

Professional Advisory Services State Purchase Contract

User Guide

HPE CM ref - D19/218876



Treasury
and Finance

© State of Victoria 2018



You are free to re-use this work under a Creative Commons Attribution 4.0 licence, provided you credit the State of Victoria (Department of Treasury and Finance) as author, indicate if changes were made and comply with the other licence terms. The licence does not apply to any branding, including Government logos.

Copyright queries may be directed to IPpolicy@dtf.vic.gov.au

ISBN 000-0-000000-00-0
Published month 2018

If you would like to receive this publication in an accessible format please email information@dtf.vic.gov.au

This document is also available in Word and PDF format at dtf.vic.gov.au

Contents

1.	General Overview	1
1.1	Purpose of the user guide	1
1.2	Background to the PAS	1
1.3	PAS SPC service categories	2
1.4	Who can use the PAS SPC?	2
1.5	Contract arrangements of the PAS SPC	3
1.6	Insurance levels	3
1.7	Benefits of the PAS SPC	3
1.8	How to access information about the PAS SPC	4
2.	Purchaser Guidelines	4
2.1	Steps for engaging a service provider through the PAS SPC	4
2.2	Step 1 - Read this user guide and understand your role.	4
2.3	Step 2 - Work out the services you need.....	4
2.4	Step 3 – Get internal approval to send a request for proposal (RFP)	5
2.5	Step 4 - Create an RFP	5
2.6	Step 5 - Send the RFP and choose a supplier	5
2.7	Step 6 - Get internal approval	5
2.8	Step 7 - Send a purchase order	5
2.9	Step 8 - Manage the engagement	6
2.10	Exemption Process	6
3.	Service provider guidelines	7
3.1	Obtaining business.....	7
3.2	Maintaining business.....	7
3.3	Reporting	8
4.	Appendices	9
4.1	PAS Categories detailed description	9
4.2	PAS Key Performance Indicators detailed description	16

1. General Overview

This section introduces the user guide and provides a general overview of the Professional Advisory Services (PAS) open panel State Purchase Contract (SPC). This SPC provides the following service categories of professional advice:

- Commercial and Financial Advisory Services (CAFAS);
- Tax Advisory Services (TAS);
- Financial Assessment Services (FAS); and
- Probity Services

The objective of the PAS SPC is to achieve best value for money for professional services through a fit for purpose, whole of Victorian government (WoVG) arrangement.

The use of this SPC is mandatory and precludes mandated government departments and entities from using any other type of procurement methods to obtain these services.

The Department of Treasury and Finance (DTF) as the Lead Department does not make any guarantee of the volume (if any) of engagement of service providers under the SPC.

This is an interim guide that will be updated periodically within the first months of the PAS SPC.

1.1 Purpose of the user guide

The user guide is a single information resource that provides comprehensive instructions and guidelines for government users (purchasers) and service providers on how to use the SPC.

The user guide has been divided into three sections being:

1. general overview of the PAS SPC;
2. purchaser guidelines; and
3. service provider guidelines.

1.2 Background to the PAS

DTF established the PAS SPC for use by all Victorian Government departments and entities listed within the Victorian Government Directory. Local councils, government owned entities and government supported organisations will also have access to this SPC.

The PAS SPC combines four previously separate SPCs covering CAFAS, TAS, FAS and Probity Services.

This SPC consists of qualified professional advisory service providers, approved to provide a wide range of services. It includes large and medium sized organisations, along with sole providers and small partnerships.

1.3 PAS SPC service categories

The PAS SPC has four service categories that are listed in Table 1, which have their own service sub categories. Detailed descriptions of these categories can be found in section 4.1.

Table 1: PAS service categories and sub-services categories

Service Categories	Service Sub Categories	Description
CAFAS	CA-1	Strategic Policy Review, Reform and Project Development (incorporating service need analysis, service planning, feasibility studies and strategic assessments)
	CA-2	Business Case Preparation and Development
	CA-3	Market Engagement and Implementation
	CA-4	Commercial Contract Management
	CA-5	Project, Program and Business Review (incorporating business re-organisation reviews)
	CA-6	General Commercial Advice (incorporating Commercial negotiations)
TAS	TA-1	Goods and Services Tax (GST) and Luxury Car Tax
	TA-2	Employment Taxes – including Fringe Benefits Tax (FBT) and Pay As You Go (PAYG)
	TA-3	State Taxes – including Payroll Tax, Stamp Duty, Land Tax and Congestion Levy
	TA-4	Superannuation Guarantee (SG)
	TA-5	National Tax Equivalents Regime (NTER)/Income (Corporate) Tax
	TA-6	Excise – including Fuel Tax Credits Scheme (FTCS) and Customs Duty
	TA-7	International Taxes
	TA-8	Other – including Petroleum Resources Rental Tax and Film Concessions
FAS	FA-1	Prequalification Assessment
	FA-2	Tender Assessment
	FA-3	Monitoring Specific Contracts in progress
	FA-4	Adhoc – Specialised Assessment
Probity Services	PR-1	Probity Advisory Services
	PR-2	Probity Auditing Services

1.4 Who can use the PAS SPC?

The use of the PAS SPC is mandatory for all Victorian Government departments and entities subject to Victorian Government Purchasing Board (VGPB) policies.

