this TEP for DTA-ICT-119- Records and Information Management Solutions:

- a. as you are satisfied that the arrangements detailed in this document comply with and meet all relevant requirements of the *Commonwealth Procurement Rules* (as updated from time to time) and the *DTA Procurement Standard*
- b. the selection methodology, assessment criteria, weightings and membership of the Panel.

DELEGATE APPROVAL

RECOMMENDATION:	
Name	George-Philip de Wet
Title	Chief Operating Officer
Signature	DocuSigned by:  2D735EE2C1734AD...
Date	28-Jul-2020

Appendix A Procurement Plan

(Document attached separately)

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Appendix B Roles and Responsibilities

CHAIRPERSON, TENDER EVALUATION PANEL

156. The Tender Evaluation Panel (Panel) Chairperson is responsible for:
- a. determining whether any Tenders are to be set aside or excluded from further participation or consideration following Phase 3: Detailed Evaluation
 - b. determining whether any Tenders are to be not considered further at any time during the evaluation because the Tender has not achieved a satisfactory standard in any of the Evaluation Criteria, including any of the technical sub-criteria
 - c. chairing all meetings of the Panel
 - d. ensuring the evaluation process complies with this Tender Evaluation Plan (TEP)
 - e. ensuring that the Panel maintains the highest standards of probity and official conduct
 - f. seeking advice where necessary from other authorities and Technical/Specialist Advisors on matters relevant to evaluation deliberations
 - g. approving the Tender Evaluation Report (TER) for submission to the Delegate.

TENDER EVALUATION PANEL

157. The role of the Panel, once established, is to:
- a. evaluate the Responses
 - b. decide what further investigations are appropriate and supervise those investigations
 - c. seek advice as required
 - d. contribute information to debrief the unsuccessful Tenderers

DTA-ICT-119- Records and Information Management Solutions

- e. prepare a TER and any related reports recommending a preferred Tenderer(s) based on an evaluation conducted in accordance with the RFT and this TEP.
158. Panel members including the Procurement Lead are responsible for:
- a. conducting the detailed evaluation in accordance with the Evaluation Criteria and approved methodology
 - b. reading and understand the RFT
 - c. understanding the relationship between the Evaluation Criteria and DTA requirements
 - d. complying, and ensure compliance with the CPRs
 - e. maintaining confidentiality and report any conflicts of interest that arise
 - f. identifying and assess risks associated with Tenders and the procurement process
 - g. determining risk management strategies for the risks identified for the preferred Tenderer
 - h. identifying if additional information is required from Tenderers
 - i. undertaking and document any further investigations of Tenderers
 - j. participating in any presentations by Tenderers if necessary
 - k. confirming previous experience of Tenderers by contacting reference sites if necessary
 - l. arranging financial status checks of the preferred Tenderer
 - m. participating in negotiations with the preferred Tenderer if necessary
 - n. ensuring that findings are based on the information supplied as part of the Tender process and ensure findings are not unduly influenced by any factor external to the Tender process
 - o. participating in Panel member discussions and review the TER.

TENDER EVALUATION PROCUREMENT LEAD

159. The Procurement Lead is responsible for:

DTA-ICT-119- Records and Information Management Solutions

- a. determining whether any Tenders are to be set aside or excluded from further participation or consideration following Phase 2: Screening of Tenders
- b. advising the Panel to ensure the Tender evaluation process is:
 - i. conducted in an objective, fair and ethical manner
 - ii. is compliant with the TEP.
- c. ensuring the Panel have read this TEP and agree to evaluate Tenders in accordance with the TEP
- d. ensuring the Panel have complied with the requirements set out in the *DTA Probity Standard* and *RFT Probity Instructions* throughout the course of the evaluation process
- e. advise the Panel on the:
 - iii. need for Tenderers to be provided with extra information during the procurement period and/or
 - iv. need for an extension to the Tender Closing Time and Date and/or
 - v. the possibility of collusion between Tenderers
- f. be responsible for the collection of Tenders
- g. approving correspondence with Tenderers for transmission
- h. assess and manage any identified risks that relate to the procurement process
- i. request attendance/seek advice of invited Specialist Advisors on matters relevant to the Tender evaluation and Panel
- j. where appropriate, invite attendance by or consult with other authorities on matters relevant to Panel deliberations
- k. where pertinent, ensure all Panel members and any Specialist Advisors have signed a Confidentiality and Conflict of Interest Declaration prior to undertaking their tasks
- l. ensure that actions and procedures are instituted to support appropriate standards of probity and official conduct
- m. ensure the Panel members are given opportunities to express opinions and are in agreement with the findings (any dissenting view should be recorded)

