

# 5.1 Department of Human Services introduction

In 2011, the Department was created through the merger of several agencies



*The Department of Human Services brought together service delivery agencies with the aim of improving the delivery of social and health-related services to the Australian public.*



medicare

centrelink

child support

## 5.2 Department of Human Services in 2014-15

**\$165.8b**  
payments

**25.4m**  
visits to shopfronts

**61m**  
Mobile app transactions



Took

**56.8m**  
phone calls

over **34,000**  
staff

**123.9m**

Online account transactions



# 6. The Case for Change



**Gary Sterrenberg**  
Chief Information Officer

## 6.1 WPIT and Standardisation

# WPIT PRESENTS AN OPPORTUNITY TO STANDARDISE



The new system will need to support a shift from payment stovepipes to **standardised and reusable capabilities across the payments architecture, whilst managing the inherent complexity that comes from welfare legislation and policy.**



## 6.2 Current State Complexity

This content will be provided  
at the Industry Briefing and it  
will be further available in the  
Data Room

# 7. Cultural and Strategic Alignment



**John Murphy**  
**Deputy Secretary, Payments Reform**  
Welfare Payment Infrastructure Transformation Programme




## 7.1 Investing in partnerships

The department will place emphasis on the need to **jointly develop**, early in the Programme, mutual **trust models**, and the foundations of how the department will promote collaborative **team relationships**.

Desired partnership characteristics include:




A collaborative working relationship



Joint ownership between all parties




Transparent performance management



Develop innovative enabling capabilities



Leverage suppliers' international experience



Develop the department's knowledge & capability

## 7.2 APS values and DHS culture

### APS Values:

#### Impartial

The APS is apolitical and provides the Government with advice that is frank, honest, timely and based on the best available evidence.

#### Committed to service

The APS is professional, objective, innovative and efficient, and works collaboratively to achieve the best results for the Australian community and the Government.

#### Accountable

The APS is open and accountable to the Australian community under the law and within the framework of Ministerial responsibility.

#### Respectful

The APS respects all people, including their rights and their heritage.

#### Ethical

The APS demonstrates leadership, is trustworthy, and acts with integrity, in all that it does.

### DHS Culture:

# We...

Use **initiative** – committed to being agile and high performing, and enthusiastic about the challenges ahead

**Collaborate** – appreciate a fun, connected and inclusive workplace

Are **honest** – act ethically because it is the only way to act

**Listen** – genuinely interested in what other people have to say about the work that we do

**Contribute** – pride ourselves in going the extra mile in order to maintain a positive workplace



## 7.3 Alignment in culture

### For our partnerships to be successful:

- Our cultures & values **must be complementary**
- Our relationships are **built on trust, long-term & mutual commitments**

### DHS Culture

#### We...

- Use initiative
- Collaborate
- Are honest
- Listen
- Contribute

### We strive for a partnership which reflects that:

- We value and support each other to deliver quality government outcomes and services;
- Our relationships and spirit of unity underpin our success;
- We encourage and enable everyone's contribution; and
- We are proud to work for the department and of its achievements.

**CLOSE**

**Thank you**





# Addendum

**ADDENDUM NUMBER: 12**

**RFT NUMBER: 1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to questions received on this RFT.

**Question 1:**

Is the recommended page limit a hard requirement, or is there scope to provide responses above the recommended threshold?

**Answer 1:**

Schedule 3 – Statement of Requirements and Evaluation Criteria contain guidance on the suggested number of pages for each requirement. Please note that this is for guidance only and is not a page limit.

**Question 2:**

Can the department provide the scenarios that they will be using to calculate the total cost ownership from the rate cards? For example, can you provide volume of days and pyramid of resources?

**Answer 2:**

No. This information will not be provided.

**Question 3:**

What is the expected duration of overall transformation target date to reach target state?

**Answer 3:**

The Welfare Payments Infrastructure Transformation (WPIT) Programme is anticipated to be delivered and completed by 2022. At this future date, it is anticipated that the target state processes and services will be fully completed and operational in the business as usual environment. Details regarding Tranche content and sequencing for the WPIT Programme are contained in Programme Overview (Attachment H, Part 5) of the SI RFT pack. Please note that the tranche sequencing and delivery dates of transformed services are subject to change.

**Question 4:**

Is customer (Citizen) enablement considered part of transformation?

**Answer 4:**

Yes. The customers will be enabled through end to end “Omni-Channel” digital services, using the device of their choice. Supporting services will include a Virtual Assistant and self-service

terminals in the offices supported by a service offer to assist customers who are new to the self-service capabilities. Authentication services are expected to be consumed via myGov.

**Question 5:**

The RFT process will result in a ranking of participants, the top 2 of which proceed to the competitive dialogue. From CD a participant will be selected to lead tranche 2. By what process will participants be ranked for tranches 3 and so on?

**Answer 5:**

No procurement decision has been made for tranches of work beyond Tranche Two. The establishment of the Systems Integrator Panel does, however, provide the department flexibility to procure systems integrator services over the whole life of the WPIT programme (see Section 1.2 of the RFT).

**Question 6:**

With WPIT and Defence insight in progress there are potentially going to be huge demands on SAP skills in Canberra. There are only a handful of SI's that can bring these resources to bear for one project – not 2 programs. Will there be any relaxing of security requirements for non-Australian resources to cope with this demand? All SI's today use 457 visa's to resource work.

**Answer 6:**

For clarity, non-Australian citizens are not excluded from involvement in the WPIT Programme. Guidance on the security requirements for the involvement of non-Australian citizens in the programme can be found in the Physical Data Room. The relevant document is located in Folder 9(a) Project Management Documents, Document 11, DHS Security Framework (Security Participation Information).

Whilst non-Australian citizens are not excluded from involvement in the WPIT Programme, there are security requirements that would prevent an individual on a 457 visa from being able to work in certain programme roles. The Security Participation Information document provides details on when the department may waive security requirements. It is not possible to make a decision to waive any security requirements at this point of the WPIT Programme.

**Question 7:**

Will DHS provide to any organisation that asks a question through to the tender box (but which DHS determined not to answer) a response declining to respond?

**Answer 7:**

Where it is possible to do so, the department will notify an organisation if it exercises the right not to respond to that organisation's enquiry or request for clarification. Please refer to Section 10 of the Request for Tender documentation for more information regarding the process for all enquiries or requests for clarification.





# Addendum

**ADDENDUM NUMBER: 13**

**RFT NUMBER: RFT1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to, questions received on this RFT.

**Question 1:**

Question relating to Attachment F - Pricing, Table 1.3 Assumptions on the tab entitled "1. Labour Rates". This table does not appear to be editable.