Government entities not subject to VGPB policies also have the ability to access this SPC. These include:

- local councils;
- government owned entities; and
- government supported organisations.

For a detailed description of these entities, please refer to the VGPB web site.

Access to the PAS SPC by purchasers is governed by the terms of use of the panel. All government entities (mandated agencies, government-owned entities, local government councils and government-supported organisations) can request access to the panel via the Buyer Registration link to **VendorPanel**. By registering to **VendorPanel**, you have agreed to the panel's terms of use.

1.5 Contract arrangements of the PAS SPC

Each PAS SPC service provider has entered into a SPC with DTF as the Lead Department. This is the head agreement for the PAS SPC. This contract contains all the terms and conditions such as indemnities, confidentiality, intellectual property etc.

A generic version of the SPC is available on **VendorPanel**.

A generic purchase order (PO) has been produced for PAS engagements. The terms and conditions of the head agreement shall take precedence over the terms and conditions of any PO. However, additional conditions in a PO which are not inconsistent with the head agreement, may be agreed by a purchaser and a service provider. The PAS SPC can only be used for procuring services within the scope of the arrangement.

1.6 Insurance levels

Each service provider is required to maintain the following insurances in accordance with the terms of the PAS SPC. The insurance coverage provided is detailed below.

Type of coverage	Amount (AUD)
Public liability insurance	\$10 million per claim or any occurrence giving rise to a claim in any 12 month policy period and \$20 million in the aggregate during that period
Professional indemnity insurance	\$2 million per claim or any occurrence giving rise to a claim in any 12 month policy period and \$10 million in the aggregate during that period

1.7 Benefits of the PAS SPC

The SPC provides the following benefits to both purchasers and service providers:

	Benefits
Purchasers	<ul style="list-style-type: none"> access to third party skills and expertise to support department and agency objectives for infrastructure and for major projects. supplier engagement undertaken through a PO, governed by the terms and conditions of the head agreement. service providers have submitted 'not to exceed' rates, from which purchasers are encouraged to negotiate improved fees. capability / quality assurance enabled by the appointment of service providers that have demonstrated past achievement and expertise in their key service category area(s). reduced costs for agencies in requiring only one competitive process for a wide range of commercial and financial advisory services.
Service providers	<ul style="list-style-type: none"> streamlined engagement processes as service providers do not need to repeatedly negotiate a contract for each individual engagement.

	Benefits
	<ul style="list-style-type: none"> • increased business profile and marketing opportunities for the service providers with the State. • greater opportunities to develop strong partnerships with government entities. • increased opportunities to accumulate experience and expertise in relation to the government's infrastructure and capital asset, and commercial transaction requirements. • increased opportunity for service providers to showcase work undertaken through the SPC.

1.8 How to access information about the PAS SPC

Purchasers and PAS SPC service providers can access relevant SPC information via **VendorPanel**.

2. Purchaser Guidelines

2.1 Steps for engaging a service provider through the PAS SPC

#	Step
1	Read this user guide and understand your role.
2	Work out the services you need
3	Get internal approval to send a request for proposal (RFP)
4	Create an RFP
5	Send the RFP and choose a supplier
6	Get internal approval
7	Send a purchase order
8	Manage the engagement

2.2 Step 1 - Read this user guide and understand your role.

Read this user guide for important information about this contract. Buyers will need to register for access to the panel via the buyer registration link to **VendorPanel**. All relevant contract information is available via **VendorPanel**.

2.3 Step 2 - Work out the services you need.

You can only choose a supplier for the service category they've been qualified for. In general, the more complex services you need, the more quotes you should ask for.

Organisations should also make sure they understand the complexity and capability policy.

2.4 Step 3 – Get internal approval to send a request for proposal (RFP)

Get approval from your department or agency procurement contact before organising a request for proposal (RFP).

Find your department procurement contact via [BuyingforVic](#) website.

2.5 Step 4 - Create an RFP

Once registered log in to **VendorPanel** to create and issue your RFP.

You should define the scope of work, then create criteria to evaluate each engagement. The criteria should specify how each service provider will be evaluated and how those criteria are ranked in order of relevance. The evaluations should have both qualitative and quantitative criteria to better evaluate value for money.

Download and fill out the RFP/RFQ template available in **VendorPanel**.

When you issue an RFP, you need a unique reference number. Use this method:

PAS - - - - .

For example: PAS-CAFAS – DTF – 2015 – 0000

Please contact your Departmental procurement contact for a unique reference number.