DTA-ICT-119- Records and Information Management Solutions

- n. when necessary, make a determination where consensus by the Panel cannot be reached
- o. chair any meetings with Tenderers and be responsible for accurately recording notes of the meetings
- p. be responsible for the preparation of the TER, including any identified Contract management issues
- q. leading and driving the Tender evaluation process and overseeing the preparation and submission of a TER in accordance with **Phase 6: Tender Evaluation Report**
- r. submit the TER to the approving Delegate
- s. conduct the debriefing of unsuccessful Tenderers.

PROBITY ADVISOR

160. A Probity Advisor will be engaged where specific probity issues arise during the evaluation. If a Probity Advisor is engaged the Procurement Lead may determine that a Probity Plan is required to be developed by the Probity Advisor.
161. If a Probity Advisor is engaged, a probity briefing will be conducted by the Probity Advisor for all Panel members prior to the commencement of Tender evaluations.
162. The Probity Advisor must provide advice to the Panel on probity matters to assist the Panel in ensuring that all Tenders are evaluated fairly, uniformly and transparently. The Probity Advisor must also be available for the Tenderers to raise concerns they may have regarding fairness throughout the Tender evaluation process. The Probity Advisor will report to the Procurement Lead.
163. The Probity Advisor will also assist the Panel in relation to legal and regulatory matters and assist the Panel in ensuring that the legal aspects of all Tenders are analysed uniformly, objectively and transparently. The Probity Advisor must provide, when and as required, any additional knowledge, experience or skills to facilitate the Panel's capability and functional assessments.

DTA-ICT-119- Records and Information Management Solutions

TECHNICAL/SPECIALIST ADVISORS

164. The Panel may call upon any official or affiliate elsewhere in DTA or from any advisory organisations for specialist/ technical support or advice. It is the role of the Technical/Specialist Advisors to provide, when called upon, additional knowledge, experience or skills to facilitate the Panel's assessments.
165. Technical or Specialist Advisors must not participate in, nor contribute to the assessment of or comparison between any Tender's relative merits.
166. Any Technical or Specialist Advisor must agree to abide to any confidentiality and conflict of interest requirements.

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Appendix C Risk Assessment

Table 1 - Procurement Risk/Consequence Table

CATEGORY SCORE	REPUTATION/ STAKEHOLDERS		FINANCIAL CAPACITY	PEOPLE/ ENVIRONMENT	SCIENCE OUTCOMES	REGULATORY/ LEGAL
	RATING					
5	Catastrophic	Reputation and image damaged. Major concerns raised by the public, industry association or company. Significant decrease in Government / stakeholder support for research.	Huge financial loss (100% or more of the whole of life procurement value).	Fatality. Permanent or severe health effects for one or more individuals. Major release of toxic pollutants resulting in long term damage to environment and/or significant compensation costs.	Research objectives significantly compromised. Premature termination of project or business unit activities due to unsatisfactory outcomes. Failure to deliver outcomes. Several major complaints/concerns raised by collaborators/customers.	Litigation or major fines. Criminal proceedings. Civil action and/or major compensation costs and/or major sanctions.
4	Major	Reputation and image severely affected. Client relationships damaged. Some concerns of performance raised by industry association and/or major client. Repeated adverse local media reference.	Significant financial loss. (between 75% and 100% of the whole of life procurement value).	Extensive injuries or serious health impacts. Significant release of toxic pollutants. Localised impact with significant clean-up costs.	Research objectives moderately compromised. Significant delays to project or business unit activities. Quality of results and deliverables severely compromised. Significant complaints/concerns raised by collaborators /customers.	Major legal or regulatory failure. Major sanction or fine received.
3	Moderate	Scientific relevance and reputation in jeopardy. Client relationships in jeopardy. Some marginal decrease of government and /or industry support.	Financial loss (between 50% and 75% of the whole of life procurement value).	Medical treatment required. Transient release of pollutants. Localised impact with no long term damage and minimal clean-up costs.	Research objectives mildly compromised. Moderate delays to project or business unit activities. Quality of results and deliverables compromised.	Legal or regulatory failure. Minor sanction or fine received.

