

### **3 ESTABLISHING AND BRIEFING ASSESSMENT PANEL(S)**

Assessment panel(s) should be appointed as early as possible in the process. The dates, times and locations for the evaluation of bids should be set when the panels are appointed.

The panels evaluate each bid in accordance with the specified assessment criteria. They then make recommendations to the Minister or delegated officer.

Panel members are appointed by invitation by the project manager, in consultation with key stakeholders as required. Each panel is chaired by a representative of the Department.

**All panels must operate in accordance with these Guidelines, the Guidelines for Assessment Panels at Appendix 6 and the Department's "Code of Conduct for Steering Groups, Advisory Bodies and Other Committees" (Appendix 6(a)) and its "Code of Conduct for Staff"<sup>8</sup>.**

**Particular attention should be given to the sections of the Codes, which address Conflicts of Interest. To ensure the integrity of the decision-making process, it is essential that any pecuniary interests of panel members are declared at the time they accept the invitation to sit on any panel. It is also important, if a conflict of interest arises during the course of the assessment process, that this is immediately identified and managed in accordance with the provisions of the Codes.**

#### **WHO TO INCLUDE**

In nominating panel members, consideration should be given to any specific areas of experience or knowledge required to make an informed evaluation of the bids.

To help ensure that probity is maintained, a panel must include at least three people, drawn from the following groups:

1. the Department
2. a service specialist (optional)
3. independent(s), who may include:
  - i) a representative of the service user population who has expertise in the service type, and no association with any applicant(s) they are to assess.
  - ii) an individual who has an understanding of the industry and who does not represent an organisation, or a part of an organisation likely to submit a bid;
  - iii) a representative of a Government agency - state or federal, and who does not represent an agency, or a part of an agency likely to submit a bid.

There must be at least one representative from an organisation other than the Department on every panel.

**Staff involved in providing assistance and support to prospective providers must be excluded from involvement on assessment panels.**

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<sup>8</sup> Refer to the Department's Annual Report.

## **BRIEFING THE PANEL MEMBERS**

Individuals invited to participate on assessment panels must be fully briefed, so that they have a clear understanding of their roles and responsibilities. This is to ensure that panel members are not tempted to deviate from the process, and that consistent practices are maintained across the Department.

The conduct for the assessment panel is described in **Appendix 6 *Guidelines for Assessment Panels***. Those *Guidelines* and their Appendices should be provided to all panel members as part of their briefing.

Panel members must have a clear understanding of:

- ◆ the context of the process and the Department's objectives for the project
- ◆ the Department's expectations of prospective providers
- ◆ their responsibilities for maintaining probity, transparency and accountability

Where the anticipated number of responses is large or the variety of bids sought is diverse, more than one panel may be required. All panels assessing a particular service should have a consistent membership, in terms of numbers and the expertise and representation of stakeholders. Multiple panels should be established by service type rather than by geographic area, so that a consistent approach is taken to decision-making across the State.

## **ESTABLISHING EVALUATION TOOLS**

Prior to undertaking any evaluation, tools for assessing the bids must be developed and agreed by the members of the Assessment Panel. The tools will be specifically tailored to each project.

A sample evaluation tool is provided in section 8 *Evaluating bids*.

## 4 CALLING BIDS

The Contract Management Unit arranges the calling of all bids for services, using Information Packages, letters and advertisements prepared by the managing Unit.

The manner in which bids are sought depends on the proposed method of selection for service providers:

i) seeking quotations	• letter of invitation sent to providers reasonably considered capable by the Department of providing the services <sup>9</sup>
ii) selective tendering	
iii) full market involvement (expressions of interest / requests for tender)	• public advertisement • letter of invitation to known providers

### LETTER OF INVITATION

The draft letter, together with a list of prospective providers, the scheduled date for distribution of the letters and a copy of the endorsement, is forwarded to the Contract Management Unit for distribution.

### PUBLIC ADVERTISEMENT

Where bids are to be sought through public advertisement, normal government provisions for advertising apply.

The coverage of any public advertisement is determined by the nature of the funding available for allocation and the area to be covered by the service. It must ensure that all prospective providers are given the opportunity to be aware of the project.