2.6 Step 5 - Send the RFP and choose a supplier

Evaluate each proposal based on the criteria you sent in the RFP.

Remember, the supplier's prices should be in line with the price list. The fees and charges on that list are ceiling rates and should be discounted based on the nature of the proposal.

If the supplier offers a fixed fee, you should ask for a per-hour breakdown to see if the proposal is cost efficient.

2.7 Step 6 - Get internal approval

Select a supplier based on value for money, (including a per-hour breakdown).

Send the supplier a purchase order using PAS purchase order template available in **VendorPanel**

You should inform unsuccessful suppliers, and if relevant, tell them how they can improve their RFPs.

2.8 Step 7 - Send a purchase order

Select a supplier based on value for money, (including a per-hour breakdown).

Send the supplier a purchase order using PAS purchase order template available in **VendorPanel**

You should inform unsuccessful suppliers, and if relevant, tell them how they can improve their RFPs.

2.9 Step 8 - Manage the engagement

Make sure you follow the rules of use when engaging the supplier.

Payment

You must pay invoices within 30 days (or within any other payment period as agreed with the supplier). If the invoice isn't paid in that period, the supplier might make a claim for penalty interest.

Disputes

You are responsible for managing any disputes. (Resolution processes are outlined in Clause 23 of the contract.)

You must tell the Department of Treasury and Finance of any possible disputes.

Evaluate performance after the contract

To assist us with improvement, complete the survey link below. You should feel free to provide open and honest feedback about your supplier experience. It will take around 5 minutes to complete.

Take the evaluation (click on this link) [survey](#)

2.10 Exemption Process

The Victorian Government is committed to encouraging open, equitable and effective competition between suppliers with the objective of obtaining value for money and enhancing opportunities for local business. Use of the mandatory PAS SPC to source appropriate suppliers and conduct RFT processes helps ensure this objective. However, there will be occasions when this requirement may not be the optimal sourcing strategy. Exemptions from using the PAS SPC may be granted, however the party granting an exemption must be satisfied that the exemption is based on exceptional circumstances and not for the purposes of avoiding the PAS obligations, and that the integrity of the procurement process is maintained.

Market Engagement Process - Exemption

An entity may be exempt from complying with use of the mandatory PAS SPC where it can be demonstrated that one or more of the following factors or other factors not listed that have relevance to the proposed procurement apply. Consideration should still be given to sourcing the requirement from the PAS SPC if appropriate:

NOTE: The list below is not exhaustive and multiple factors may have relevance to the proposed procurement.

- Services offered are not appropriate to your needs; non-applicability of services offered.
- Where specialist expertise of a particular nature is required and not available through suppliers listed on the PAS SPC.
- Where the preferred supplier of the services is listed on the PAS SPC but has yet to agree to the PAS contractual terms and conditions. Where the services can only be supplied by a particular supplier due to a matter such as ownership of specific intellectual property and no reasonable alternative supplier is listed on the PAS SPC.
- For additional delivery of services that are intended either as extensions of continuing services and where a change in supplier would necessitate the procurement of services that do not meet the requirements for interoperability or interchangeability.
- Matters of urgency including protection of human, animal or plant life or health, security or safety as a consequence of an unforeseen event or occurrence.

An exemption only applies to the process of market engagement and does not excuse the procurement activity from process and financial approval.

Responsibility for Granting Exemptions

Exemptions should be initially sought through your internal procurement unit. The Accountable Officer or an appropriate financial delegate is responsible for approving an exemption for usage of the PAS SPC.

The exemption request must be approved by Accountable Officer or financial delegate, before being forwarded to the Professional Advisory Services Category Manager for review and approval.

Granting of an exemption does not preclude obtaining appropriate approval for all matters that are relevant to the proposed procurement, or complying with relevant government policy (eg., VIPP). The approved exemption form should be included together with any relevant documentation associated with process approval.

DEFINITIONS

Accountable Officer means the Chief Procurement Officer of the Department or a named delegate.

Exemptions Form means a form that must be completed and sent to the Procurement Advisory team to seek an Exemption from the use of the PAS SPC.

3. Service provider guidelines

3.1 Obtaining business

Receiving and responding to an RFP

On receipt of an RFP from a purchaser using the SPC, a service provider should:

- ensure the RFP is issued under the contractual terms of the SPC;
- ensure the RFP clearly specifies the scope of work, deliverables, requirements and any other necessary details;
- consider whether you have the capacity and skills to meet the requirements of the engagement;
- ensure that the RFP has a clearly identifiable and unique reference number
- specifically address the requirement of the RFP and submit necessary information describing how you will provide the desired engagement deliverable.
- specify in the response any assumptions, risks or constraints associated with the quotation;
- quote at or below the agreed rates for the SPC; and
- submit a timely response to the RFP by responding to the purchaser in the manner described in the RFP.