DTA-ICT-119- Records and Information Management Solutions

2	Minor	Minor concern from public /isolated adverse local media reference. Minimal decrease in government and / or industry support.	Financial loss possible (between 25% and 50% of the whole of life procurement value).	Health impact - First aid injury. Brief transient release of pollutants that does require notification of third parties. Relatively minor clean-up required	Complaints/concerns raised by collaborators/customers. Slight delays to some project or business unit activities. Minor impact on scientific deliverables. Minor complaints/concerns raised by collaborators/customers.	Minor legal and regulatory failure. Required to inform third party of non-compliance. No sanctions or fines.	
1	Insignificant	Concerns raised within the Business Unit. No loss of government and/or industry support.	Minimal financial loss possible. (less than 25% of the whole of life procurement value).	No injuries. Brief transient release of pollutants contained on site and does not require notification of third parties. No immediate impact but requires some remedial action.	Minor delays to some research activities that can be overcome by effective management. Temporary schedule delays.	Minor legal and regulatory failure. Not required to inform third party of non-compliance. No sanctions or fines.	

Table 2 - Procurement Risk Likelihood Table

CATEGORY		LIKELIHOOD
SCORE	RATING	
5	ALMOST CERTAIN	Almost certain the event will happen during the procurement process and/or life of the Contract.
4	LIKELY	Likely to occur during the procurement process and/or life of the Contract.
3	POSSIBLE	May occur during the procurement process and/or life of the Contract.
2	UNLIKELY	Unlikely to occur during the procurement process and/or life of the Contract.
1	RARE	Very unlikely to occur during the procurement process and/or life of the Contract.

DTA-ICT-119- Records and Information Management Solutions

Table 3 - Risk Matrix

CATEGORY	CONSEQUENCE						
	SCORE	RATING	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
5	ALMOST CERTAIN	S	S	S	H	H	H
4	LIKELY	M	S	S	S	H	H
3	POSSIBLE	L	M	M	S	H	H
2	UNLIKELY	L	L	L	M	S	H
1	RARE	L	L	L	M	S	S

H	High Risk
S	Significant Risk
M	Medium Risk
L	Low Risk

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Procurement Risk Assessment

The risk assessment is a process for determining risks identified in relation to the procurement of DTA-ICT-119- Records and Information Management Solutions to determine whether the Inherent Risk Rating (IRR) and/or the Residual Risk Rating (RRR) is at an acceptable level.

Identify the Risk and the IRR using the Risk Matrix at Table 3. Then identify mitigation strategies that can be undertaken to avoid, transfer or reduce the potential that the risk will occur. Using the Risk Matrix at Table 3, identify the RRR.

RISK NO.	RISK DESCRIPTION	IRR	MITIGATION STRATEGIES	RRR
1	Selected solution is not fit for purpose	Significant	Evaluation includes proof of concept stage to ensure solution is appropriate the specific operation an environment of the DTA. This greatly reduces the risk of a suitability issues with a solution.	Low
2	Budget unavailable for preferred solution	Medium	Budget allocated is based on significant increase on the current solution. MOU with Department of Finance provides funding support for first year costs.	Low
3	No suppliers meet the requirements	Medium	Requirements expressed in terms of a problem not a specific solution to allow range of solutions and therefore suppliers with limited barriers to participation. General market knowledge and input from the Department of Finance has found a number of suppliers who would appear to be able to meet the requirements.	Low

DTA-ICT-119- Records and Information Management Solutions

			The DTA's Digital Marketplace provides an accelerated opportunity to engage a provider should this current approach fail to find suitable supplier. This includes the current provider.	
4	Provider is not engaged prior to the end of the current arrangement	Significant	The Tender timeframes provides significant time to resolve before the end of the current arrangement (4 September). The DTA's Digital Marketplace provides an accelerated opportunity to engage the current provider should this current approach fail to find suitable supplier in a reasonable time or extended coverage be required.	Low
5		Choose an item		Choose an item

Examples of Common Procurement Risks

- Goods and/or Services not fit for purpose
- scope of Services inappropriate for requirement, e.g. too broad or too narrow
- misunderstanding of user requirements
- budget unavailable
- specification is biased
- requirements poorly defined
- procurement process not compliant with internal/external policies
- terms and conditions unacceptable to the market
- probity issues

DTA-ICT-119- Records and Information Management Solutions

- unrealistic budget, e.g. all Tenderers quote higher than the estimated budget
- intellectual property issues.

