# **Preparing an offer template**

By referring to this guide, offer templates will be more consistent in both content and format making it easier for suppliers to do business with the Victorian Government.

Numbering of each requirement is recommended to allow for ease in referencing during the evaluation process.

The table provides guidance on what to consider in the offer template. It provides baseline matters for consideration for low complexity procurement and additional inclusions as the complexity of the procurement increases.

The amount of information sought from the supplier should reflect the complexity of the requirement and the nature of the procurement.

| Heading | Inclusion – Low complexity | Inclusion – Procurement of greater complexity | Status of inclusion |
| --- | --- | --- | --- |
| Title | Must clearly indicate the title of the procurement and the invitation reference number. This must match the invitation to supply documents. |  | Essential |
| Table of contents | Optional | Include a table of contents if the offer template is lengthy or complex. | Recommended |
| Instructions | Detail any instructions relating to completing the Offer template. I.e. Mandatory requirement to use the template, suppliers must complete all sections and attach supplementary information at the end etc.  Information relating to the lodgement of offers must not be included here. | For procurements of higher complexity consider providing guidance on tasks that must be addressed in a response. | Recommended |
| Executive summary | Request the supplier to provide an executive summary of their submission. | Facilitate a response from the supplier which summarises their submission and highlights the key points of their offer. Encourage the supplier to detail the value-adding and innovation they will bring to the process to deliver a better value for money outcome. | Recommended |
| Supplier information | Seek information about the supplier:   * trading name; * registered name; * Australian Company Number (ACN) (or international equivalent) and date of issue * Australian Business Number (ABN) (or international equivalent) and date of issue; * address of registered office; * principal office in Victoria (if applicable); * primary contact person and contact details; and * (optional) size of supplier – number of employees etc. | Seek further information about the supplier such as (but not limited to):   * business structure; * directors/ senior personnel; * consortia arrangements/ legal status; * sub-contracting arrangements; * associated entities – relevance to the business; and * relationships and timeframes with these entities. | Essential |
| Supplier warrant | Seek a warrant statement from the supplier’s authorised nominee to validate the offer.  The warrant statement must include the authorised nominee’s:   * name; * position; * address; * e-mail; * signature; and * date of execution. | A procurement team may require the authorising officers from a supplier to provide further warranties. The inclusion in the warrant statement will depend on the factors the procurement team seeks to highlight. Such warrants may include:   * attendance at a mandatory briefing session * site visits; * obtaining appropriate certification; and/or * undertaking appropriate due diligence etc. | Recommended |
| Supplier Code of Conduct (the Code) | Seek confirmation from the supplier that have read and aspire to meet the Victorian Government’s expectations as set out in the Code. | Suppliers’ commitment to the Code is a requirement for procurement of all goods and services. Acknowledgement of the Code is through the supplier completing and returning a commitment letter. The commitment letter must be sent to the supplier with the invitation to supply documents. | Essential |
| Financial capability | Seek information from the supplier on their financial capability to meet the requirements of the procurement. | Seek detailed information from the supplier to demonstrate their financial capability to provide over the term of the contract and meet the requirements of the invitation to supply.  Appropriate due diligence should be undertaken to validate the supplier’s financial capability. This process of validating the financial vitality of a supplier should also be incorporated into the contract management framework.  Additional information sought:   * Significant events, matters or circumstances which have arisen within the past 12 months that could seriously affect the operations of the supplier. * Are there or have there been any proceedings, either actual or threatened, against the supplier in the past three years? (i.e. Australian Security Investment Commission investigations, insolvency proceedings, bankruptcy, de-registration, etc.) Has any remedial action been taken? * Is the supplier currently in default of any agreement, contract, order or award that would or may be likely to adversely affect the financial capability of the supplier to meet the requirements of the procurement?   Ensure that the financial capability statement being assessed is based on the entity bidding for the work and not any other associated entity.  For further assistance, a whole of government arrangement for Financial Assessment Services is available to assist with assessing the financial viability of suppliers. | Essential |
| Insurance | The invitation documents should stipulate the minimum insurance cover required.  The offer template should request a response from the supplier regarding their compliance with the minimum insurance requirements.  Information to be collected at a minimum should include:   * type of insurance * insurer * policy number * amount * expiry date * exclusions, deductibles and excess (if any). | Insurance provisions may increase as the complexity of the procurement increases. The market analysis will help to identify the general practice for insurance provisions within the related supplier market. This may assist in determining the level of coverage applicable to the procurement. Further information is also available from the [Guideline for insurance provisions](https://buyingfor.vic.gov.au/insurance-provisions-goods-and-services-procurement-guide).  Suppliers should be requested to provide sufficient information to substantiate the validity of their insurance cover. This validation process should also be built into the contract management framework and where applicable, through to the end of the life of the contract or the provision of the goods and or service whichever is the latter.  Subject to the organisation’s appetite for accepting some level of risk in return for added value or cost benefits, consideration could be given to asking suppliers what the nature of the value/cost/ risk is on offer. | Essential |