Purchase orders and the PAS SPC

When the purchaser accepts a quotation, a contract is formed and the service provider should:

- confirm that it is consistent with what was quoted; and
- confirm the purchase order is issued under the contractual terms of the SPC.

3.2 Maintaining business

Service providers' obligations

There are a range of contractual obligations that service providers must abide by when engaged under the SPC arrangements. Having entered into a SPC engagement, service providers must ensure they understand these obligations.

The following information provides a general overview of key contractual and administrative obligations. The more notable obligations are:

- cooperation - service providers are to cooperate reasonably with the purchaser, including:
 - providing access to material related to the engagement;
 - meeting agreed deadlines for engagement related deliverables including data and access to facilities or personnel where applicable;
 - providing adequate communication in exchanging information and maintaining a dialogue through meetings and other means; and
 - providing any resources specified in the purchase order.
- privacy - service providers will respect agreed confidentiality and privacy requirements;
- upon providing the services, prepare and submit a timely tax invoice accordingly; and
- disputes - service providers are responsible to cooperate in the resolution of any issues or disputes in good faith.

Service providers' Information

Some elements of company information may become out of date. For example, nominated point of contact, email and business addresses or telephone numbers may change. It is important that the service provider regularly checks and updates their information on the VendorPanel system.

3.3 Reporting

DTF requires service providers to provide performance reporting against the performance standards detailed in the SPC

Contract Activity Reporting

These reports will be in a format specified by DTF's Category Manager and in accordance with the reporting timeframes detailed in the performance measurement table, key performance indicators, referring to section 4.2.

These reports will assist with the ongoing management of the SPC and the relationship between the purchasers and the service providers.

The data to be reported on a quarterly basis by all service providers, at both an aggregate and individual purchaser level will include (but not be limited to):

- total spend;
- spend broken down by purchaser/order point;
- savings/benefits and innovation;
- number of orders per month, quarterly, annually;
- order value per month quarterly, annually;
- order size by value by order point;
- orders by ordering method by purchaser;
- number of orders received; and
- exception reporting.

The requirement of the performance reporting will be on a quarterly basis and due on the 20th of

each month being, January, April, July and October. A request will be sent to suppliers via Purchasing Index.

Service Level Requirement

Service providers are expected to provide reports to the Lead Department on a quarterly basis, in respect of their performance against the Performance Measures in table - Key Performance Indicators, referring to section 4.2.

Adhoc and Urgent Reports

Service providers are expected to provide other reports as requested by DTF or purchasers. It is important to note that urgent reports may be requested with very short timeframes. Service providers are to provide details of how their systems and processes can ensure that urgent reports are received in a timely manner as requested.

4. Appendices

4.1 PAS Categories detailed description

Table 1: CAFAS Services Categories

Service Categories	Specifications
CA-1 Strategic Policy Review, Reform and Project Development (incorporating service need analysis, service planning, feasibility studies and strategic assessments)	These Services include the provision of: <ul style="list-style-type: none"> • Strategic needs analysis; • Identification and prioritisation of service needs, risks and options; • Development of service reform implementation plans; • Commercial policy advice; • Feasibility studies; • Assessment of preliminary project delivery options, e.g. Design and Construct (D&C), <i>Partnerships Victoria</i> (Public Private Partnership or Private Finance Initiatives), Project Alliancing, facilities management etc.; • Development and evaluation of project delivery options and options analysis; • Preliminary cost benefit analysis; • Preliminary project costing, whole of life costing (including benchmarking and risk valuation); • Preliminary market analysis, due diligence and assessment, possibly including preliminary market soundings; and • Risk management identification and mitigation strategies.

Service Categories	Specifications
CA-2 Business Case Preparation and Development	<p>These Services include:</p> <ul style="list-style-type: none"> • Preparation of business cases, including developing and/or coordinating input on: <ul style="list-style-type: none"> - Stakeholder identification, consultation and issues analysis; - Service and project opportunities and constraints - Clear identification of project scope (reference project); - Critical project assumptions; - Project Management, project governance structures and project and implementation costs; - Analysis of social and environmental factors influencing the project including costing where necessary; - Financial and economic analysis, including detailed project costing and pricing studies, cost benefit analysis and financial modelling; - Detailed market sounding; - Risk identification, analysis and valuation (including risk mitigation strategy formulation); and - Investigation and evaluation of funding models/options and project options. • Preparation of procurement strategies, including developing and/or coordinating input on: <ul style="list-style-type: none"> - Analysis of the full range of potential procurement options, including: <ul style="list-style-type: none"> - Reviewing the features, benefits and risks of identified procurement methods in the context of the options proposed in the business case; - Detailed analysis of market capability and appetite, including an assessment of third party revenue opportunities (possibly involving market soundings); - Identification of optimal project risk allocation between the public and private sector; and - Assessment of procurement options to identify the preferred procurement method and delivery options; - Project implementation strategies and timeframes; - Public interest issues including media plan; - Development of a preliminary Public Sector Comparator or an equivalent financial benchmark; and, - Development of a Project Alliancing strategy, Project Alliance governance structure, preliminary target outturn costs and other Project Alliancing related performance targets.
CA-3 Market Engagement and Implementation	<p>These Services include:</p> <ul style="list-style-type: none"> • Development and management of tendering strategies addressing good commercial and government policy and practice; • Development of project tender documentation, including Invitations for Expression of Interest, Requests for Proposals, Tenders and/or Quotes, Project Briefs and Service Agreements, incorporating: <ul style="list-style-type: none"> - Clear and measurable output specifications; - Performance standards and performance management requirements; - Development of Commercial Principles, and input into the drafting of contractual documentation; - Robust payment mechanisms that provide performance incentives and match the value for money drivers; - Strategic and technical input to the development of contractual structures (in