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Appendix D VFM Comparative Assessment Model

WEIGHTED TECHNICAL CRITERIA

167. The following comparative assessment of Value for Money (VFM) will be used to determine a preferred Tenderer(s) where only the technical sub-criteria or evaluation elements are weighted. Note: This VFM comparative assessment model does not weight price.
168. The Evaluation Criteria will be set out for each Tenderer in a manner that allows comparison:
- Weighted Technical Score (out of 5) - calculated in the manner illustrated in the Weighted Technical Score Calculation table
 - Total Price - Total price including all normalisation adjustments
 - Corporate Risk - Overall level of risk (risk rating).

Weighted Technical Score

169. The Weighted Technical Score Calculation table below provides an example of how the individual Weighted Scores are calculated to determine an overall Weighted Technical Score.

WEIGHTED TECHNICAL SCORE CALCULATION					
Worked Example					
			Weighting	Score	Weighted Score
Weighted Technical Score = Sum (Sub-Criteria 1, Sub-Criteria 2 & Sub-Criteria 3)					4
Sub-Criteria 1	%	Weighted Score = sum (elements 1, 2 & 3) x %			2.4
Weighting			60%		4
Element 1	%	Weighted Score = Score (/5) x %	40%	4	1.6

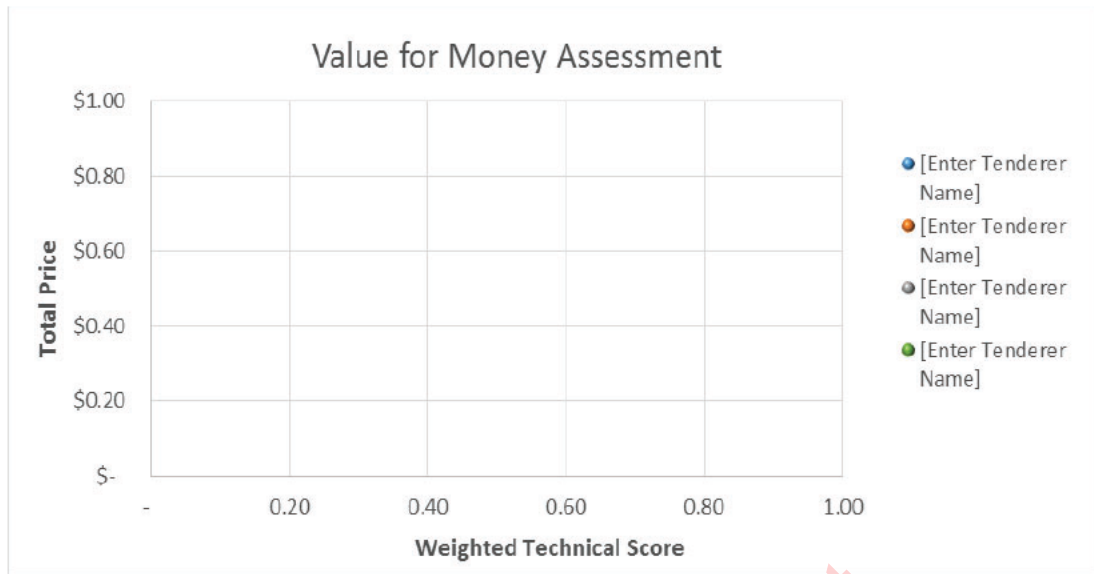
DTA-ICT-119- Records and Information Management Solutions

Element 2	%	Weighted Score = Score (/5) x %	40%	4	1.6
Element 3	%	Weighted Score = Score (/5) x %	20%	4	0.8
Sub-Criteria 2	%	Weighted Score = sum (elements 4, 5 & 6) x %			0.8
Weighting			20%		4
Element 4	%	Weighted Score = Score (/5) x %	25%	4	1
Element 5	%	Weighted Score = Score (/5) x %	25%	4	1
Element 6	%	Weighted Score = Score (/5) x %	50%	4	2
Sub-Criteria 3	%	Weighted Score = sum (elements 7, 8 & 9) x %			0.8
Weighting			20%		4
Element 7	%	Weighted Score = Score (/5) x %	33%	4	1.32
Element 8	%	Weighted Score = Score (/5) x %	33%	4	1.32
Element 9	%	Weighted Score = Score (/5) x %	34%	4	1.36

VFM Comparison Chart

170. The VFM Comparison Chart provides a visual representation of the comparison assessment. The X (horizontal) axis represents the Weighted Technical Score, the Y (vertical) axis represents the Total Price and the size of the bubble reflects the assessed level of overall risk for the specific Response. A smaller bubble represents a lower level of overall risk. The Panel can use this chart to assist in their deliberations and VFM assessment.