Can you please confirm if there have been edits / updates to this table?

**Answer 1:**

No, there have not been edits or updates to Attachment F - Pricing, Table 1.3 Assumptions. The question asked does, however, correctly identify a flaw in the table.

In Table 1.3, the first column, titled 'Table Name', erroneously contains a drop-down list. The drop-down list prevents data being entered into the column. Should tenderers wish to use Table 1.3, they will need to remove the drop-down list. To do this, tenderers can follow the instructions below.

To remove the drop-down list:

1. Select the column of values that contains the drop-down list.
2. Click 'Data', then 'Data Validation'.
3. On the 'Settings' tab, click 'Clear All'.

These instructions can also be found in the Excel 'Help Menu' by typing 'remove a drop-down list'.

Alternatively, tenderers may wish to use the revised Attachment F – Pricing worksheet as attached. This has had the erroneous drop-down lists already removed.



# Addendum

**ADDENDUM NUMBER: 14**

**RFT NUMBER: RFT1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to, questions received on this RFT.

**Question 1:**

Does DHS have plans to rationalise their online services and online claims service on one platform? Is there a roadmap for applications like 'Janus Workflow', 'Staff assisted claims', 'M204' and '3270 Screens'?

**Answer 1:**

Yes. The department intends that online services and online claims will be based on one platform. Staff applications have been consolidated on Customer First which is based on the SAP Platform.

No. A roadmap is not available. The strategy and roadmap for doing this is not part of the response required for this RFT.

**Question 2:**

What is DHS' strategy and plan around mobile enablement of DHS' 'online services' and 'online claim services'? What are the apps already available?

**Answer 2:**

The department currently operates a range of mobile applications, such as the 'Express Plus' suite, which are available for iOS and Android operating systems. However, the mobile enablement strategy for WPIT is not relevant to this RFT.

**Question 3:**

Please confirm [the] current 'Online claims' application is hosted and published on Websphere stack and both Websphere application server and portal server are used only for [the] 'online claims' application.

**Answer 3:**

Most Online Claims and Online Services have been migrated to SAP WCEM. Some Online Claims and Online Services still, however, remain in WebSphere.

**Question 4:**

What are DHS' enterprise architecture principles (Business, Application, Data, Technology etc.)?

**Answer 4:**

The information requested can be found in the SI RFT Data Room. The appropriate document is titled 'DHS Enterprise Architecture Principles (Folder No. 2, Document No. 3). For further information on the SI Data Room, please see Section 24 (Data Room) and Section 25 (Data Room Access) of the RFT documentation.

**Question 5:**

What are the CTI (IVR and Telephony) systems being considered for [the] target stage? Many of the Call centre functionality [elements] is dependent of these interfacing systems.

**Answer 5:**

The Computer Telephony Integration (CTI) systems are not relevant to this RFT.

**Question 6:**

Do we see the user base for Aged Care, Child Care and WPIT – [to] be [the] same – this is important to understand the end state functional architecture diagram and R2PMatrix.

**Answer 6:**

There will be overlaps between the Aged Care and WPIT Programme user base. Child Care payments are part of the Centrelink programme and are, therefore, the same user base for the WPIT programme.

**Question 7:**

SAP PI/PO system will receive/send data to other Departmental systems. Is the Departmental system outside [the] DHS network?

**Answer 7:**

DHS systems are within the department's network. Other departments' systems that WPIT will interface with will remain outside DHS's network.

**Question 8:**

Does SAP PI/PO system integrate with 'Income Security Integrated System'?

**Answer 8:**

Yes, SAP Process Integration / Process Orchestration (PI/PO) system integrates with 'Income Security Integrated System'.





# Addendum

**ADDENDUM NUMBER: 15**

**RFT NUMBER: RFT1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to, questions received on this RFT.

**Question 1:**

In Attachment I – Commercial Terms, Page 17, Definition of SI Background IP – Should it read “....which are made available by the SI to the Department for the WPIT Programme” rather than “....which are made available by the Department to the SI for the WPIT Programme”.

**Answer 1:**

Yes. Attachment I – Commercial Terms, Page 17, Definition of SI Background IP should read ‘....which are made available by the SI to the department for the WPIT Programme’.

Attachment I – Commercial Terms should be read as if the above change has been made, but the department will not issue a replacement Attachment I - Commercial terms at this stage.

The department will issue a replacement version of Attachment I – Commercial Terms to the Tenderers selected as preferred Tenderers following the evaluation of the SI RFT.



# Addendum

**ADDENDUM NUMBER: 16**

**RFT NUMBER: RFT 1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to questions received on this RFT.

## Question 1:

Is there a criteria that would make a new starter company like us are disqualified for bidding for this program?

## Answer 1:

No. There is no criteria disqualifying a 'new starter' company from submitting a response to the RFT.

Tenderers should note, however, that Schedule 3 of the RFT - Statement of Requirements and Evaluation Criteria, section 75, states that: 'The department requires the SI to have recent experience as a principal systems integrator delivering a large-scale business transformation enabled by ICT ("relevant project").'

Tenderers that are not able to satisfy the full range of Evaluation Criteria in Schedule 3 are reminded that the RFT explicitly allows for the use of subcontractors by a prime contractor. For more information, Tenderers should refer to section 36 of the RFT.



# Addendum

**ADDENDUM NUMBER: 17**

**RFT NUMBER: RFT 1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS  
INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to questions received on this RFT.

**Question 1:**

Do DHS measure CSAT for user interfacing application and overall services separately? If yes, please provide current CSAT at each level.

**Answer 1:**

Yes. The department measures customer satisfaction for web-based online services (not mobile applications), and this is separated into relevant programmes (Centrelink, Medicare, etc.). Additional information in relation to Customer Satisfaction (CSAT) is available in the virtual data room. (Please refer to Attachment D of the RFT and Addendum 2 to the RFT on how to access the data room.)





# Addendum

**ADDENDUM NUMBER: 18**

**RFT NUMBER: RFT 1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to questions received on this RFT.

## Question 1

Will the Department accept a Tenderer participating in this RFT on the basis of terms and conditions contained in a separate pre-existing agreement with the department?

### Answer 1

The department's proposed contractual structure is as follows:

- a) each SI Panel member will enter into the SI Panel Deed with the department substantially in the form of the deed at Attachment J – SI Panel Deed;
- b) the department will seek to negotiate variations to the SI Panel Deeds in parallel with the CD process to incorporate comprehensive terms. The comprehensive terms will capture the key commercial terms outlined in Attachment I – Commercial Terms, as well as other more operational and boilerplate terms; and
- c) as work is required from the SI (as engaged from time to time), the department will issue Work Orders. The terms of the Work Orders will be determined in accordance with the SI Panel Deed (as varied to incorporate comprehensive terms).

