

	Applies to markets serviceable by Indigenous businesses. Not applicable when purchasing under an existing SOA.	however, required to be an Aboriginal and Torres Strait Islander business.
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11. Procurement Options

11.1 Value Risk Matrix Findings – Sourcing

The Value Risk Matrix has been used to classify this contract as Routine. Which means the value is low and the risk is low. The priority for managing this contract will be usually transactional in nature. A 'light touch' approach is recommended (i.e. quite 'hands off' and doing the minimum).

Results of Value Risk Assessment for a sourcing activity

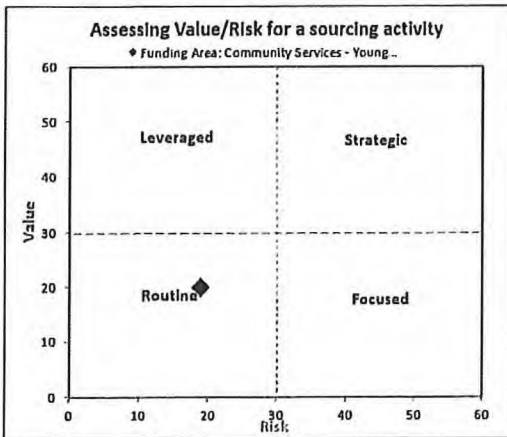


Figure 1: VRM Assessment – sourcing

11.2 Strategies Considered

An Open Tender approach is considered the best procurement strategy to use in this instance.

Table 2: Preferred market approach

Market approach options	Advantages	Disadvantages
Open Tender	<ul style="list-style-type: none"> Competitive process which provides the department with options. Encourages fair, open and competitive process. 	<ul style="list-style-type: none"> Moderate administrative effort across cost the tender, evaluation and feedback processes.

12. Recommendation - Preferred Procurement Strategy

The recommended procurement process is Open Tender. The advantages are:

- The department anticipates that potential suppliers will see this is as an opportunity for a long-term investment in the Mount Isa region
- It is considered there are a sufficient number of potential suppliers to support a competitive open market procurement process.
- The department is keen to test the market in order to maximise the benefits of YHARS service delivery to young people at risk of homelessness in Mount Isa and with local community providers.

12.1 Forward Procurement Notice

A Forward Procurement Notice will not be issued to advise potential suppliers of this forthcoming tender opportunity before it is advertised on the QTenders website.

12.2 Industry Briefing

An industry briefing will not be held.

13. Evaluation of Offers

All offers will be evaluated strictly in accordance with the predetermined Evaluation Plan (to be signed prior to going to market) which will include the methodology to be used when assessing against evaluation criteria.

An Evaluation Team will be convened comprising of at least three (3) appropriately experienced officers with local knowledge:

- Nikki Row, Manager, Investment and Partnerships, Northern Queensland (Chair)
- Tiarna Craigie, Contract Officer, Investment and Partnerships, (Northern Queensland)
- Lincoln Green, Principal Program Officer, Youth Investment & Commissioning
- Alece Moncrieff, Senior Client Service Manager, Mount Isa Housing Service Centre
- Lyle Johnson, Project Officer, Mount Isa Department of Aboriginal and Torres Strait Islander Partnerships

The Evaluation Plan will require the Evaluation Team Chair to ensure that unsuccessful Offerors are given the opportunity to seek feedback on their offer.

13.1 Evaluation method

The evaluation model that will be used is weighted score/cost effective ratio.

Price will not be a weighted criterion as the funding is fixed. Instead price will be taken into account in determining overall value for money over the whole-of-life of the contract.

13.2 Evaluation criteria and weightings

Each supplier must meet all of the following mandatory requirements before its offer will be considered for evaluation on its merits. Mandatory Requirements

- Supplier must be HSQF accredited or eligible to obtain accreditation.

Having met all of the mandatory requirements qualifying bids will be evaluated on their merits using the evaluation criteria and weightings as per the predetermined Evaluation Plan.

14. Contract Management

14.1 Contract term

A contract will be entered into with the successful supplier for a term of four years and three months.

