Australian Government

# Approval to proceed

## For the Provision of a Grants Management System

Business owner: Strategic Advice, Research and Inclusion Division

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# To: Ian Frew, Chief Information Officer

## 1 Purpose

1.1 The purpose of this submission is to seek your approval to proceed to initiate a new procurement through an Open Tender using the DTA Computer Services Panel SON:3413842 procurement method in accordance with the Commonwealth Procurement Rules (CPRs).

## 2 Background and the Requirement

2.1 The Information Linkages and Capacity Building (ILC) Branch of the National Disability Insurance Agency is responsible for approximately $400M of grant funding over the next three years. This funding is designed to provide organisations with grants in four streams with varying expected outputs and outcomes.

2.2 By February 2020 it is expected that the number of projects being administered by ILC will reach almost 1000. At the same time the Program Delivery team within ILC that is responsible for managing the grantees will double. As the current management is done through a Microsoft Excel based system, a dedicated Grant Management System is required to meet the needs of the branch over the coming years.

2.3 Currently the data captured from the ILC Grants Program is very disparate and almost exclusively manual carrying a high risk of human error.

2.4 ILC currently manages grants through a suite of Microsoft Excel spreadsheets that are used both internally by the ILC Branch, but also by assessment organisations and grantee organisations. All evaluations and reporting is conducted manually through manipulation of data in a Microsoft Excel environment. Alongside this, the ILC Branch uses the FOFMS system as the primary payment system. There is only a manual interface with this. ILC also currently sub-contracts the development and administration of the application process, including the application form technology, from Department of Social Services.

2.5 As the Agency has matured, it increasingly found the need for a dedicated Grant Management System to meet the needs of ILC and NDIA more broadly.

2.6 There are two primary objectives and a number of secondary objectives to implement a dedicated Grant Management System.

a) The first primary objective is to deliver a centralised grant management system that allows for effective and efficient management of approximately 1,000 projects by a team of 17 grant managers across multiple programs.
b) The second primary objective is to provide monitoring and evaluation capability within the Grants Management System to capture, analyse and report against:
    a. grantee reports,
    b. anonymised surveys of individuals who benefit or participate in grant projects,
    c. application data and
    d. any other relevant data both internal and external data sources.
c) The secondary objectives for this project are for future phases and therefore capability needs to be supported but will not be required for the initial phase of the project. These objectives are:
    a. Payment interface capability. Currently the branch uses the FOFMS system to trigger and track payments to grantee organisations. The capability to build an interface into a future payment delivery system will be essential. The ability

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for grant managers to administer payments within the Grant Management System will be essential.

b. Internal Grant Application Form capability. Currently the branch utilises the Community Grants Hub application forms, which are built on the platform utilised by the Department of Industry. To achieve flexibility and control we may need to bring this functionality in-house. The ability for the branch to design, deploy and assess applications will need to be demonstrated so that future capability is available.

2.7 The intended approach to market is an Open Tender inviting nominated vendors to be approached (refer section 3) to provide a response addressing the full requirement as stated in the attached Schedule 1: Statement of Requirement.

2.8 The requirement covers:

(a) Provision and configuration of a hosted software product capable of delivering to the agency's requirements as detailed in the Statement of Requirement.

(b) A mutually negotiated and agreed ongoing licencing and support agreement for the software product.

(c) Development of design and delivery documentation as required by the delivery project (to be agreed with the successful applicant), and gain NDIA approval of these documents.

(d) Technical support during project delivery, inclusive of all build, test, deployment of post-deployment support activities.

(e) Remediation of product defects during the test phase in accordance with project timeframes.

2.9 Further details are attached and they are in the Statement of Requirement.

## 3 Method of Procurement

3.1 A Open Tender Approach will be conducted through the DTA Computer Services Panel SON:3413842. The EOI will be released to the following Vendors who are all highly regarded in their respective sector and have been identified as the most suitable in the current specialised market for the provision of a dedicated Grants Management App/Solution:

3.2 The following Panellists will be invited to respond:

(a) IBM Grants Mgmt. Solution;

(b) Microsoft Grants Mgmt. Solution;

(c) OMNIGRANTS (F1 Solutions);

(d) SmartApps (Salesforce); and

(e) SAP Grants Mgmt. Solution.