The department intends that the contractual terms of the SI Panel Deed entered into with each SI on the SI Panel will not be materially different to each other, and that the initial terms of the SI Panel Deed will not be materially different to those terms outlined in the draft SI Panel Deed at Attachment J – SI Panel Deed and Attachment I – Commercial Terms.

Any non-compliance with Attachment I or Attachment J will be taken into account in evaluating risk. Substantial or full non-compliance with provisions in Attachment I or Attachment J will increase the Tenderer's risk rating.

For more information, Tenderers should refer to:

- section 11 of the RFT; and
- the Response instructions and additional information in Attachment E – Contractual and Commercial Terms Acceptance.

## Question 2:

If our company is included as a sub-contractor in the tender response of another Systems Integrator organisation, would this exclude us from:

- a) Being engaged for other WPIT work in any other capacity?
- b) Other non WPIT / SI work?

**Answer 2:**

No, to both questions.

For part a), the final sentence in Paragraph 42.1, No Guarantee of Work, states that, '*The department may also continue to source services through other tender processes*'. This statement means that a tenderer is not excluded from other WPIT programme work on the basis of the sub-contractor arrangements presented in the question.

For part b) the sub-contractor arrangements outlined in the question will not exclude a tenderer from other non-WPIT programme SI work.



# Addendum

**ADDENDUM NUMBER: 19**

**RFT NUMBER: RFT 1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to questions received on this RFT.

*Answer 2 of Addendum 18 was published in error.*

Please disregard Answer 2 of Addendum 18. Please be advised that this answer is the correct answer to Question 2.

## **Question 2:**

If our company is included as a sub-contractor in the tender response of another Systems Integrator organisation, would this exclude us from:

- a) Being engaged for other WPIT work in any other capacity?
- b) Other non WPIT / SI work?

## **Answer 2:**

No, to both questions. Nothing in the SI RFT prevents a Tenderer or a subcontractor of a Tenderer from being engaged for:

- a) other WPIT work in any other capacity; or
- b) other non WPIT / SI work.





# Addendum

**ADDENDUM NUMBER: 20**

**RFT NUMBER: RFT 1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to questions received on this RFT.

**Question 20:**

What is the scope of the WPIT Programme? Could systems developed for the WPIT Programme be utilised for other departmental programmes, such as health-related programmes or Child Support Scheme Payments?

**Answer 1:**

The WPIT Programme is primarily focussed on business transformation for the delivery of Payments and associated services (that is, welfare or other comparable government programme disbursements paid to Customers by or on behalf of the department or the Department of Veterans' Affairs).

The WPIT Programme does not directly include the department's health-related programmes or Child Support Scheme payments, services or systems. However, the future System developed by the WPIT Programme will need to have the ability to interact with these systems and other health and welfare systems such as Aged Care, Child Care and National Disability Insurance Scheme (NDIS) and Child Support Scheme payment systems, including the exchange of data. These interfaces therefore will need to be part of the System's design. For more information, Tenderers should refer to Part 2 – Scope and Rationale for Change of Attachment H – Programme Overview.

While the System will be developed specifically for the delivery of welfare Payments and associated services in the first instance, the department may use parts of the System, or the whole System, for other departmental purposes.



# Addendum

**ADDENDUM NUMBER: 21**

**RFT NUMBER: RFT 1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to questions received on this RFT.

**Question 1:**

To ensure we have all relevant information in relation to the warranties set out in clauses 7(e) and 7(f) of the Tender Declaration Deed Poll, may we please access the list mentioned in Section 4 of the Deed Poll Terms?

**Answer 1:**

The following table sets out the names or organisations or both of contractors who have been involved, or are involved, in the WPIT Programme.

Firm	Firm
KPMG	The NTF Group
BCG	KT Advisory GmbH
PwC	Queensland University of Technology
Ernst & Young	Leonardo
APIS	Agilient
Third Horizon Consulting	Alliance Consulting

Please note: a number of individuals have been engaged over the life of the WPIT Programme, either directly by the department (as independent contractors or employees) or as subcontractors to the vendors listed above. It is a matter for each Tenderer to verify that any individuals that support the preparation of a Tender in response to this RFT do not contravene the rules on improper assistance at section 38 of the RFT.



# Addendum

**ADDENDUM NUMBER: 22**

**RFT NUMBER: RFT 1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS  
INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to questions received on this RFT.

**Question 1:**

When entering pricing into “Attachment F Pricing Schedule, Labour Rates tab”, the GST for the offshore rows is a greyed out cell (but an enterable field). The formula in the total ‘per day labour rate’ column does calculate the GST component. Can you please confirm that it is acceptable to enter the GST value for offshore resources into this greyed-out field, or are there other instructions we should be following given GST is chargeable on all resources.

**Answer 1:**

Where a Tenderer intends to apply GST to offshore rates, it should note that GST is applicable, and the percentage rate to be applied, in the comments column of Table 1.1 Labour Rates for the roles and capabilities required for the WPIT Programme and Table 1.2 Additional Recommended Roles and labour rates (if applicable).

Any additional information on the application of GST to offshore rates should be included in Table 1.3





# Addendum

**ADDENDUM NUMBER: 23**

**RFT NUMBER: RFT 1000401959**

**REQUEST FOR TENDER (RFT) FOR THE PROCUREMENT OF A SYSTEMS  
INTEGRATOR PANEL**

In accordance with clause 15 (Addenda and notices) of RFT Number 1000401959, the Department of Human Services is advising Tenderers of the receipt of, and answers to questions received on this RFT.

*Answer 1 of Addendum 22 was published in error.*

Please disregard Answer 1 of Addendum 22. Please be advised that this answer is the correct answer to Question 1.

## **Question 1:**

When entering pricing into "Attachment F Pricing Schedule, Labour Rates tab", the GST for the offshore rows is a greyed out cell (but an enterable field). The formula in the total 'per day labour rate' column does calculate the GST component. Can you please confirm that it is acceptable to enter the GST value for offshore resources into this greyed-out field, or are there other instructions we should be following given GST is chargeable on all resources.

## **Answer 1:**

Where a Tenderer intends to apply GST to offshore rates, it should note that GST is applicable, and the percentage rate to be applied, in the comments column of Table 1.1 Labour Rates for the roles and capabilities required for the WPIT Programme and Table 1.2 Additional Recommended Roles and labour rates (if applicable).

Any additional information on the application of GST to offshore rates should be included in Table 1.3.

Tenderers should rely on their own tax advice in connection with the applicability or otherwise of Australian taxes such as Goods and Services Tax to the services they offer.