Service Categories	Specifications
	<p>conjunction with separate legal advisors);</p> <ul style="list-style-type: none"> - Development of a Public Sector Comparator or equivalent financial benchmark; and - Development of a Project Alliancing strategy and target outturn costs, and other Project Alliancing related performance targets. <ul style="list-style-type: none"> • Advice on and/or management of Tender processes including: <ul style="list-style-type: none"> - Development of selection/project evaluation criteria; and - Tender processes and evaluations (may include interactive tender processes and workshops); • Due diligence and financial monitoring, including in relation to the financial viability and stability of entities; and • Background investigations of identified relevant persons including: <ul style="list-style-type: none"> - Assessment and evaluations of private sector proposals; - Negotiation strategies; and - Stakeholder and community engagement strategies and plans.
<p>CA-4 Commercial Contract Management</p>	<p>These Services include:</p> <ul style="list-style-type: none"> • Development and implementation of contract management plans, tools and processes for major commercial and project contracts; • Commissioning plans, including readiness for service activities; and • Development and implementation strategies for conducting supplier performance reviews, audits and identification of measures to increase efficiencies and maximise returns.
<p>CA-5 Project, program and Business Review (incorporating business re-organisation reviews)</p>	<p>These Services include:</p> <ul style="list-style-type: none"> • Project / program evaluation, including delivery, operations and benefits evaluation; • Project / program reporting, audit and compliance requirements; and • Business and re-organisation reviews, including efficiency and effectiveness reviews of related commercial and financial advisory services.
<p>CA-6 General Commercial Advice (incorporating commercial negotiations)</p>	<p>These Services include the provision of:</p> <ul style="list-style-type: none"> • Commercial risk identification, assessment, scoping and valuation; • Optimal risk allocation; • Financial modelling; • Commercial project finance structuring; • Development of commercial risk mitigation strategies, including advising/management of contractual issues and dispute resolutions; • Project governance issues, operational strategies, business planning; and • Commercial negotiation strategies.

Table 2: TAS Services Categories

Service Categories	Specifications
TA-1 Goods and Services Tax (GST) and Luxury Car Tax	<ul style="list-style-type: none"> • Preparation and / or Review of Business Activity Statements (BASs) • Technical advice in relation to complex tax issues. • Interpretation of taxation legislation in relation to GST and Luxury Car Tax (LCT) • Understanding of the GST issues as they relate to the Government
TA-2 Employment Taxes – including <ul style="list-style-type: none"> • Fringe Benefits Tax (FBT); and • Pay As You Go (PAYG) 	<ul style="list-style-type: none"> • Preparation and / or Review of Employment Taxes statements and forms – including Fringe Benefits Tax (FBT) Returns and Pay As You Go (PAYG) Statements • Technical advice in relation to complex tax issues • Interpretation of taxation legislation in relation to Employment Taxes – including FBT and Pay As You Go (PAYG) • Understanding of the Employment Taxes – including FBT and PAYG issues as they relate to the Government
TA-3 State Taxes including Payroll Tax, Stamp Duty, Land Tax and Congestion Levy	<ul style="list-style-type: none"> • Preparation and / or Review of State Taxes statements and forms – including Payroll Tax, Stamp Duty, Land Tax and Congestion Levy • Technical advice in relation to complex tax issues • Interpretation of taxation legislation in relation to State Taxes – including Payroll Tax, Stamp Duty, Land Tax and Congestion Levy • Understanding of the State Taxes – including Payroll Tax, Stamp Duty, Land Tax and Congestion Levy issues as they relate to the Government
TA-4 Superannuation Guarantee (SG)	<ul style="list-style-type: none"> • Preparation and / or Review of State Taxes statements and forms – including Superannuation Guarantee (SG) • Technical advice in relation to complex tax issues • Interpretation of taxation legislation in relation to SG • Understanding of the SG issues as they relate to the Government
TA-5 National Tax Equivalents Regime (NTER) Income (Corporate) Tax	<ul style="list-style-type: none"> • Preparation and / or Review of National Tax Equivalents Regime (NTER) Income (Corporate) Tax statements and forms • Technical advice in relation to complex tax issues • Interpretation of taxation legislation in relation to NTER Income (Corporate) Tax • Understanding of the NTER Income (Corporate) Tax issues as they relate to the Government
TA-6 Excise including Fuel Tax Credits Scheme (FTCS) and Customs Duty	<ul style="list-style-type: none"> • Preparation and / or Review of Excise statements and forms – including Fuel Tax Credits Scheme (FTCS) and Customs Duty • Technical advice in relation to complex tax issues • Interpretation of taxation legislation in relation to Excise – including FTCS and Customs Duty • Understanding of the Excise – including FTCS and Customs Duty issues as they relate to the Government
TA-7 International Taxes	<ul style="list-style-type: none"> • Preparation and / or Review of International Taxes statements and forms • Technical advice in relation to complex tax issues • Interpretation of taxation legislation in relation to International Taxes • Understanding of the International Taxes issues as they relate to the Government
TA-8 Other including Petroleum Resources Rental Tax and Film Concessions	<ul style="list-style-type: none"> • Preparation and / or Review of Other statements and forms – including Petroleum Resources Rental Tax and Film Concessions • Technical advice in relation to complex tax issues • Interpretation of taxation legislation in relation to Other – including Petroleum Resources Rental Tax and Film Concessions • Understanding of the Other – including Petroleum Resources Rental Tax and Film Concessions issues as they relate to the Government