| Compliance with the specifications | Request the supplier respond to the requirements of the specifications.  For low complexity procurement:   * compliance to the requirements of the specifications may be mandatory, or * suppliers may be requested to list and cross reference the specific clauses they **will not comply** or **will partially comply** with. The supplier should also be requested to provide evidence to support their position. | For more complex procurement, the offer template should facilitate a response to each item of the specification. The offer template should include a schedule cross-referencing the specific clauses from the specifications.  Suppliers should be required to state comply, will not comply or will partially comply. Where the supplier states will not comply or will partially comply they should be required to provide further evidence to support their position. | Essential |
| Compliance with the proposed contract | Include a requirement for the supplier to respond to the conditions in the proposed contract.  For low complexity procurement:   * compliance to the conditions of the proposed contract may be mandatory, or * suppliers may be requested to list and cross reference the specific clauses in the proposed contract that they **will not comply** or **will partially comply**. The supplier should also be requested to provide evidence to support their position. | For more complex procurement, the offer template should request a response to each clause in the proposed contract. The offer template should include a schedule cross referencing the specific clauses from the proposed contract.  Suppliers should be required to provide a position against each clause: comply, will not comply or will partially comply. Where the supplier states will not comply or will partially comply there should be a requirement for the supplier to provide further evidence to support their position. | Essential |
| Contract information disclosure | May not be applicable for low complexity procurement. | Request the supplier to nominate if any of its material should be considered for non-disclosure. | Essential |
| Conflict of interest | Regardless of the complexity of the procurement, all suppliers should be requested to disclose any conflict of interest or potential conflict of interest and a strategy to address the conflict. | As the procurement increases in complexity, there is often a commensurate increase in the number of people involved in the procurement process. As such, suppliers should be requested to disclose any conflict of interest or potential conflict of interest for key personnel and associated entities involved in the procurement. | Essential |
| Price schedule | The pricing schedule should be developed based on the outcomes of the market analysis and the specifications.  Procurers should give consideration to what matters affect the price. The framework for pricing should be a reflection of industry standards. Examples include:   * identified fixed and optional requirements * by stages or milestones * volumes * by parts or componentry * a combination of the above   Procurers should consider that standardising the price schedule may assist with the evaluation process but may also restrict suppliers and their ability to provide an innovative solution.  PRICE VARIATION  The Consumer Price Index (CPI) should not be used as a default index to measure variation. Procurers should evaluate all relevant price indexes based on what actually drives the pricing structure within a particular category of goods or services. As such, if suppliers nominate CPI as a price variant, evaluation teams should request that suppliers clarify where CPI impacts the price schedule.  Further information is also available in the [Guideline for managing contract price reviews](https://www.buyingfor.vic.gov.au/managing-contract-price-reviews-goods-and-services-procurement-guide). | Generally, as the complexity of the procurement increases so does the complexity of the pricing model. For the evaluation team to be able to undertake a comparative analysis of suppliers, the offer template should include a structured price schedule.  The template may also provide an opportunity for suppliers to offer alternative solutions to achieve better cost efficiencies. This request should be placed under a separate category titled ‘Alternative offer.’ | Recommended |
| Delivery methodology | How does the supplier propose to deliver the goods and/ or services as required by the procurement? The supplier should be required to provide information on their proposed delivery methodology and the supply chain to meet the requirements of the procurement. | Suppliers should be encouraged to detail how they propose to deliver the requirements of the procurement. Their methodology should give consideration to (but not be limited to):   * resources – facilities, staff, contractors, hardware, systems, training, software etc. * timelines * risk management * quality systems * customer service * organisational structure.   The supplier should be encouraged to highlight why their methodology is superior to standard business /industry practices.  Innovative approaches to the delivery of the requirements of the procurement should be encouraged. | Recommended |