## **Request for Tender (RFT) for the procurement of a Systems Integrator Panel**

RFT No: 1000401959

Contact: [WPIT.systemsintegrator@humanservices.gov.au](mailto:WPIT.systemsintegrator@humanservices.gov.au)

Release Date: 1 August 2016

Closing Date: 26 August 2016

Closing Time: 2:00pm AEST

Lodgement Address: Tenders must be lodged electronically via AusTender (see Section 16, AusTender).



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# RFT for the procurement of a Systems Integrator Panel

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# RFT for the procurement of a Systems Integrator Panel

## Part 1 – Introduction

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### 1. Purpose

- 1.1 The purpose of this RFT is to seek Tenders from systems integrators (SIs) that have the capability, capacity and experience required to support the Welfare Payment Infrastructure Transformation (WPIT) Programme.
- 1.2 The outcome of this RFT process will be the establishment of a small Panel of SIs, with an expected maximum of six members. This Panel is intended to give the department the flexibility to procure systems integration Services, by Tranche, from a variety of selected SIs over the life of the WPIT Programme. This will be done by Work Orders under SI Panel Deeds and subject to Government approval for funding.
- 1.3 A systems integrator responding to this RFT is referred to as the “Tenderer” in this document. The Tenderer is encouraged to first refer to Section 27, Evaluation of Tenders before proceeding.

### 2. Background

- 2.1 The demands on service delivery are increasing and Customers are expecting more from Government with an increasing expectation to be able to access services ‘anytime, anywhere’. The department is responding to this change by undertaking a significant business transformation to make the delivery of Payments and services to Customers more efficient, scalable and comparable in customer experience to other services such as banking, retail and insurance. The expected outcome to be delivered from this transformation is a System which pays the correct people the correct amount in the correct timeframe.
- 2.2 The department has already begun transforming its online service delivery environment and business technologies. This includes having established a single authenticated log-on through myGov (which now has over 7 million active accounts) and through developing of a suite of mobile apps (with over 4.9 million downloads). The department will continue to build on this work to enhance technology capabilities and business services and to provide targeted assistance for Customers who need it most.
- 2.3 The WPIT Programme is a crucial next step on the department’s business transformation journey. It will give the department the flexibility it needs to continue to deliver Payments and services and provide more efficient and integrated access to third parties, including other government agencies and service providers, and enhancing its ability to rapidly respond to change. It will be a key focus for the department and Government over the coming years.
- 2.4 The WPIT Programme is focused on welfare Payments and services and does not directly include the department’s health-related, Medicare and Aged Care programmes or Child Support Scheme payments, services or systems. However, any new ICT systems will still need



to interact with them (for example, confirmation of identity data) and the department's future state information architecture; this interaction will need to be part of the overall design requirement.

- 2.5 To deliver the WPIT Programme, capabilities will be required across many areas. While the department has some of these capabilities, the scale and complexity of this business transformation will require additional skills and expertise. The department expects to work with a number of service providers across a range of areas over the duration of the WPIT Programme.

### 3. Core Software Vendor

- 3.1 The department has already approached the market for a Core Software Vendor (CSV), for the provision of a Commercial Off-the-Shelf Integrated Technology Platform and associated Services (RFT 2015/15745). SAP Australia Pty Ltd (SAP Australia) has been identified as the preferred tenderer. However, the department is yet to complete negotiations with SAP Australia, and no contracts have been signed.
- 3.2 When responding to this RFT, the Tenderer should take into account that SAP Australia may be selected as the CSV for the WPIT Programme. The Tenderer should note that the Evaluation Criteria set out in Schedule 3 – Statement of Requirements and Evaluation Criteria provides that, in evaluating the Tenderer's capability and demonstrated experience in delivering relevant services, having experience, capability and certifications relevant to SAP products will be highly desirable. A Tenderer that is not able to demonstrate relevant experience, capability and certifications with SAP products may receive a lower score.

### 4. Structure of the RFT documentation

- 4.1 This RFT is structured as follows:
  - a) **Part 1 – Introduction:** provides an overview of the WPIT Programme, the scope and requirements, the communication channels available throughout the procurement process, the proposed contracting structure and a description of a proposed Competitive Dialogue process.
  - b) **Part 2 – Tender Lodgement:** provides information on the RFT process and instructions for lodging a Tender.
  - c) **Part 3 – Tender Evaluation:** provides an overview of the evaluation process and the procedure for notifying Tenderer's of evaluation outcomes.
  - d) **Part 4 – Conditions of Tender:** provides information on the conditions that govern this RFT.
  - e) **Part 5 – Commonwealth legislation and policies:** provides an overview of the applicable Commonwealth legislation and policies that the Tenderer, including its subcontractors, must comply with.
  - f) **Schedules:** provides a Glossary, Tender Checklist and the department's Statement of Requirements and Evaluation Criteria for this RFT.
  - g) **Returnable and Supporting Attachments:** includes all attachments that the Tenderer is required to return, as well as those which provide additional supporting information.



## 5. Scope

- 5.1 The scope of this RFT includes a range of potential systems integration and related services that are required to support the WPIT Programme Outcomes as outlined in Section 16, Delivering the WPIT Programme Outcomes of Attachment H – Programme Overview.
- 5.2 The scope includes, but is not limited to:
- a) configuration of the COTS software;
  - b) providing existing integration software (whether owned by the SIs, or third party products supplied by the SIs), and providing appropriate licensing, maintenance and support for that software;
  - c) development of new software functionality (which may also be re-used in other systems across the department), with appropriate licensing, maintenance and support for that functionality;
  - d) integrating the System with other department and third party systems and products;
  - e) provision of implementation software support tools, including providing appropriate licensing to the department and its contractors to access and use those tools; and
  - f) provision of Services to support the WPIT Programme (such as business transformation, solution design and programme management services).