- ◆ Where services are being sought in regional areas, advertisements **must** be placed in the major local newspaper(s), in addition to major statewide newspapers;
- ◆ Where services are sought on a statewide basis, advertisements are placed in major statewide newspapers, including locally based publications, where appropriate.

The timing of the advertisement is set by the process timetable.

Where bids are to be invited by public advertisement, the project manager prepares a draft advertisement and a draft letter inviting selected existing service providers to submit a bid, where appropriate. The project manager arranges endorsement by the appropriate delegated officer. That endorsement covers the content of the advertisement, the proposed newspapers in which it will appear, the invitation letter and the providers who are to be invited to bid.

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<sup>9</sup> The Department's decision on which organisations to invite to participate in the process will be determined by the assessment criteria.

## **RESPONSIBILITIES**

The project manager forwards to the Contract Management Unit:

- ◆ the draft advertisement
- ◆ a list of the newspapers in which the advertisement is to appear
- ◆ the proposed date(s) for the advertisement
- ◆ the draft invitation letter for existing providers, together with a distribution list
- ◆ a copy of the endorsement by the appropriate delegated officer

The Contract Management Unit forwards the information for public advertisement to the Department's Communications and Community Liaison Unit, which will arrange for the layout and placing of the advertisement in accordance with the Department's standards. The Contract Management Unit will also issue the letters to the designated providers, advising that the process is under way and enclosing a copy of the relevant advertisement, showing the date published.

The nominated officer in the Contract Management receives and registers inquiries from prospective providers, and arranges for information packages to be distributed as soon as possible after an inquiry is received. That officer records the relevant information regarding an inquiry in CIS.

## **AMENDMENTS TO EOI DOCUMENTS**

Where it becomes necessary to amend EOI or selective tender documents, the amendments must be advised as an addendum to all prospective providers in sufficient time for all of them to properly and fully consider the addendum before the closing date.

Consideration may need to be given to extending the timeframe to submit bids when an addendum is issued. If the timeframe is extended all prospective providers are to be advised of the new closing time and date.

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## INTERACTING WITH PROSPECTIVE PROVIDERS

The purpose of any interaction with prospective providers when they are preparing their bids is to ensure that they have sufficient information to understand what is required of them. This includes information on the services to be provided and the content and quality expected of the submissions. The interaction may take place during formal information sessions, or in responding to ad hoc inquiries.

**The fundamental principle for all staff interacting with prospective providers during the period between calling for bids and receiving submissions is that the information provided must be consistent and in keeping with the material in the information package.** Care must be taken not to compromise the integrity of the process and not to unfairly advantage, or be perceived to give advantage to, any one prospective provider over another.

Any information given to a particular prospective provider, which clarifies any aspect of the requirements, must be communicated promptly in writing to all other prospective providers. This will not apply in relation to confidential or intellectual property information provided by tenderers.

Contact staff who will be available to address queries from prospective providers are nominated in the Information Package and at briefing sessions, if these are held. The level of assistance that will be available from the contact staff must be clearly indicated. This will reduce the likelihood of prospective providers attempting to obtain inappropriate information, and will provide a basis for staff refusing to offer such information.

**The Department recognises that the skills and resources of some service providers may be deficient when it comes to preparing applications, while they are more than adequate to provide the required services. It is therefore acceptable to assist prospective providers in completing their bids, provided that the principles described below are adhered to.**

Staff interacting with prospective providers must follow these principles:

- Direct assistance should not be given** to prospective providers who are preparing bids. In particular, recommendations about the information to be included or the style of the submission must not be given.
- Reference should always be made to the Information Package.
- The expectations of prospective providers should not be raised in respect of the outcome of the process. It must be made clear that **the provision of advice does not guarantee the success of the bid.**
- No prospective provider should receive, or be perceived to have received, any information additional to that contained in the Information Package, unless this information has been expressly released by the Department to all prospective providers.
- No discussions should be held with a known or potential applicant about the process, the nature of any application, the identity of other known

applicants, or the staff member's personal observations or opinions about the process.

- Gifts or other incentives must not be accepted from prospective providers.