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Technical/Price Score Index

171. A Technical/Price Score Index will be applied to determine a Tenderer ranking order. The Technical/Price Score Index is calculated by dividing the Weighted Technical Score by the Total Price and multiplying by 100000 for each Response. A high Technical/Price Score Index represents a higher VFM outcome.

Technical/Price Score Index = Weighted Technical Score / Total Price x 100000, where

Weighted Technical Score = Total of (Criterion Score X Criterion % weighting)

Total Price = Tendered Price + Adjustments

VFM Comparison Table – (Weighted Technical Scores Only)

172. An example of a VFM Comparison Table for the Weighted Technical Score is provided below.

VFM Comparison Table – (Weighted Technical Scores Only)					
Tenderer	Weighted Technical Score	Total Price	Technical / Price Score Index	Corporate Risk	Ranking
Tenderer A	4	\$250,000.00	1.60	Low	1
Tenderer B	4	\$300,000.00	1.33	Moderate	2
Tenderer C	2.4	\$200,000.00	1.20	Moderate	3
Tenderer D	3.2	\$275,000.00	1.16	Low	4

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Tenderer E	2.4	\$210,000.00	1.14	Moderate	5
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WEIGHTED TECHNICAL AND PRICE CRITERIA

Not used

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Appendix E Corporate Evaluation Elements

ASSESSMENT AREA	DESCRIPTION	FACTORS TO BE CONSIDERED (NOT EXHAUSTIVE)
Contract Compliance	Assessment of risk to DTA based on the Tenderer's level of compliance with the proposed Contract.	Compliance with: <ul style="list-style-type: none"> • intellectual property • performance standards • indemnities • acceptance • warranties • defects • termination.
Corporate Information	Corporate stability.	<ul style="list-style-type: none"> • entity structure • corporate information • shareholdings/ultimate ownership • current office holders.
Financial Viability	Financial viability of the Tenderer.	Financial viability checks of the Tenderer's and any substantial related party: <ul style="list-style-type: none"> • financial performance • financial position • cash flow • information contained in the notes to the financial statements.
Insurance	Suitability of Tenderer's existing insurance.	Assess suitability and currency of Tenderer's insurance for: <ul style="list-style-type: none"> • public liability • product liability • professional indemnity
Other Risks	Risks identified in the RFT that were not dealt with elsewhere in the evaluation.	Risks occurring post the last available set of audited financial statements: <ul style="list-style-type: none"> • material litigation • subsequent events. ICT

Appendix F Comparative Assessment

173. The Detailed Evaluation Workbook is a separate document to be prepared as part of the RFT package.

174. The Detailed Evaluation Workbook will include:

- a. individual evaluator scores for technical criteria
- b. consensus scores for technical criteria
- c. tendered pricing and normalisation adjustments used to determine the Total Price
- d. corporate information
- e. Value for Money (VFM) calculations.

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Appendix G Price Evaluation Plan

PURPOSE

175. The Price Evaluation commences with the distribution of Tenders to the evaluation by the Tender Evaluation Panel (Panel) Facilitator following completion of all preceding requirements as per the Tender Evaluation Plan (TEP).

GOODS AND SERVICES TAX (GST)

176. Evaluation of tendered pricing is based on the GST exclusive costs as this the actual costs to DTA.
177. GST inclusive pricing is used to ensure the procurement delegate has the appropriate delegation limits.

INTERNATIONAL ORDERS AND GST

178. International Tenderers cannot charge GST on international orders, however, Australian Customs and Border Protection Services will apply GST to items imported into Australia where the value of the order is above \$1000. The value includes costs of the items and freight and insurances in Australian currency (\$AUD).
179. Where tendered pricing has been provided in a foreign currency the pricing will need to be converted manually to \$AUD.
180. GST must be added to the tendered pricing for international orders unless the ordered items are specifically exempt from GST. Exemptions apply for the following items:
- a. beverages
 - b. cars (for the disabled)
 - c. containers
 - d. course materials
 - e. diplomat goods

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- f. doctors
- g. drugs
- h. duty concessions
- i. frequently asked questions
- j. food
- k. health goods
- l. medical aids
- m. medical appliances
- n. medicinal preparations
- o. medical service-providers
- p. money
- q. precious metals
- r. returned Australian goods
- s. sea-freight containers.

181. More information regarding exemptions is available from the Australian Customs and Border Protection Services website.