## 6. Partnering model

- 6.1 The nature of the department's work means that the WPIT Programme will be characterised by significant operational complexity. It is likely that the outcomes, specifications and tasks will evolve over time; including after the formal selection of WPIT Programme Partners (Participants). Delivering the WPIT Programme and its objectives will require a tailored approach that ensures joint responsibilities for outcomes, co-innovation and a long-term and sustainable Partnership.
- 6.2 The department wishes to establish a Partnering model and a Partnership with the Participants that leverage the core competencies, knowledge and experience of the department and its chosen partners while respecting their aspirations and motivations for working with the department on the WPIT Programme. In particular, co-innovation around solution design and delivery will be critical.
- 6.3 This Partnering model is central to the department's approach to delivering the WPIT Programme and will be based upon the following principles:
- a) Participants should be fully integrated into WPIT Programme planning. This allows Partners to provide input into solutions as well as plan resourcing (especially specialised resources) effectively;
  - b) Participant teams and executives should be inducted into the WPIT Programme to align "ways of working" to the department's culture. For example, the department will expect commitment to collaborative problem solving;

- c) WPIT Programme governance will incorporate appropriately experienced and skilled members of the partners' management to maintain collaborative engagement. Governance will therefore include the following elements:
  - i. the department and its Partners will commit to effectively manage interdependencies;
  - ii. risk management is a shared responsibility of all parties; and
  - iii. a commitment to avoid disputes where possible, but to resolve them honestly and transparently where unavoidable.
- d) performance management measures will be linked to the WPIT Programme's strategic objectives required outcomes and demonstrated behaviours; and
- e) management of all tasks and associated risks will be undertaken collaboratively with a shared understanding of WPIT Programmes' goals and outcomes.

6.4 The department intends to realise the Partnership through the proposed contracting structure described in Section 11 below.

## 7. About the department

- 7.1 The department is a non-corporate Commonwealth entity, under the *Public Governance, Performance and Accountability Act 2013* (Cth). The department operates within the social services portfolio, within the responsibility of the Minister for Social Services and the Minister for Human Services. The department also works closely with the Digital Transformation Office to ensure innovative, efficient and effective digital service delivery.
- 7.2 The department touches the lives of around 99 per cent of Australians through the delivery of health and welfare payments and services. These services are provided using a variety of channels including digital, telephone and self-service terminals in a network of over 380 local service centres across Australia, supported by a broad network of agents.
- 7.3 The department delivers payments and services to Australians through three main programmes:
  - a) Centrelink Programme: the Centrelink Programme covers a range of Government Payments and services for retirees, the unemployed, families, carers, parents, students, people with disabilities, Indigenous Australians, and people from diverse cultural and linguistic backgrounds, and also provides services at times of major change or crisis;
  - b) Medicare Programme: the Medicare Programme looks after the health of Australians through efficient services and payment mechanisms such as Medicare, the Pharmaceutical Benefits Scheme, the Australian Childhood Immunisation Register, and the Australian Organ Donor Register; and
  - c) Child Support Scheme: the Child Support Scheme assists separated parents to ensure their children are financially supported.



## 8. Procurement timetable

- 8.1 The table below sets out the indicative timetable for the RFT process. The department reserves the right to vary the timeframes at its sole discretion.

Activity	Timeframe
Release of this RFT on AusTender	1 August 2016
Data Room opens	1 August 2016
Registration close for RFT industry briefing	5pm AEST 8 August 2016
RFT industry briefing	2pm AEST 9 August 2016
Closing date for the receipt of questions/clarifications	5pm AEST 19 August 2016
Data Room closes	2pm AEST 26 August 2016
<b>Closing Time for submission of Tenders</b>	2pm AEST 26 August 2016
Evaluation of Tenders	29 August 2016
Notification of outcomes	23 September 2016
Negotiations for SI Panel Deeds	26 September to 7 October 2016
Competitive Dialogue mobilisation	10 October to 28 October 2016
Competitive Dialogue execution	1 November 2016 to 20 January 2017

## 9. Competitive Dialogue

- 9.1 The department's proposed approach for a Competitive Dialogue (CD) is outlined in this section. It is provided for information only, and is subject to change.
- 9.2 Following establishment of the SI Panel, the department will invite a minimum of two SI Panel members to participate in a CD process as part of Tranche One of the WPIT Programme. Selection of CD Participants will be guided by the ranking of SI Panel members assigned at stage three of the evaluation process (see Section 27, Evaluation of Tenders for further information). The invitation to participate in CD will contain specific details of the CD process, including a timetable, expected roles and responsibilities of all parties and evaluation criteria.
- 9.3 The CD process will consist of a series of briefing sessions, interviews and presentations (dialogue sessions) covering key aspects of the WPIT Programme and proposed contractual documents for Tranche Two. The department may also conduct site visits to the premises of the CD Participants or nominated client reference sites.
- 9.4 It is intended that the CD stage will permit the department to engage with CD Participants to explore the design for Tranche Two and to consider any innovative ideas and insights put forward by the Participants to seek feedback on and challenge the department's current thinking on the approach to business transformation.
- 9.5 The department seeks to achieve the following outputs from the CD process:
- select the Preferred T2 SI to provide services for Tranche Two of the WPIT Programme;
  - to the extent possible, define a detailed solution, including pricing, for Tranche Two with a supporting implementation plan and delivery approach;
  - determine the allocation of Tranche Two roles between the department, the CSV and the T2 SI; and

- d) obtain commitment from CD Participants to the WPIT Programme management plan, delivery approach (including WPIT Programme culture), and risk framework.

9.6 An invitation to participate in the CD process will be subject to those SI Panel members entering into a Tranche One Participation Deed, on terms that are not materially different to those outlined in the draft Attachment K – Tranche One Participation Deed. For clarity, the department does not expect to remunerate any Participant for pre-CD activities, or the CD process itself. CD Participants will be responsible for all costs and expenses incurred in participating in the CD process. The department also expects the CSV to support and participate in the CD process and the department expects to clarify the CSV's role prior to CD commencing.

## 10. RFT Contact Officer

10.1 Prior to submitting a Tender, the Tenderer may request clarification from the department about any part of this RFT or any other information provided by the department in relation to this RFT. All enquiries or requests for clarification are required to be:

- a) made in writing;
- b) directed to the RFT Contact Officer using the following email address:  
WPIT.Systemsintegrator@humanservices.gov.au; and
- c) submitted no later than 5:00pm 19 August 2016 AEST.

10.2 Both the request and the department's response may be published by the department, on an unattributed basis, on AusTender. The department reserves the right, at its sole discretion, to not consider any communication that does not conform to these instructions. The department is not bound to answer any enquiry.

10.3 The Tenderer should note that it may be necessary for the RFT Contact Officer to refer the Tenderer to the AusTender Help Desk for matters relating to technical or operational support requests including downloading documentation from, or uploading documentation to, the AusTender website. The details for the AusTender Help Desk are set out in Section 16, AusTender.

## 11. Proposed contracting structure

11.1 The department's proposed contractual structure is as follows:

- a) each SI Panel member will enter into the SI Panel Deed with the department substantially in the form of the deed at Attachment J – SI Panel Deed. Initially, the terms of the SI Panel Deed will create the base panel arrangement, through agreed standing offers;
- b) once each SI Panel member has entered into the SI Panel Deed, and in parallel with the CD process, the department will seek to negotiate variations to the SI Panel Deeds to incorporate comprehensive terms. The comprehensive terms will capture the key commercial terms outlined in Attachment I – Commercial Terms, as well as other more operational and boilerplate terms, to be called up by Work Orders; and



- c) as work is required from the SI (as engaged from time to time), the department will issue Work Orders – the terms of the Work Orders will be determined in accordance with the SI Panel Deed (as varied to incorporate comprehensive terms).