**To ensure that there is no confusion or misinterpretation of the information given to prospective providers, a record of ANY interaction must be maintained. Details of the inquiry, time and date of receipt and the response should be noted on the relevant file.**

Staff must use discretion to determine the appropriate levels of advice to offer. If unsure, they should immediately confer with the project manager or the Contract Management Unit.

If an EOI or selective tender document needs to be amended refer to *Section 4 Calling Bids*.

## 6 HOLDING INFORMATION SESSIONS

There is no legal requirement that information sessions be held for prospective providers. This is done at the Department's discretion.

Information sessions are held where a new process, or a new funding program, is being introduced. The sessions ensure that prospective providers have sufficient information to understand what is required in submitting a satisfactory bid. Where sessions are to be held, they are advertised at the same time that bids are sought.

Not all prospective providers will attend these sessions, and it is crucial that no undue advantage is given to those who do attend.

The quality of the information sessions may have as significant an influence on the quality of the bids received as the quality of information packages. Sessions must therefore be scheduled so that the final session allows a further 2 weeks prior to the closing date for bids. This will ensure that providers attending the final session will still have sufficient time to submit an informed bid.

When planning information sessions, the following must be considered:

- who will deliver the sessions and how will they be conducted (speakers; agenda; length)
- when and where will they be held (region; town; venue; date; time; accessibility)
- how many people are expected (is an RSVP required?)
- what aids or refreshments will be required (visual or audio equipment; tea/coffee; lunch)
- what printed material will be provided (information packages; funding agreement; program background)
- maintaining a detailed record of each session which clearly and explicitly states what was discussed

## **Content of Sessions**

Information Sessions must be designed to:

- ◆ explain the information provided in Information Package, including:
  - an overview of the Department's objectives and activities, for new or unknown providers
  - an overview of the expression of interest or tendering process, including timeframes, a description of the program and the service being sought
  - guidance on what the Department expects of submissions, including how to complete application forms attached to the Information Package
- ◆ present the same basic information to each group
- ◆ encourage questions from participants
- ◆ be flexible in answering queries from participants

**It is extremely important, to maintain the probity of the process, to ensure that a mechanism exists for advising any new information resulting from questions at a particular session to prospective providers who are not at that session, including those not attending any sessions.**

Staff delivering information at the sessions will need to use discretion in assessing what is appropriate information to provide. Answers to any requests for advice which would clearly provide an advantage over other prospective bidders must be deferred, documented and reported back to the project manager for consideration.

## **ADDITIONAL INFORMATION FOR PROSPECTIVE PROVIDERS**

If it is considered that the specific information sought by a prospective provider, either at an information session or via another inquiry, should be distributed, that information must be distributed to **all** prospective providers. If it is decided to distribute the information, the Contract Management Unit will undertake this task.

This may not be feasible in a publicly advertised process. However, where the issue is significant, but dealing with it poses a logistic or cost problem to the Department, the Department may elect to include it in briefings to the Assessment Panel, to ensure that the matter is taken into consideration during the assessment process. If an EOI or selective tender document needs to be amended refer to *Section 4 Calling Bids*.

## **OTHER GOVERNMENT AGENCIES**

In processes where it is known that there will be significant interest from other government agencies, arrangements may be made for centralised advice and assistance and for separate information sessions. Briefings will be in keeping with any other arrangements or agreements in place between the Department and these agencies. The project manager will be responsible for determining the manner in which these arrangements are managed, in consultation with the Unit Manager or other senior staff in the Department.

Whilst the way in which the briefing sessions with other government agencies are managed may differ from those for non-government providers, the same principles apply and the arrangements must in no way secure an advantage for those agencies.



Government agencies are required to submit bids in the same format as those submitted by non-government providers, and the same process will apply for evaluating their bids.

# 7 RECEIVING, OPENING & REGISTERING BIDS

To satisfy probity requirements, there must be no opportunity in the tender process, either real or perceived, for any 'leak' of information in respect of any bid received. No prospective provider is allowed additional time to submit a bid, since that would indicate a lack of integrity in the process.

## RECEIVING BIDS

All bids will be clearly marked for identification, as required by the call documents.

Each bid received, whether by mail or by facsimile, must be date stamped as soon as it is received and placed in the Tender Box. Bids received by mail are not to be opened, and bids received by facsimile are not to be examined.