Table 3: FAS Services Categories

Service Categories	Specifications
FA-1 Prequalification Assessment	<ul style="list-style-type: none"> Financial assessment where a department is developing a list of potential contractors or suppliers that have satisfied a range of evaluation criteria including financial viability; and Financial assessment where a department is determining a shortlist of service provider responses before moving into the evaluation stage.
FA-2 Service provider Assessment	<ul style="list-style-type: none"> Financial assessment as part of a due diligence process to assess the financial viability and capacity of short listed or preferred service providers
FA-3 Monitoring Specific Contract In Progress	<ul style="list-style-type: none"> Financial assessment to determine the on-going financial viability of a contractor or supplier to complete a contract; and Financial assessment to provide an early warning or an alert of any financial issues relating to a contractor or a supplier.
FA-4 Adhoc – Specialised Assessment	<ul style="list-style-type: none"> FAS Service may be required to provide a range of adhoc and specialised assessments e.g. assess the solvency of an existing contractor following a public announcement of a major financial loss to that organisation, or to assess the financial elements of an existing legal process following a court claim.

Table 4: Probity Services Categories

Service Categories	Specifications
PR-1 Probity Advisory Services	<p>General Probity Advisory Services, these Services include:</p> <ul style="list-style-type: none"> Independent assessment and/or advice throughout the duration of the Project as to whether processes are being: <ul style="list-style-type: none"> developed consistent with relevant VGPB and State Government procurement policies, Departmental policies and relevant State and Commonwealth legislation; managed according to the documented PCP; and completed according to the published market engagement requirements such as the tender requirements. Ongoing independent advice on probity matters and issues, including but not limited to: <ul style="list-style-type: none"> reviewing, from a probity perspective, the proposed market engagement documentation (e.g. RFT documentation) relating to the process conduct for the project; reviewing internal documents (e.g. the PCP or the Evaluation Plan) relating to the process conduct for the project; attending meetings where necessary; and providing report(s) as required by the authorised representative or their delegate. Throughout the project, working as an independent, trusted member of the project team, preparing or endorsing PCPs, designing strategies to address anticipated probity issues, conducting probity briefings as required, confirming that conflict of