- 11.2 The department intends that the contractual terms of the SI Panel Deed entered into with each SI on the SI Panel will not be materially different to each other, and that the initial terms of the SI Panel Deed will not be materially different to those terms outlined in the draft SI Panel Deed at Attachment J – SI Panel Deed and Attachment I – Commercial Terms (with allowances for vendor-specific items such as pricing).

#### **Tranche One Participation Deed**

- 11.3 As noted in Section 9, Competitive Dialogue, participants in the CD process will be required to enter into a Tranche One Participation Deed, with terms that will not be materially different to the terms outlined in Attachment K – Tranche One Participation Deed. This deed covers terms relevant to participation in CD, including treatment of Intellectual Property, confidentiality, security, and provision of personnel during CD.

#### **Operation of the SI Panel**

- 11.4 The department proposes to appoint a small Panel of SIs (with an expected maximum of six members). As outlined in Section 9, Competitive Dialogue, the CD process will be used to select the SI for Tranche Two.
- 11.5 During Tranche Two, the department intends to approach one or more members of the SI Panel with a view to selecting the SI for Tranche Three (which may or may not be the same provider selected for Tranche Two). A similar approach will be carried out for subsequent Tranches.
- 11.6 The selected SI for a Tranche will generally have responsibility for the majority of Services during the relevant Tranche. However, other SIs on the SI Panel may be approached from time to time to bid for other Work Orders throughout the life of the WPIT Programme.
- 11.7 The SI Panel will be non-exclusive, and the department may seek services which are the same or similar to the Services from other places, including the CSV, the department's internal resources, or using other procurement processes.
- 11.8 The Tenderer should also note that the department will need to seek agreement from Government to commence each Tranche. As such, Work Orders issued under the SI Panel Deed may be conditional on the department receiving the required agreement from Government.

#### **Shared Incentives arrangements**

- 11.9 The department has not yet determined whether shared incentive arrangements will be utilised in the WPIT Programme, and any such arrangements would need to be refined prior to being negotiated with the relevant parties. As such, all pricing information in Attachment F – Pricing Schedule should be provided on the assumption that no shared incentives arrangements will be established.

- 11.10 If agreed by the parties, shared incentives arrangements between the department, the CSV and the SI(s) could be established through a separate agreement, or through work orders for a work package.
- 11.11 The base fees for a Tranche or work package would be determined by the CSV Deed and SI Deed and work orders. However, a shared incentives arrangement could, for example, provide that base fees are increased (for an excellent performance score), or reduced (for a poor performance score). In each case, a percentage increase or reduction would be agreed in advance, and would apply equally to the CSV and SI.
- 11.12 If used for a particular Tranche or work package, a shared incentive arrangement would include provisions describing the department's required outcomes, mechanisms for measuring those outcomes and determining an overall 'performance score', governance for the score determination (and to resolve any disputes), and a formula to determine the relationship between the performance score and the fees payable to the CSV and SI for that Tranche or work package.
- 11.13 A shared incentives arrangement could work alongside normal contractual performance measures in Work Orders. For example, under each Work Order it is likely that fees will only be paid if specified milestones are met. There may also be liquidated damages payable for late delivery, and other remedies available to the department for poor performance.



# RFT for the procurement of a Systems Integrator Panel

## Part 2 – Tender Lodgement

### 12. Minimum content and format requirements

- 12.1 The minimum content and format requirements are that Tenders must:
- a) include a properly executed copy of a deed that has substantially the same legal effect as Attachment A – Tender Declaration Deed Poll.
  - b) provide all pricing in Attachment F – Pricing Schedule in Australian dollars; and
  - c) be in English (apart from information which is accompanied by an English translation).
- 12.2 Subject to Section 13, Unintentional Errors of Form, if a Tender does not, in the opinion of the department, meet the minimum content and format requirements, the Tender will be excluded from further consideration.

### 13. Unintentional Errors of Form

- 13.1 If the department considers that there are Unintentional Errors of Form in a Tender, the department may, at its absolute discretion, ask the Tenderer to correct or clarify the error. The department may then consider the correction in the evaluation.

### 14. General Tender requirements

- 14.1 In accordance with the limits prescribed by AusTender, the Tenderer must ensure that individual files submitted do not exceed 100 megabytes per file.
- 14.2 The department's preference is that the Tenderer use (at a minimum) 11 point font (excluding text in any diagrams, figures and spreadsheets).
- 14.3 Schedule 3 – Statement of Requirements and Evaluation Criteria contain guidance on the suggested number of pages for each requirement. Please note that this is for guidance only and is not a page limit.

### 15. Addenda

- 15.1 The department may, at its absolute discretion, add to, vary, modify or amend any part of this RFT (including varying any dates or timeframes referred to in this RFT), or provide additional information either by addenda (in response to questions, or otherwise). Each addendum forms part of the RFT upon issue.
- 15.2 The Tenderer should ensure its user profile information is recorded correctly on AusTender to ensure that it will be notified of any addenda. If the Tenderer needs to amend its user profile on AusTender it should download the relevant RFT documentation again.

- 15.3 The department accepts no responsibility if the Tenderer fails to become aware of any addendum notice that would have been apparent if it had accessed the relevant AusTender details for this RFT.
- 15.4 If the Tenderer finds, or reasonably believes it has found, any material discrepancy, error, ambiguity, inconsistency, omission or misleading statement in this RFT, or in any other information given or made available by the department, the Tenderer should promptly notify the RFT Contact Officer by email at the address specified in Section 10, RFT Contact Officer. Any consequential amendment of this RFT or information provided by the department will be made available to all Tenderers in accordance with this Section.

## 16. AusTender

- 16.1 AusTender is the Government's procurement information system. Access to and use of AusTender is subject to the AusTender Terms of Use available on the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au). The Tenderer is required to comply with the AusTender Terms of Use and any applicable instructions, processes, procedures and recommendations as advised on the AusTender website. All queries and requests for technical or operational support must be directed to the AusTender Help Desk at:

Telephone:	1300 651 698
International:	+61 2 6215 1558
Email:	<a href="mailto:tenders@finance.gov.au">tenders@finance.gov.au</a>

- 16.2 The AusTender Help Desk is available between 9.00am and 5.00pm (AEST) or (AEDT), as applicable, Monday to Friday (excluding ACT and national public holidays).