## OPENING & REGISTERING BIDS

The following process applies to opening and registering bids.

- ◆ At the due time, the Tender Box is opened by a tender opening panel convened by the Contract Management Unit and comprising at least two people who have no involvement in the selection process.
- ◆ The Tender Box is opened again two days after the due date and time, again by a tender opening panel, and any further bids are removed. If these confirm bids previously received by facsimile, they are opened and recorded in the bid register.
- ◆ Each time the Tender Box is opened, each bid received is recorded in the bid register. This applies also to bids received after the due date and time.
- ◆ All staff involved in opening the bids must sign the register at each opening time, once all bids received are recorded.
- ◆ All documentation comprising each submission which is not late must be retained, including the envelope in which the bid was sent. Where multiple copies have been requested, a copy should be placed immediately on the relevant service provider file.

## LATE BIDS

Bids received after the due date and time will not be accepted unless there are exceptional extenuating circumstances, for example if there has been a mail or courier strike. The reasons for acceptance of late bids must be clearly documented, with advice from the prospective provider stating the reason for the delay attached<sup>10</sup>.

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<sup>10</sup> Because of the facility for acceptance of electronic bids, with an original to follow, late bids will not often be accepted. The concurrence of the Director or Director General is required to accept a late bid.

A letter, generated by CIS, is sent to all prospective providers whose bids were received late, stating that the bid is not accepted and why. The entire submission is returned with this correspondence.

### **ACKNOWLEDGING BIDS**

To be eligible for assessment, bids must:

- ◆ be submitted to the address published in the information package. This may be one of the Department's regional offices, or central office, depending on whether the process is being regionally or centrally operated
- ◆ if received by mail, be submitted in a sealed package, clearly marked 'Confidential: Selective Tender/ Expression of Interest/Tender' as appropriate
- ◆ contain all the required sections and attachments
- ◆ be submitted by the due date and time
- ◆ if sent by facsimile or electronic mail, be received by the due date and time and followed up with originals by post within two days of the due date.

Within 5 days of the closing date for bids, the Contract Management Unit sends an acknowledgment of receipt to each prospective provider. The acknowledgement is generated by CIS. It states either that the bid has been received and is being evaluated, or that the bid is ineligible. Where the latter is the case, the reason for ineligibility must be clearly stated.

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## EVALUATING BIDS

Once bids have been received, registered and letters of acknowledgement sent, the bids are made available to Assessment Panel members. The Panel is provided with the following documentation:

- ◆ full submissions from prospective providers
- ◆ any relevant file notes or other documentation compiled about the prospective provider during the process
- ◆ any information held in the Department's monitoring system which is relevant to the bid, eg. the prospective provider's performance history and whether it is currently under review
- ◆ a summary of the funding history of the providers, including the purpose of other original allocations, and the basis for award of any adjustments

### ASSESSMENT PROCESS

All members of the Assessment Panel must participate in the evaluation of every bid. In making evaluations, panels must use the assessment process and weighting principles established by the Department, together with the project-specific criteria agreed before bids were called. This will ensure that evaluations are consistent for all prospective providers, even if multiple panels have been established.

Panel members may choose to evaluate each bid independently, convening to review the outcome of these evaluations, arrive at a common view in respect of the value of each bid, and make final recommendations. Alternatively, panels may undertake the entire evaluation process together.

Each bid must be evaluated against the published assessment criteria and any relevant information about the service provider<sup>11</sup>. No other considerations should impact upon the recommendations made.

It is the responsibility of each panel to ensure that:

- ◆ a thorough evaluation is made of each bid
- ◆ the evaluation process is consistent for all bids considered, and complies with the standards set for the particular project
- ◆ all relevant information and material is taken into consideration in the evaluation of each bid, including that available from referees
- ◆ all necessary documentation is maintained to ensure that the recommendations made by Panels are justifiable and able to withstand independent scrutiny

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<sup>11</sup> The service provider may be under review by the Department and be registered as a 'Service of Concern'.

The Assessment Panel evaluates the bids as described below.