## 4 The stakeholders

(a) Office of the Chief Executive Officer (CEO);

(b) Office of the Scheme Actuary (OSA)

(c) People with Disability (both Participants and non-participants), their families, carers, community and the disability services;

(d) Office of the CIO;

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(e) Office of Communications, and Stakeholder Engagement Division;

(f) Local Area Coordinator (through Partners in the Community Branch) and ECEI;

(g) State and Territory Governments

(h) National Community Connectors

## 5 The contract manager

5.1 The officer who has responsibility for managing the contract once it is in place will be:

| | |
|---|---|
| **Contract Manager Name:** | Scott McNaughton |
| **Contract Manager Login:** | s22(1)(a)(ii) - Irrelevan |
| **Contract Manager Email:** | s22(1)(a)(ii) - Irrelevant Material |
| **Contract Manager Phone Number:** | s22(1)(a)(ii) - Irrelevant Material |

## 6 Estimated cost and resources

6.1 The following table is a breakdown of the estimated whole-of-life-cycle cost. (Also see Attachment A—funds availability).

| | Initial Expenditure | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
|---|---|---|---|---|---|---|---|
| Goods or Services to be provided for this procurement | $825,000 | $NIL | $NIL | $NIL | $NIL | $NIL | $NIL |
| Resources required to initiate and manage this procurement | $NIL | $NIL | $NIL | $NIL | $NIL | $NIL | $NIL |
| Maintenance costs over the life of the procurement | $330,000 | $330,000 | $330,000 | $330,000 | $330,000 | $330,000 | $330,000 |
| Other costs that may be attributed to this procurement | $NIL | $NIL | $NIL | $NIL | $NIL | $NIL | $NIL |
| **Total Amount for Approval in this Approval to Proceed** | | | | **$3,135,000 (incl. GST)** | | | |

## 7 Forward-year commitment agreement

7.1 A forward-year commitment agreement application is required to be submitted, for this approval to proceed. The application number is registered as: 2397

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# 8 Value for money

8.1 This procurement would provide a Value for Money (VFM) outcome to the government agency because of the following:

(a) The consideration for Value for Money is supported by the The Information Linkages and Capacity Building (ILC) Branch and Business Management teams input into the scale and scope of the business requirement, and support in meeting their resource demands and budget constraints; and

(b) The use of an existing Panel arrangement, DTA Computer Services (SON3413842) is considered the most suitable and appropriate option, commensurate with the value and risk of this procurement and is in accordance with the NDIA Procurement Policy.

(c) Price will not be the determining factor for demonstrating value for money for this Contract. Consideration will been given to the relevant financial and non-financial costs and benefits relating to the quality of the goods and services, fitness for purpose and Suppliers relevant experience and performance history in delivering current Services to this Agency where relevant.

# 9 Proposed timetable

9.1 The following timetable is proposed:

| Activity | Estimated Date |
|---|---|
| Issue request invitation (Stage 1 EOI) on: | 9 January 2020 |
| Request closes on: | 23 January 2020 |
| Assessment of submissions completed by: | 30 January 2020 |
| Approval of Evaluation Assessment by Spending Approver on: | 31 January 2020 |
| Vendor demonstrations: | 4 February 2020 |
| Nomination of Shortlist Respondent/s for Stage 2: | 7 February 2020 |
| Issue Supplementary Requirements for Stage 2: | 12 February 2020 |
| Start of Stage 2 Discovery Phase – End User Testing: | 24 February 2020 |
| Contract issued and signed by both parties by: | To be negotiated with the successful Supplier |

9.2 Please note that, the proposed timeline is subject to change in respect of NDIA stakeholder and/or delegate or potential market influence.