Proposed details:

- Anticipated commencement date: 01/04/2019
- Anticipated completion date: 30/06/2023
- Extension options: Yes – at the department's discretion based on performance, funding availability and demand for services

14.2 Value Risk Matrix Findings - contract

The Value Risk Matrix has been used to classify this contract as Routine, which means the value is low and the risk is low. The priority for managing this contract will be routine, monitored in line with the contract management framework.

14.3 Measures and Supplier Management Arrangements

During the contract term, the Department will undertake a review of the contract to assess value for money and effectiveness of the service. The Department may use a third party as its representative to conduct this review.

The Contract Manager will be responsible for administration and management of the contract for the contract term.

The performance of the supplier will be managed as follows:

- Service targets for regular reporting and monitoring
- Case studie/s
- Engagement with CSYW's nominated Contract Manager/Contact Officer
- Financial management including over/under spending, and use of brokerage funds

14.4 Transitioning to a new supplier

Transition arrangements will be addressed during contract negotiations with the new supplier.

Impact of the transition to a new supplier, potentially, will depend on willingness of the existing service provider (if not the successful tenderer) to work with the department to minimise the disruption to service users. Any transition risks and treatment strategies are referenced in the Risk Register in Section 18.

RTI RELEASED

15. Implementation Plan

The completion dates contained within the implementation schedule are indicative only at the planning stage. Should the dates change after the plan is signed, there is no requirement to update and have re-approved. Updated timeframes can be addressed in the funding memorandum for approval or included within the Offer Evaluation Plan.

Activity	Responsible Area	Indicative Date or Timeframe
SPP complete and endorsed by Procurement Authority, Budget Owner and Financial Delegate	NQ Region (Chair)	28/11/2018
DG FMA approval	Youth Commissioning	28/11/2018
Tender release	Strategic Procurement	30/11/2018
Tender close	Strategic Procurement	31/01/2019
Create records of offers received	Strategic Procurement	01/02/2019
Evaluation of offers	NQ Region (Chair)	04/02/2019
Draft evaluation report to procurement authority for review and feedback	NQ Region (Chair)	11/02/2019
Final evaluation report completed and signed by all evaluation team members and the procurement authority	NQ Region (Chair)	15/02/2019
Endorsement of Evaluation report by authorised officer	NQ Region (Chair)	22/02/2019
Successful supplier/s notified	NQ Region (Chair)	25/02/2019
Draft contract provided to contract manager to commence negotiations and contract execution	Youth Commissioning	11/03/2019
Unsuccessful supplier notified	NQ Region (Chair)	15/03/2019
Service Commencement	NQ Region	01/04/2019
Ongoing management of contract	NQ Region	01/04/2019

16. Approvals

16.1 Director Support

I confirm this significant procurement plan is the final draft for the nominated Procurement Authority to review.

[Signature] 21/11/2018

16.2 Procurement Authority Endorsement

Procurement Authority review and sign-off is required prior to progressing the procurement plan to the delegate for approval.

<p>PROCUREMENT AUTHORITY Jo Mackenzie Principal Procurement Officer</p> <p>Procurement Certification Level: <input checked="" type="checkbox"/> 3 or <input type="checkbox"/> 4</p>	<p>Endorsed <input type="checkbox"/> Endorsed Subject to Comments <input type="checkbox"/> Not Endorsed <input type="checkbox"/></p> <p>I confirm this plan is evidence based, complies with the Queensland Procurement Policy (2018) and Agency Procurement Procedures with the exception of issues outlined below.</p> <p>_____ / /2018</p>
<p>Procurement Authority Comments: <i>As per attachment.</i></p>	
<p>DEMAND ANALYSIS: MARKET ANALYSIS: PROCUREMENT STRATEGY: TIMELINE: PROBITY: OTHER:</p>	
<p>CHIEF PROCUREMENT OFFICER Sue Lindsay</p>	<p>_____ / /2018</p>
<p>COMMENTS (To be actioned by CPO as appropriate)</p> <p><input type="checkbox"/> A copy of this plan has been forwarded to the budget owner</p> <p><input type="checkbox"/> A copy of this plan has been forwarded to the Internal Audit Unit</p>	

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16.3 Regional Support

Regional Executive Director support required if region is sourcing lead for activity. Delete if not applicable.