## 17. Submission of Tenders

- 17.1 Tenders must be lodged electronically via AusTender before the Closing Time. The department will not accept Tenders lodged via any other channel.

## 18. Closing Time

- 18.1 The Closing Time for submitting a Tender is 2:00pm 26 August 2016 AEST.
- 18.2 The Closing Time will be displayed on the relevant AusTender webpage at [www.tenders.gov.au](http://www.tenders.gov.au), together with a countdown clock that displays in real-time the amount of time left until the Closing Time. For the purposes of determining whether a Tender has been lodged before the Closing Time, the countdown clock will be conclusive.

## 19. Extension of Closing Time

- 19.1 The department may, at its absolute discretion, extend the Closing Time and will notify the Tenderer via an addendum in accordance with Section 15, Addenda.



## 20. Late Tenders

- 20.1 The department adheres strictly to the Commonwealth Procurement Rules on the lodgement of Tenders. Late Tenders will not be accepted unless the lodgement of the Tender is late only as a consequence of mishandling by the department, as determined by the department.
- 20.2 Where lodgement of a Tender has commenced prior to the Closing Time but concluded after the Closing Time, the Tender as a whole will not be a Late Tender, but the department will only evaluate or consider those parts of the Tender that were successfully uploaded prior to the Closing Time. For example, if the Tenderer commenced uploading a Tender prior to the Closing Time in three files and at Closing Time, only the first file had been completely uploaded, then the second and third files would not be accepted, even if the second file was partially uploaded at that point.

## 21. Corrupt files

- 21.1 The department may, at its absolute discretion, exclude any Tenders:
  - a) with electronic files that cannot be read or decrypted; or
  - b) that the department believes may contain any virus, malicious code or any other material that might compromise the integrity or security of AusTender and/or the department's ICT environment.

## 22. Formulating the Tender

- 22.1 Tenders should be completely self-contained. Any hyperlinked or external material incorporated by reference (for example, websites) will not be evaluated.
- 22.2 The Tenderer should only include responses to a requirement in the allocated attachment prescribed in the requirement at Schedule 3 Statement of Requirements and Criteria. If the Tenderer wishes to cross-reference another part of their Tender in a particular attachment, they may do so.
- 22.3 The Tenderer should only include pricing information in Attachment F – Pricing Schedule, and should not include pricing information in other parts of its Tender.
- 22.4 In responding to a requirement which explicitly asks the Tenderer to demonstrate experience, the Tenderer may detail the experience of a subcontractor (including another entity proposed as a subcontractor in accordance with Section 36 of this RFT), and should include the name of the subcontractor in Annexure 2 of Attachment B – Form of Response, and respond to each requirement in items a) to g) of Annexure 2 of Attachment B.

## 23. Corrections by the Tenderer after lodgement

- 23.1 If, after submitting its Tender but before the Closing Time, the Tenderer becomes aware of any discrepancy, error or omission in its Tender and wishes to lodge a correction or provide additional information before the Closing Time, it should resubmit its amended Tender in

full, clearly stating that the Tender is a replacement Tender. This must be done before the Closing Time.

- 23.2 Where more than one Tender has been submitted before the Closing Time, the department will evaluate the last submitted Tender.
- 23.3 No correcting or additional information will be accepted after the Closing Time, unless specifically requested by the department in accordance with this RFT, or as required for compliance with Section 51, Change in information.

## 24. Data Room

- 24.1 The department has provided further materials and information relevant to this RFT process in a physical Data Room located in Canberra. The Tenderer is strongly encouraged to review this material prior to submitting a Tender. However, note that this is not compulsory for submitting a Tender. If the department updates the material in the Data Room, the department will issue an addendum in accordance with Section 15, Addenda.
- 24.2 The Tenderer should note that the Data Room will contain information relevant to the department's security requirements (as mentioned in Section 68, WPIT Programme security requirements).
- 24.3 The department may choose to establish multiple Data Rooms, each containing identical information, to enable multiple Tenderers to access Data Rooms simultaneously.

## 25. Data Room access

- 25.1 Before being given access to the Data Room, the Tenderer must provide a completed and properly executed Data Room Deed Poll at Attachment D – Data Room Deed Poll, by email to [data.room.bookings@humanservices.gov.au](mailto:data.room.bookings@humanservices.gov.au).
- 25.2 Access to the Data Room will be restricted to one Tenderer at a time, and will be on a 'first come, first served' basis. The Data Room will be available for bookings from 8am to 7:30pm on business days in Canberra (excluding public holidays).
- 25.3 The Data Room Deed Poll contains, among other things, rules of access for the Data Room. The department may specify additional rules or procedures or, by giving notice to Tenderers, amend the rules or procedures concerning access to and use of the Data Room. The Tenderer will be required to comply with any new or amended rules or procedures that are notified to them as an access condition.
- 25.4 The Data Room Deed Poll contains a range of obligations, including confidentiality obligations that will apply to the Tenderer and its representatives that are nominated to have access to the Data Room. If the Tenderer is granted access to the Data Room, and the Tenderer or its representatives breach their obligations under the Data Room Deed Poll, the department may:
  - a) remove the Tenderer's access, or the access of its representatives, to the Data Room;
  - b) exclude the Tenderer from being considered, or being considered further, in the evaluation of Tenders;



- c) if the Tenderer is nominated as a subcontractor in another party's Tender, exclude that other party's Tender from consideration, or further consideration, in the evaluation of Tenders; and/or
- d) exercise any other right available to the department under this RFT or at law.

25.5 The Data Room will be open and available for bookings from the date of the release of this RFT on AusTender and will close at the Closing Time.

## 26. Industry Briefing

26.1 The department will hold an industry briefing to clarify the department's objectives and priorities for this RFT. Attendance at the industry briefing is recommended but not compulsory.

26.2 The Tenderer must pre-register those Personnel including sub-contractors that will attend the industry briefing. Pre-registration should be made with the RFT Contact Officer (by email at the address specified in Section 10, RFT Contact Officer) no later than 5:00pm on 8 July 2016 AEDT. To register for the industry briefing, the Tenderer is required to forward registration details (covering the information below) to the RFT Contact Officer. Confirmation of registration and attendance will be sent via return email.

26.3 All registered Tenderers will be entitled to be represented at the industry briefing by no more than three registered Personnel. Required registration details for the Tenderers' representative Personnel are as follows:

- a) Company Name | Participant | Email Address | Phone Number

26.4 The industry briefing is intended to occur on the following date and time:

Date:	9 August 2016
Time:	2:00 pm AEST
Duration:	2 hours
Location / Venue:	National Portrait Gallery, King Edward Terrace, Parkes, Canberra, ACT 2600, Australia

26.5 The department may change the date, time, duration and location of the industry briefing, and, if it decides to do so, will do so by issuing an addendum in accordance with Section 15, Addenda. The Tenderer may submit written questions at the industry briefing, however questions will be taken on notice. Questions taken on notice will be responded to via an addendum published on AusTender.