# 10 Risk assessment

10.1 The following areas of Procurement and Contract Management Risks will be addressed throughout the procurement process where relevant:

(a) Procurement Planning, ensure Statement of Requirements meets specific function needs;

(b) Procurement and future Contract Development, ensure allowance has been made/assessed regarding whole of life cycle costs;

(c) Procurement Development Process, ensure detailed procurement methodology is followed as specified in the Approval to Proceed (ATP) document and as agreed by the delegate;

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(d) Supplier selection processes doesn't achieve value for money or desired outcomes. Ensure scope is defined, documented & understood;

(e) Delays in obtaining approvals. Document the approvals required and give advanced notice to the authorised delegates of reuired endorsement;

(f) Conflict with existing contracts. Confirm whether any relevant existing contracts exist or if another Division Office already has a contract in place for the products and/or services; and

(g) Contract deliverables don't meet expectations. Ensure adequate technical knowledge is used in scope definition.

10.2 Project Risk will be developed as part of a Comprehensive Project and Contract Management Risk Register.

## 11 Key documents

11.1 Further to this approval to proceed, the following key documents will be prepared:

(a) the Statement of Requirement used in any request documentation;

(b) Expression of Interest (EOI);

(c) an Evaluation Plan;

(d) Probity Plan;

(e) an Evaluation Report; and

(f) Contract.

## 12 Procurement connected policies

12.1 The procurement connected policies required to be identified in this approval to proceed have been listed at Attachment B—procurement policies.

## 13 Author

| The details I have provided are true and correct at the date below. | |
|---|---|
| Print Name: | Matthew Fletcher |
| Title: | Assistant Director, Information, Linkages and Capacity Building (ILC), Strategic Advice, Research and Inclusion Division |
| Date: | 07 / 01 / 2020 |

## 14 Spending approver

| The following spending approver has responsibility for this procurement: | |
|---|---|
| Name: | Ian Frew |
| Title: | Chief Information Officer |
| Signature: | |

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# Attachment B—procurement policies

## Procurement connected policies

### 1 Workplace Gender Equality

1.1 The Workplace Gender Equality Procurement Principles and User Guide (the Principles) require Australian Government agencies to obtain a letter of compliance from certain Tenderers (employers with 100 or more employees) which indicates compliance with their obligations under the *Workplace Gender Equality Act 2012 (Cth)*.

1.2 The approach to market document (RFT, etc.) will contain a standard provision in respect of the Workplace Gender Equality Procurement Principles and Tenderers are required to provide their letter of compliance with their Tender or prior to entering into a contractual arrangement with the Agency.

1.3 Tenderers are also required to include in the Tenderer's declaration that they are either:

(a) a relevant employer and have attached a current letter of compliance as part of its Tender;

(b) a relevant employer and if selected as the preferred or successful Tenderer, they will provide upon request a current letter of compliance prior to entering into any contract and acknowledge that failure to provide a current letter of compliance when requested will result in it losing its status as the preferred or successful Tenderer; or

(c) not a relevant employer.

### 2 Australian Industry Participation

2.1 "Not Applicable"

## Other Procurement Policies

### 3 Building Code

3.1 "Not Applicable"

### 4 Disability Action Plan obligation

4.1 The government agency has committed to investigating whether Australian Disability Enterprises (ADEs) have the capability to fulfil its needs before making any approach to market for a procurement at or above the relevant threshold.

| Has ADE capability been investigated: <✓ tick appropriate box> | |
|---|---|
| ☒ | Yes: |
| ☐ | No: |

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# 5 Environment Policies

5.1 The Environmental Sustainability Policy outlines actions for officials to comply with Government environmental legislation and policy, as well as provides a pathway to improve energy efficiency, waste, reduce and offset greenhouse gas emissions. The Environmental Sustainability Policy includes related Government policies, including without limitation:

(a) Energy Efficiency in Government Operations (EEGO) Policy; and

(b) National Waste Policy: Less Waste, More Resources.

5.2 The Sustainability team (Property Branch, Corporate Operations Division, Department of Human Services) have provided advice that consideration should be given to the inclusion of a requirement for a tenderer to have an Environmental Management System (EMS) aligned to the ISO 14001 standard in any future Open Tender activity.

| Resource Management and Sustainability Section has advised that: <✓ tick appropriate box> | |
|---|---|
| ☐ | Yes: N/A |
| ☒ | **No:** This procurement is covered by a Whole of Australian Government procurement. |

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