Service Categories	Specifications
	<p>interest and confidentiality arrangements have been established and put in place, advising on matters as they arise, and briefing governance bodies on compliance and project performance.</p> <ul style="list-style-type: none"> • Oversight of the evaluation process (including review of the final evaluation report); assistance if required with reviewing market requests for clarification; assistance with debriefs of unsuccessful suppliers or tenderers; assistance as required with any audit review; and oversight of Contract negotiations. <p>2. Specific Probity Advisory Service These Services include:</p> <ul style="list-style-type: none"> • Establishing a process to monitor and identify any conflicts of interest; • Reviewing and advising on important project documentation such as terms of reference, the project conduct plan, tender evaluation plan, security arrangements, confidentiality documentation, administrative processes and plans and other procurement documentation; • Providing probity related training to staff including briefings to staff outlining probity requirements for the project; • Providing mentoring services to Victorian public servants that may take on the role of an internal probity adviser including the provision of advice from time to time; • Providing quality, strategic and timely advice on probity issues that may arise during the course of the project; • Understanding relevant legislation and case law involved with probity issues in government procurement; • Contributing to the development of a PCP in accordance with the Victorian Government policies and guidelines; • Proactively monitoring the progress of the project for probity and providing advice to assist in maintaining the integrity of the project process; • Immediately reporting any potential breach of probity to the appropriate level of management; • Providing information to establish the probity requirements and obligations on all levels of staff in relation to the project; • Providing advice and guidance in the event of issues and disputes arising from the Project process; • Contributing to, monitoring and reviewing risk mitigation strategies to ensure that no breaches of relevant legislation or policies including Victorian government policies and guidelines occur; <ul style="list-style-type: none"> - Attending briefing and debriefing sessions with tenderers, suppliers or bidders; - Observing, negotiations with tenderers, suppliers or bidders; - Providing a signed report detailing the work completed by the probity adviser, including confirmation that the necessary probity requirements have been met and an explanation as to how the probity adviser reached any conclusion expressed in the report; and • Providing a lessons learned assessment, either as a written report or an oral report. <p>Desirable Probity Services, these Services include:</p> <ul style="list-style-type: none"> • Contributing to the probity component of business cases or similar document in accordance with Victorian government policies and guidelines; • Contributing to the probity component of building and construction procurement processes in accordance with Victorian government policies and guidelines and other

Service Categories	Specifications
	<p>relevant State Government policies and legislation;</p> <ul style="list-style-type: none"> • Contributing to the probity component of pre-procurement and procurement processes relating to areas of government such as public-private partnerships (PPPs), Project Alliancing and Partnership Victoria procurements.
<p>PR-2 Probity Auditing Services</p>	<p>General Probity Auditing Services, these Services include:</p> <ul style="list-style-type: none"> • Audit verification and sign-off on whether the adopted project processes are consistent with public sector requirements including but not limited to VGPB policy requirements on probity and whether these processes have actually been complied with. • Independent audit and appropriate sign-off at the conclusion of the Project whether the processes that was conducted: <ul style="list-style-type: none"> - actually fulfilled the requirements of the project process and the PCP; and - were within the terms of prescribed Victorian government policies, rules and guidelines. • Confirmation that the PCP and the probity evaluation plans for the Project have been followed and that the evaluation reports have been prepared in accordance with the evaluation plan; • Confirmation as to whether appropriate arrangements were put in place to manage conflicts of interest and all confidential information; • Provision of signed report detailing the work completed by the probity auditor and confirmation that the necessary probity requirements have been met; and • Response to specific challenges about how the project or part of a project was conducted. <p>2. Specific Probity Auditing Services, these Services include:</p> <ul style="list-style-type: none"> • Proactively audit compliance with processes established to identify conflicts of interest; • Proactively investigating and reporting on conflicts of interest and any other probity issues; • Proactively audit adherence to internal project documents including the PCP and the evaluation plan; • Proactively review adequacy of staff training involved in any market engagement (i.e. Tender) probity requirements; • Proactively checking completeness of registers and records of meetings and communications with suppliers, tenderers, bidders and/or offerers; • Reporting any acts or omissions in any engagement process i.e. tender process that affects or risks to affect the probity integrity; • Understanding relevant legislation and case law involved with probity issues in government; • Providing assurance in relation to the integrity of the market engagement process; • Providing required probity sign offs and reports at different stages of the process that provide an explanation as to how the probity auditor reached any conclusion expressed in the reports; and • Furnishing a final probity clearance report at the conclusion of the project.

4.2 PAS Key Performance Indicators detailed description

No	Service Element	Key Performance Indicators	Proposed Target	Proposed Measure
1	Customer satisfaction	Customer satisfaction with the advisory services	80%	<ul style="list-style-type: none"> A project specific review or general customer survey
2	Quality of financial and commercial advice received	<ul style="list-style-type: none"> That the advice facilitates delivery of the primary objectives of specific Government infrastructure and capital assets projects, and commercial transactions. That the advice is capable of supporting a decision consistent with Government policy and appropriate project and commercial transaction delivery methods and approaches. That the advice provided is sufficiently clear, precise and documented, and facilitates informed decisions in relation to the project and/or commercial transaction. That the advice provided has regard to Victorian Government policy and legislative objectives and constraints. 	100%	<ul style="list-style-type: none"> A project specific review or general customer survey
3	Timeliness of advice received	<ul style="list-style-type: none"> That the implementation of a project or a transaction is never delayed on account of outstanding financial and/or commercial advice. That the Purchaser is satisfied with the quality and timeliness of the advice provided. 	95%	<ul style="list-style-type: none"> A project specific review or general customer survey
4	Retention of Key Personnel	<ul style="list-style-type: none"> That the service provider's Key Personnel remains substantially unchanged during an engagement, or if Key Personnel vary, that the service provider can continue to meet the engagement requirements. 	80%	<ul style="list-style-type: none"> A project specific review or general customer survey
5	No adverse audit findings	<ul style="list-style-type: none"> Project audit reports contain no adverse findings related to the outcomes of professional advisory services provided. 	100%	<ul style="list-style-type: none"> A project specific review or general customer survey
6	Quality of work	<ul style="list-style-type: none"> The service provider must maintain purchaser satisfaction with the quality of work provided as part of the Services. Purchasers must be satisfied that the work is: <ul style="list-style-type: none"> - Accurate; - Succinct; - Practical; - Easily understood by the 	100%	<ul style="list-style-type: none"> Customer Survey to be conducted by Category Management team. Performance Report to be provided by the service provider.