### **1. Eligibility of Bids**

A bid is not eligible for consideration if:

- ◆ it was received late
- ◆ it does not include all the information requested in the call document

### **2. Organisational Eligibility**

An organisation is eligible for consideration if it demonstrates:

- ◆ a precise legal structure, being either a state government instrumentality, a local government authority, or an incorporated non-government community based organisation or company, or a religious organisation <sup>12</sup>
- ◆ that it is in the process of establishing a consortium in which one member is an incorporated organisation
- ◆ if it does not already receive funding from the Department (unless it is a newly formed organisation or consortium):
  - i) evidence of incorporation - in the form of a corporations certificate; company registration or a certificate of incorporation, and
  - ii) financial statements for the previous year, or a separately audited financial statement including its previous year's profit and loss statement and balance sheet
- ◆ that any adverse performance report registered with the Department has been, or is being, satisfactorily addressed

### **3. Performance Reviews**

Care must be taken in considering any performance review process that is under way against a service provider. Such consideration should include whether:

- ◆ the review is relevant to the service being offered in the bid
- ◆ the issues being addressed in the review suggest that the claims made in the bid are misleading or false, eg. if the organisation claims a history of financial viability, but the review is a result of their insolvency
- ◆ the issues being addressed in the bid are likely to preclude the organisation from delivering the service described in the bid

The Panel may seek further clarification and advice from the Departmental staff members involved in the review when considering such issues.

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<sup>12</sup> There are no legislative impediments to funding 'For-Profit' organisations under the Department's programs. Special consideration needs to be given to the funding of such organisations to ensure that accountability issues are adequately addressed in the provision of funding - this may be achieved through the application of 'special conditions' to ensure that the contractual arrangement established is clear.

**Where an organisation is under review, but the issues being addressed in the review have no relevance to the service being offered in the bid, the review cannot be the basis for a decision by the Panel not to recommend the service.**

#### **4. Evaluation Considerations**

A major consideration in evaluating bids is the substantiation of claims made by prospective providers. Evidence supporting these claims may be in the form of:

1. documented evidence included in the bid
2. reports from third parties nominated in the bid as referees
3. any evidence relevant to the bid held in the Department's performance management system, including files and performance review documentation.

The Panel should contact the nominated referees to verify the claims made, before recommending a provider for the service.

The Panel may choose to interview applicants to obtain a better understanding of certain aspects of their bids. Interviews should be held only where it is considered that they are necessary to make a recommendation (because there are two or more bids of similar standard), or where it is considered necessary to seek additional information to ensure equitable consideration of the bid in respect of others received. There is no requirement for a panel to undertake interviews, and the decision to do so is at the discretion of the panel, in consultation with the project manager.

**It is essential that the confidentiality of bids is maintained throughout the evaluation stage.**

#### **5. Special Conditions**

The Assessment Panel may decide to impose 'special conditions' on the successful service provider in delivering the service, as a result of negotiations undertaken during assessment of the bid.

**Special conditions may be applied where specific areas of the bid require refinement or clarification. The conditions imposed must not alter the nature of the bid to such an extent that it comes to relate to a service description not covered by the original bid.**

The types of issues which may be addressed by applying special conditions to a bid include:

- ◆ special provisions for reporting and review (eg. if the provider has been the subject of previous adverse performance reports)
- ◆ the timeframe for commencement of the services
- ◆ specific budgetary items (eg. setup costs )

## 6. Evaluation Tool

**Assessment panels must use the evaluation tool described below as a basis for the evaluation process.**

This tool has been developed to assist assessment panels in comparing bids, and to ensure that the decisions made are equitable, consistent, justifiable and adequately documented. It involves 'scoring' each bid against each of the specified assessment criteria. The criteria are 'weighted' in relation to their relative importance in making a decision, and the final score takes this into account.

### **Scoring system**

Each bid will be given a score for each of the selection criteria, reflecting how well it meets the specified requirements. The basis for the scores is indicated below.