<p>REGIONAL EXECUTIVE DIRECTOR Sandra Moore Regional Executive Director, Northern Queensland</p>	<p>SUPPORTED / NOT SUPPORTED</p> <p><i>Sandra Moore</i> 20/11/2018</p>
<p>COMMENTS:</p>	

16.4 Budget Owner Endorsement

The Budget Owner is endorsing that the procurement plan aligns with policy intent and strategic direction and has the full support of the commissioning area.

<p>BUDGET OWNER Susanne Le Boulillier Executive Director, Investment and Commissioning</p>	<p>Endorsed <input checked="" type="checkbox"/></p> <p>Endorsed Subject to Comments <input type="checkbox"/></p> <p>Not Endorsed <input type="checkbox"/></p> <p>I acknowledge the issues identified by the Procurement Authority and will accept and manage these risks. The Financial Delegate will be briefed on these issues</p> <p><i>Susanne Le Boulillier</i> 20/11/2018</p>
<p>COMMENTS:</p> <p><i>Spelling and grammatical errors identified. Only those changes made to document endorsed by CPO.</i></p>	

16. Approvals


16.1 Director Support

I confirm this significant procurement plan is the final draft for the nominated Procurement Authority to review.

/ / 2018

16.2 Procurement Authority Endorsement

Procurement Authority review and sign-off is required prior to progressing the procurement plan to the delegate for approval.

<p>PROCUREMENT AUTHORITY Jo Mackenzie Principal Procurement Officer</p> <p>Procurement Certification Level: <input checked="" type="checkbox"/> 3 or <input type="checkbox"/> 4</p>	<p>Endorsed <input type="checkbox"/> Endorsed Subject to Comments <input checked="" type="checkbox"/> Not Endorsed <input type="checkbox"/></p> <p>I confirm this plan is evidence based, complies with the Queensland Procurement Policy (2018) and Agency Procurement Procedures with the exception of issues outlined below.</p> <p> 22 / 11 / 2018</p>
<p>Procurement Authority Comments: The strategy to conduct an open market procurement process for this activity is supported.</p>	
<p>DEMAND ANALYSIS:</p> <ul style="list-style-type: none"> • The demand analysis is supported. <ul style="list-style-type: none"> ◦ There were 50 service users recorded during the period 1 July 17 – 30 May 18 with no indication future demand would decrease. <p>MARKET ANALYSIS:</p> <ul style="list-style-type: none"> • The market analysis is supported. There is a competitive supply market for this service. This is demonstrated in the SPP where it is noted that: <ul style="list-style-type: none"> ◦ there are 20 organisations who deliver similar services within the Northern Queensland Region across 28 service outlets ◦ there has been a recent increase in the number of service providers entering the community. <p>PROCUREMENT STRATEGY:</p> <ul style="list-style-type: none"> • An open market procurement approach is supported. • This procurement activity will support whole-of-government procurement policies by: <ul style="list-style-type: none"> ◦ Considering local benefits as part of the evaluation process ◦ Note, while the supplier is not required to be an Aboriginal and Torres Strait Islander business they must be able to support Aboriginal and Torres Strait Islander young people 	