No	Service Element	Key Performance Indicators	Proposed Target	Proposed Measure
		intended audience; and - Responsive to the PAS issue.		
7	Provision of service	<ul style="list-style-type: none"> Service providers are to make available the following method of requesting the provision of PAS reports: <ul style="list-style-type: none"> web base access; and email. 	95%	<ul style="list-style-type: none"> Customer Survey to be conducted by Category Management team Performance Report to be provided by the service provider.
8	Agreed turnaround	<ul style="list-style-type: none"> All reports to be provided within the agreed timeframe from the day of request. 	95%	<ul style="list-style-type: none"> Compliance that all reports and advice are to be provided within agreed timelines.
9	Contract rates correctly applied	<ul style="list-style-type: none"> Contract rates to be consistent with agreed price schedules 	100%	<ul style="list-style-type: none"> Accuracy checked by audit.

Additional KPIs for Probity Service Category Only

No	Service Element	Key Performance Indicators	Proposed Target	Proposed Measure												
10	Purchaser Satisfaction	<p>The Service Provider must maintain Purchaser satisfaction with the following aspects of the provision of the Services throughout the Term of the SPC:</p> <ul style="list-style-type: none"> Understanding and meeting Purchaser's needs; Timeliness of delivery; Preparation of advice and other documents to a high quality in plain English; Responsiveness of nominated key personnel; Overall Purchaser satisfaction with the quality of the Services; and Value for money outcome; Advice provided: <ul style="list-style-type: none"> was practicable; was appropriate to the circumstances and added value to the Project process. <p>Purchaser Satisfaction Forms for all service orders above the threshold value of \$2 000 or as otherwise directed by the Category Manager (refer to Purchaser Satisfaction Form attached in the Appendix of this Part B).</p> <p>The Purchaser Satisfaction Forms will be presented to the Purchaser's Authorised Representative by the Service Provider for completion and signature. The Service Provider shall submit the completed forms to the Lead Department Category Manager each quarter</p> <p>The service provider must collect</p>	<p>Average score of 4 from Purchaser on a scale of 1-5 (where 1 means "Performance failed to meet requirement" and 5 means "Performance met all requirements and/or exceeded requirements") across all aspects of the provision of the Services.</p>	<p>Lead Department Category Manager to determine each quarter if the service provider has submitted all Purchaser Satisfaction Forms on time. Purchaser Satisfaction Forms are to be submitted within 10 business days from the end of each quarter except in the case of quarter 4 where the forms are to be submitted within 20 business days from quarter end as per table below:</p> <table border="1"> <tr> <td>Quarter End Report Due</td> <td>31 March</td> <td>10 business days from quarter end</td> </tr> <tr> <td></td> <td>30 June</td> <td>10 business days from quarter end</td> </tr> <tr> <td></td> <td>30 September</td> <td>10 business days from quarter end</td> </tr> <tr> <td></td> <td>31 December</td> <td>20 business days from</td> </tr> </table>	Quarter End Report Due	31 March	10 business days from quarter end		30 June	10 business days from quarter end		30 September	10 business days from quarter end		31 December	20 business days from
Quarter End Report Due	31 March	10 business days from quarter end														
	30 June	10 business days from quarter end														
	30 September	10 business days from quarter end														
	31 December	20 business days from														

No	Service Element	Key Performance Indicators	Proposed Target	Proposed Measure
		completed and signed Purchaser Satisfaction Forms from the Purchaser's Authorised Representative upon the service provider's completion of each engagement in respect to the Services set out in this Specification. The forms shall be submitted to the Lead Department category manager each quarter.	Target to be met for this KPI: Full compliance (100%)	quarter end
11	Adhoc Report	<p>The Service Provider shall provide the following ad-hoc reports upon request by the Lead Department Category Manager:</p> <ul style="list-style-type: none"> • Probity Services resume updates relevant to the provision of the Services (maximum 2 pages); • Support staff resume updates relevant to the provision of the Services (maximum 2 pages); • Other service provider information for the purposes of the Probity Services information section on the VGPB website; and • Reporting information that may be requested for the purpose of ministerial requests or Freedom of Information requests. 	Target to be met for this KPI: Full compliance (100%)	Lead Department Category Manager to determine annually if the Service Provider has provided the required ad-hoc reports.

VICTORIA
State
Government

Treasury
and Finance