26.6 The Tenderer should note that the department's slide presentation given at the industry briefing will be made available as an addendum on AusTender shortly after the event.

# RFT for the procurement of a Systems Integrator Panel

## Part 3 – Tender Evaluation

### 27. Evaluation of Tenders

27.1 This Section contains a description of the three stage evaluation process.

#### **Stage one: minimum content and format requirements**

27.2 Each Tender will be checked to ensure that:

- a) the Tender has been submitted by the Closing Time (or the department has accepted the Tender as a Late Tender in accordance with Section 20,); and
- b) at the time of opening, and subject to Section 13, Unintentional Errors of Form, the Tender meets the minimum content and format requirements at Section 12.

27.3 Those Tenders that meet the minimum requirements review in Stage one will proceed to Stage two. If a Tender does not meet the minimum content and format requirements, then (subject to the Tenderer being allowed to correct an Unintentional Error of Form), the Tender will be excluded from further consideration.

#### **Stage two: capability, pricing and risk evaluation**

##### *Capability*

27.4 Schedule 3 – Statement of Requirements and Evaluation Criteria sets out the department's business needs for the WPIT Programme (Requirements) and the corresponding individual evaluation criteria for each requirement. Response instructions are detailed in Schedule 3 – Statements of Requirements and Evaluation Criteria of the SI RFT, to direct the Tenderer to the relevant response attachment.

27.5 In evaluating the Tenderer's response to a requirement the department may take into consideration any element of a Tender, wherever it appears.

27.6 The department will evaluate the Transformation Experience criterion response (Section 75) first. A minimum score is set for this requirement, and Tenders that do not meet this minimum score will not be evaluated further.

27.7 If the Tenderer meets the minimum score for the Transformation Experience criterion, the department will consider the Tenderers response against the other Evaluation Criteria. The response to all Evaluation Criteria will be scored and weightings will be applied to the score for each criterion as shown below. The weighted scores will then be combined to develop an overall weighted capability score.



Requirements and corresponding Evaluation Criteria	Section of Schedule 3	Weighting
<b>Transformation Experience</b> (Evaluation Criterion 1)	75	20%
<b>Leadership and Governance</b> (Evaluation Criterion 2)	76	30%
<b>Programme Design and Delivery Approach</b> (Evaluation Criterion 3)	77	40%
<b>Capability and Capacity</b> (Evaluation Criterion 4)	78	10%

- 27.8 Schedule 3 – Statement of Requirements and Evaluation Criteria also contains Evaluation Criteria for corporate viability, capacity to bear risk and contractual requirements. However, these criteria are unweighted, and will be assessed separately under Risk (see Section 27.15 below).
- 27.9 In considering the Tenderer's capability, the department may take into account any information obtained through the processes outlined in Section 28 – Clarification of Tenders by the department, Section 29 – Site visits, demonstrations, presentations and interviews Section 30 – Further enquiries by the department, and Section 31 – Referees.
- 27.10 The department may, at its absolute discretion, take into account any prior experience that the department has with the Tenderer that is relevant to the assessment of the Evaluation Criteria, and the Tenderer should note in the allocated place in Annexure 1 of Attachment B any work that it has previously undertaken for the department.
- 27.11 The department may, in assessing the Tenderer's experience, consider the demonstrated experience of a subcontractor that has been named in Annexure 2 of Attachment B – Form of Response.

#### *Pricing*

- 27.12 The department will evaluate pricing based on the Tenderer's labour rate cards submitted in Attachment F – Pricing Schedule. The Tenderer should note and follow the detailed response instructions contained in that attachment. The department will use indicative scenarios for Tranches 2-5 and the Tenderer's labour rate card to estimate the costs of obtaining a pre-defined set of services from the Tenderer over the life of the SI Panel.
- 27.13 In conducting the pricing assessment, and to achieve a common cost basis, the department may adjust or normalise the estimated costs for variables, including but not limited to:
- a) assumptions around indexation;
  - b) any assumptions affecting whole of life costs; and
  - c) any discounts.

#### *Risk*

- 27.14 The department will assess any risks associated with engaging the Tenderer as a SI Panel member. The Corporate Viability, Capacity to bear Risk, Contractual Arrangements and Commercial Terms criteria outlined in Schedule 3 – Statement of Requirements and

Evaluation Criteria are relevant to the risk assessment. This assessment will take into account:

- a) consideration of the Tenderer's response, and other information provided by Corporate Scorecard in accordance with Section 32 of this RFT, relevant to individual Evaluation Criteria (Corporate Viability);
- b) consideration of the Tenderer's response to individual Evaluation Criteria (Capacity to bear Risk);
- c) consideration of the Tenderer's response to individual Evaluation Criteria (Contractual Arrangements and Commercial Terms Acceptance); and
- d) consideration of pricing risk.

- 27.15 The risk assessment will also take into account risks identified by the department in evaluating the Tenderer's capability (using the weighted requirements criteria) and price. The department may also consider any other risks associated with the potential engagement of the Tenderer as an SI Panel member, including but not limited to delivery risk (such as location of service delivery), the Tenderer's track record, use of subcontractors (as described in Section 36), any conflict of interest and reputational risk.

#### **Stage three: value for money assessment**

- 27.16 The department will determine the relative value for money ranking for each Tenderer (which has not been excluded in Stage two) by considering the outcomes of earlier stages of the evaluation process. Accordingly, value for money will be assessed by taking into account the department's evaluation of the Tenderer's:
- a) capability;
  - b) pricing; and
  - c) risks.
- 27.17 If the department considers that it is appropriate to do so to determine a clear value for money outcome, it may ask the Tenderer to submit new or revised pricing or a 'best and final offer', and then evaluate such a response as part of the value for money assessment.
- 27.18 The department will determine a ranking of Tenderers based upon the value for money assessment described in Section 27.16. On the basis of this value for money ranking ("Ranking"), the department will then invite a small number of Tenderers to negotiate SI Panel Deals to form an SI Panel expected to comprise up to six members, and based on the Ranking, invite two SI Panel members to participate in CD.

## **28. Clarification of Tenders by the department**

- 28.1 The department may:
- a) contact the Tenderer to clarify aspects of its Tender; and
  - b) contact the Tenderer to seek clarification of an apparent Unintentional Error of Form.