DETAILED PRICE EVALUATION

182. The objective of this Stage is to determine a Total Price.

183. Tenders will also be ranked according to the Total Price, which will be used in the Value for Money (VFM) assessment.

184. The detailed Price Evaluation will be undertaken as follows:

- a. **Review RFT Pricing Tables** - The RFT Pricing Tables in each Tender are checked for inconsistencies or errors in calculations. All such occurrences are noted in the Risk Register to assist with further evaluation, and a determination of whether any clarification is required. Where a risk or issue is observed that may give risk to potential probity issue the concerns will be directed to the Probity Advisor.

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- b. **Population of Pricing Templates** - The Evaluation templates are populated with the GST inclusive pricing data from the RFT Pricing Tables submitted by Tenderers. The template facilitates the calculation of a Total Price in accordance with the services required under the Statement of Requirements.
- c. **Review Assumptions** - All the assumptions contained in the RFT Pricing Tables will be reviewed for each Tender to determine whether the assumptions require further action. Items requiring further action should be recorded in the Issues and Risks Register and managed accordingly.
- d. **Management of Identified Issues and Risks** – Review of each of the Tender may give rise to the identification of risks and issues specific to the Tender. Items recorded in the Risk Register will be identified as risks or as issues to be considered during evaluation and negotiation. Each risk and issue will be either closed based on a particular action or mitigated in a number of ways, such as Tenderer clarification, normalisation adjustment, communication to another Evaluation Panel or negotiation.
- e. **Clarification Questions** - During the evaluation, the Panel may be required to seek clarification from Tenderers with regard to aspects of their Tender. Where it is decided that clarification is required, a draft question will be prepared and issued in accordance with the procedure set out in the TEP.
- f. **Calculation of the Total Price** - The Tenders will be ranked according to Total Price.

Total Price = Tendered Price + Adjustments, where
Tendered Price = Milestone Charges + Fixed Costs + Variable Costs
Adjustments = Normalisation Adjustments + Retained Costs

- g. **Evaluation Baselines** - Evaluation Baselines may be utilised for the purposes of calculating a Total Price. The Evaluation Baselines the projected volumes during the Contract term, will be multiplied by the tendered unit rates to calculate the estimated costs.

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- h. **Normalisation Adjustments** - Adjustments to tendered prices may be made in order to establish a common base for the comparison of Tenders. Such adjustment may include, but are not limited to:
- vi. arithmetic adjustments
 - vii. indexation adjustments (e.g. CPI, LPI etc.)
 - viii. notional pricing of minor deficiencies in scope
 - ix. retained costs of DTA (e.g. accommodation)
 - x. VFM of time Net Present Value (NPV) adjustments
 - xi. transition costs incurred by DTA in moving to the proposed arrangements
 - xii. any other costs or pricing impacts on DTA that may arise from appointing a particular Tenderer.
- i. Prior to rating and ranking the Tenders, it is imperative that the prices are for a consistent set of Goods and/or Services. Any adjustments applied will be registered in the Detailed Evaluation Workbook with a full explanation of the nature of the adjustment and the basis of the calculation will be provided.
- j. **Retained Costs** - Using information from the Tender and from the Technical Evaluation Panel, applicable Retained Cost Adjustments may be identified for each Tender to be included in the total cost of the Goods and/or Services. Tenders are adjusted to reflect the costs that would be retained, these are usually limited to those costs that may vary between Tenderers and do not normally include all related costs borne by DTA such as Contract management and administrative overhead.
- k. **Indexation Adjustments** - Where Tenderers are requested to:
- xiii. propose pricing exclusive of any inflation adjustments
 - xiv. nominate an inflation index,
185. a calculation of the increase to pricing may be performed and included in the Total Price.
- a. **Net Present Value Adjustments** - NPV analysis may be performed in order to consider the effect of time on the VFM through discounted cash flow. NPV analysis will be calculated by adjusting or discounting a future or projected amount to take into consideration the decrease in value over time.

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- b. **Scenario Testing** - The purpose of scenario testing is to assess the elasticity or sensitivity of the Total Price to volume variations. Scenario testing may be conducted by using volumes additional to the baseline volumes and using the tendered variable charges. If it is considered warranted the evaluation may conduct additional scenario testing.
- c. **Pricing Evaluation** - The output of the pricing evaluation will be a comparative assessment and ranking for each of the Tenderers.

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Appendix H Phase 2: Screening of Responses Report

(Document attached separately)

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