<b>Exceptional.</b> Full achievement of the requirements specified for that criteria. Demonstrated strengths, no errors, risks, weaknesses or omissions	10
<b>Superior.</b> Sound achievement of the requirements specified for that criteria. Some minor errors, risks, weaknesses or omissions which may be acceptable as offered	8-9
<b>Good.</b> Reasonable achievement of the requirements specified for that criteria. Some errors, risks, weaknesses or omissions which can be corrected/overcome with minimum effort.	6-7
<b>Acceptable.</b> Achieves minimum requirements specified for that criteria. Some errors, risks, weaknesses or omissions which are possible to corrected/overcome through negotiation.	5
<b>Deficient.</b> Minimal achievement of the requirements specified for that criteria. Some errors, risks, weaknesses or omissions which are possible to corrected/overcome but will require ongoing service support.	3-4
<b>Poor.</b> No achievement of the requirements specified for that criteria. Extensive errors, risks, weaknesses or omissions which are difficult to overcome to make acceptable.	1-2
<b>Unacceptable.</b> Totally deficient and non-compliant.	0

Scoring system amended June 2001.

The tool should reflect the Department's minimum expectations.

Some of the assessment criteria are usually nominated as 'key criteria.' These are the criteria which must attract at least a satisfactory response (say a minimum score of 3) for the bid to be considered. Each criterion is allocated a weighting that reflects its relative importance in selecting a service provider. The key criteria and the weightings are agreed by the Panel before the assessment process begins.

The raw scores are multiplied by the weightings to obtain a final score for each criterion. These scores will be added to obtain an overall weighted score. The diagram below indicates how this process works.

In order to be recommended to provide the specified service, a bid must:

1. attract a minimum score against all the key criteria (eg. those marked \* in Diagram 1); and
2. attract a minimum overall weighted score of at least a predetermined number;

<b>Selection Criteria (examples only)</b>	<b>Weighting</b>	<b>Raw Score</b>	<b>Weighted Score</b>
1. demonstrated ability to provide the required service/s *	20	(min 5)	(min 100)
2. demonstrated ability to meet the required service standards*	20	(min 5)	(min 100)
3. demonstrated capacity to meet the special needs of users, including target groups *	20	(min 5)	(min 100)
4. demonstrated knowledge of, and ability to interact with, local community agency networks	10		
5. demonstrated record of financial viability and sound management practices *	20	(min 5)	(min 100)
6. value for money	10		

### **FOR-PROFIT PROVIDERS**

The Department may fund organisations whose core operations generate profits for the benefit of trustees or shareholders.

Should the Assessment Panel wish to recommend funding a 'for-profit' provider, in addition to checking referees it must obtain a 'company search' to check the bona fides of the company, the individuals involved and the financial position of the organisation. The Contract Management Unit will arrange such a search on behalf of the Panel.

### **DELAYS IN THE ASSESSMENT PROCESS**

If there are delays in assessing the bids, and it becomes apparent that the anticipated date for commencement of the service will not be met, all applicants are advised in writing that a delay has occurred, and given a revised anticipated commencement date. A sample letter of advice is attached as **Appendix 7**.

### **ASSESSMENT PANEL RECOMMENDATIONS**

Following completion of the assessment process, the Assessment Panel either recommends acceptance of provider (or providers) for the services, or that no provider be accepted because there was no satisfactory bid.

The Panel's recommendations must be submitted to the project manager by the date set when the Panel was established.

Where no provider is recommended for funding, the Panel must clearly articulate the reasons for making this decision. Clear documentation in this respect will assist in the resolution of any complaints which may be lodged as a result of the recommendation.



## ASSESSMENT PANEL REPORT

An Assessment Panel Report is prepared by the Panel to document its recommendations. The Report includes sufficient information to justify the decisions made and is endorsed by each Panel member. Where unanimous agreement cannot be reached, the decision of the majority of participants prevails, and the failure to reach unanimous agreement is noted on the Report.

Samples of the Assessment Panel Report format and panel evaluation sheets are included in the *Guidelines for Assessment Panels* at **Appendices 6(b) and 6(c)**.

The Report is forwarded to the project manager for action.

**The recommendations made by the Assessment Panel are final and may not be altered by the project manager or other staff of the Department.**

If the recommendations of the Assessment Panel are believed to be lacking in probity, inadequately determined, or misinformed then a new Panel should be formed and the bids reassessed by this newly created panel. Such action may be initiated by the Contract Management Unit or a Program Manager, upon identification that there is a problem.