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<ul style="list-style-type: none"> It is noted in section 11.2 of the SPP only the preferred procurement strategy has been considered. It would be helpful to include other potential strategies and the reasons they were not recommended. However, as noted the open market approach is supported. 	
<p>TIMELINE:</p> <ul style="list-style-type: none"> The proposed timeframe to evaluate offers is very small. Specifically, 1 day has been allowed for screening of offers and only 2 days for evaluation of offers. Based on the number of suppliers identified in the market, this timeframe may be unachievable. It is recommended this timeframe is expanded, or a risk treatment is proposed should this date not be met. 	
<p>PROBITY:</p> <ul style="list-style-type: none"> A probity advisor has not been engaged for this activity. Due to the routine nature of the activity, it is appropriate not to engage a probity advisor. 	
<p>OTHER:</p> <p>Supplier risk:</p> <ul style="list-style-type: none"> The transition out of the existing supplier (should they be unsuccessful) will need to be managed closely. The risk register that a separate Exit Strategy is prepared. This document will be required to closely manage the transition in and out of suppliers. 	
<p>Contract management:</p> <ul style="list-style-type: none"> Issues that have arisen during the existing contract should be used to inform the management of any future contracts. 	
<p>Request for quote:</p> <ul style="list-style-type: none"> There are a number of requirements noted in the SPP which will need to be articulated in the RFQ. These include: <ul style="list-style-type: none"> the need for the successful supplier to employ at least one person who identifies as Aboriginal and/or Torres Strait Islander requirement for the successful supplier who is registered or has the ability gain registration under the National Regulatory System for Community Housing (NRSCH) various reporting requirements 	
<p>Evaluation process:</p> <ul style="list-style-type: none"> It is recommended that the evaluation process take into consideration referee checks and financial checks. 	
<p>Documentation:</p> <ul style="list-style-type: none"> This document deviated from the template by combining information regarding Requirements of Services and Requirements of Suppliers into one section. A number of spelling and grammatical errors were identified in this document. It is recommended that all documents are quality checked before endorsement. 	
<p>CHIEF PROCUREMENT OFFICER Sue Lindsay</p>	<p><i>[Signature]</i> 23 / 11/2018 Noting the need to review the schedule to address risk mitigation of the evaluation of offers</p>
<p>COMMENTS (To be actioned by GPO as appropriate)</p> <p><input checked="" type="checkbox"/> A copy of this plan has been forwarded to the budget owner</p> <p><input type="checkbox"/> A copy of this plan has been forwarded to the Internal Audit Unit</p>	

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16.5 Financial Delegate Approval

The Financial Delegate is approving the procurement plan and providing approval to proceed to market. Commitment of funds is through the Funding Memorandum for Approval process.

FINANCIAL DELEGATE Michael Hogan Director-General	APPROVED / NOT APPROVED  6/12/2018
COMMENTS:	

RTI RELEASED

17. RACI Table

This table should inform and be linked to the overall plan. It should be developed prior to undertaking any demand analysis activity. This will ensure that all relevant stakeholders are consulted prior to any demand and market analysis.

Stakeholder Name / Group	Accountable	Consulted	Informed	Areas of Interest / Influence / Impact	Stakeholder Expectations of the Initiative
INTERNAL					
Senior Procurement Officer and Manager, Procurement Services		X	X	Support procurement process, contract management procedure.	Officers will assist in the development of the Procurement Plan, and revise of target hours for activities within the new service type for men's support YHARS Mount Isa service outlet
Executive Director, Investment and Commissioning	X	X	X	Interest in the contracts being well managed by the regions.	That the new agreements will commence on the 1 January 2019.
Senior Program Officer, Youth Support, Children & Young People, Investment & Commissioning, Strategy	X	X	X	That timelines outlined in the plan are met as agreed with the regional office. That the contract management plan for YHARS Mount Isa service are consistent and robust for effective contract management by regional officers. That the Risk Matrix for services are consistent and robust for effective contract management by regional officers.	That regional officers will assist in developing the contract management plan for YHARS Mount Isa That regional officers will assist in developing the Risk Matrix.
Contract Manager and Contract Officer,	X	X	X	That feedback provided to the Program Office on current service provision will be addressed in new agreements.	That they will provide a link between the Commissioning Office and Suppliers and will

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Stakeholder Name / Group	Accountable	Consulted	Informed	Areas of Interest/ Influence / Impact	Stakeholder Expectations of the Initiative
Mount Isa Investment and Partnerships NQ				That the agreements are well managed and clients are receiving appropriate services.	maintain good working relationships with the suppliers.
Regional Executive Director, Northam Queensland	X	X	X	Interest in the contract's being well managed by the regions. Will approve the new / varied service agreements.	That the new agreements will commence on the 1 January 2019.
Principal Funding Officer – Budget performance, Funding services		X	X	Providing feedback and advice on budget and advice to transfer funding process.	That the recommended process for transfer of funds between current non-recurrent (unallocated) funding to the YHARS Mount Isa be undertaken as agreed.
EXTERNAL					
Successful Supplier	X	X	X	Involved in delivery and reporting of the program scope.	Accountable and responsible for all outputs to meet quarterly targets.

The responsibility matrix outlines the roles of individuals against various tasks or deliverables.

Accountable: Those responsible to do the work to achieve the outcome required

Consulted: Those who authorise the work and who are ultimately accountable for the correct completion of the work

Informed: Those who are consulted about the work at various stages of its progress

Those who are kept informed about the work

18. Risk Register

Refer to the Risk Management procedure for more information.

The key for the risk table is:

- Likelihood (L): A = almost certain B = likely C = possible D = unlikely E = rare
- Consequence (C): 1 = insignificant 2 = minor 3 = moderate 4 = major 5 = critical

Risks Identified	Likelihood (A-E)	Consequence (1-5)	Risk Priority	Risk Treatment
Key risks in the procurement process:				
The procurement activity does not attract sufficient interest from potential suppliers.	D	3	L	If the procurement activity does not attract suitable suppliers it may need to be re-issued. If this was to occur, the department could identify potential suppliers and invite them to apply. However the Northern Queensland region is of the view there are suppliers in Mount Isa with the appetite and capacity to deliver YHARS.
Key risks in delivering the contract:				
A gap in service delivery between the existing service outlet and any new supplier.	D	3	M	This can be managed through timing of the procurement process and entering into a contract with a supplier. Potential Suppliers will be advised of the preferred commencement date of 1 April 2019. If the existing supplier is unsuccessful, a warm handover of service users with the new supplier will be required. Transition of service users will be part of the Exit Strategy with the existing supplier and if there is a gap in service delivery, the supplier will be required to refer service users to other services to ensure continuity of support.

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Commonwealth Government withdraws YHARS funding	D	2	L	There is a low risk of YHARS being de-funded under the NHHA which has been structured to support funding for youth homelessness in the medium to long term. There is a possibility that YHARS could be restructured and suppliers will be consulted if that eventuates.
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FINAL DRAFT

Risk: The level of any risks associated with the procurement can be determined using the following tables.

		Consequences Level				
		1	2	3	4	5
Likelihood Level	Descriptor	Insignificant	Minor	Moderate	Major	Critical
A	Almost Certain	Medium	Medium	High	Extreme	Extreme
B	Likely	Medium	Medium	High	High	Extreme
C	Possible	Low	Medium	Medium	High	High
D	Unlikely	Low	Low	Medium	Medium	High
E	Rare	Low	Low	Low	Medium	High
Likelihood Level	Descriptor	Description				
A	almost certain	is expected to occur in most circumstances				
B	likely	will probably occur in most circumstances				
C	possible	might occur at some time				
D	unlikely	could occur at some time				
E	rare	may only occur in exceptional circumstances				

Consequences Level	Descriptor	Description
1	insignificant	affects within acceptance program tolerance level
2	minor	could affect efficiency and effectiveness of some program elements
3	moderate	could affect the ability of program to deliver the specified output

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4	major	consequences would threaten survival of the program
5	catastrophic	consequences would threaten not only the program but also the department / Government

Risk Priority	Description
Low (L):	Risk is acceptable and unlikely to require specific treatment and resources for management, routine procedures will suffice
Medium (M):	Risk is acceptable and is likely to require some specific treatment and resources for management, specific management and monitoring procedures will be developed
High (H):	Risk is unacceptable and will require specific treatment and resources. Senior management to allocate responsibility for risk management including development and implementation of specific risk mitigation strategies
Extreme (E):	Risk is unacceptable and will require specific treatment and resources. Executive management to allocate responsibility for risk management including development and implementation of specific risk mitigation strategies

Pages 32 through 44 redacted for the following reasons:

78B(2)(e)