| Capability | Request the supplier demonstrate their capability to meet the requirements of the procurement.   * What knowledge and experience do they have relevant to the required procurement? * What business resources and systems do they have in place to support the delivery of the procurement? * What value-adding factors (social benefits, innovation, environmental) do they offer? * What processes and systems do they have to comply with any government policy, international or Australian standards (as the case may be) and supplier charters or codes of conduct which are relevant to procurement?   Suppliers should be required to demonstrate why they are more capable than other suppliers in the market place. This will assist in the evaluation team’s evaluation of all offers. | For more complex procurement, can could be assessed based on a combination of factors, including but not limited to :   * key resources – facilities, staff, hardware, software, data and record management, other systems etc. * organisational structure/ supporting businesses * financial capability * risk management * quality systems   The offer template must seek to obtain information from the supplier on how these factors contribute to making them the most capable in the provision of the procurement requirements and contribute to the best value for money outcome. | Recommended |
| External resources | Suppliers should be requested to detail information on any external resources they intend to engage to deliver the requirements of the procurement and their position and significance in the supply chain.  Details of the location of any external resources should also be requested and considered as part of the evaluation process. | Suppliers should be requested to provide information on how they use and interact with external resources to support the delivery of the goods and/or services. The offer template should encourage full disclosure regarding:   * the relationships * management of the relationships * methodology for engagement * impact of the external resources on the delivery of the procurement * capability and expertise that resides with external resources * role of external resources in the delivery of the procurement * time frames in which the arrangements have been in place | Recommended |
| Customer service | For low complexity procurement the template may seek to address customer service as a component of capability. | Request information about the supplier’s customer service plan including:   * their methodology * feedback processes and timing * scope of performance reports * benchmark * performance measures * methodology for continuous improvement   You may also wish to seek information on how the supplier proposes to deal with increased work load etc. | Recommended |
| Risk management | For low complexity procurement the offer template may seek to address risk management as a component of capability. | Request information about the project delivery risk management strategies and practices the supplier proposes to implement. Has this model been implemented before? What was the outcome? What risk management processes are in place to manage the supply chain and resources? | Recommended |
| Innovation and value-adding | This information may be included in the supplier’s response to capability. | Can the supplier offer innovative or value- adding solutions, systems or process that improve or benefit the delivery of the procurement outcomes? | Recommended |
| Past performance and current work | This information about past performance may be included with the supplier’s response to capability. | Seek information about the supplier’s past performance for similar type work undertaken? What was the dollar value of the work? How complex was the procurement process? To what extent is the extent of similar work a component of the overall business to the supplier? What were the successes and what were the lessons learned? etc. | Recommended |
| Quality systems | This information about quality systems may be included with the supplier’s response to capability. | Seek information about the quality systems the supplier has in place to monitor and measure performance? Seek out information relating to association with recognised quality assurance certification. | Recommended |
| Research and development | This information about research and development may be included with the supplier’s response to capability. | If applicable to the procurement, seek information about the supplier’s investment in research and development. | Recommended |
| Health and safety management | This information about health and safety management may be included with the supplier’s response to capability. | Seek information about the supplier’s health and safety management program. | Recommended |
| Environmental management | This information relating to environmental management may be included with the supplier’s response to capability. | Depending on the nature of the procurement and the outputs required from the procurement, environmental management may contribute to the assessment of value for money and may be considered separately or included in the Social Procurement Framework commitment.  How do the supplier’s business practices contribute to other environmental management matters and/or other government policy commitments? | Recommended |
| Alternative offer |  | The offer template could also encourage the supplier to indicate innovative ways to deliver the requirements and whether there is scope for achieving cost efficiencies through the life of the contract. | Optional |
| Social procurement Framework (SPF) commitments | SPF is applicable to all State Government procurement activities.  Refer to [Table 3 of the SPF](https://buyingfor.vic.gov.au/social-procurement-framework-requirements-and-expectations). Table 3 sets out requirements for buyers for procurements of different values.  Social procurement can involve a direct or indirect approach. Direct approaches (more commonly for lower complexity procurements) are where the buyer targets a social benefit supplier (refer to the SPF for further details on this definition) to deliver the goods or service. In this case, the supplier needs to evidence that it is a ‘social benefit supplier’ as part of the offer. | Indirect approaches to achieving social procurement objectives and associated outcomes (more commonly for procurements of greater complexity) are where the buyer seeks commitments to deliver social and/or sustainable outcomes. This may include such commitments through the supply chain (e.g. by way of subcontracting).  For indirect approaches, the offer template may include a specific SPF schedule/s which a supplier needs to complete to demonstrate its ability and/or commitment to deliver a specific social and/or sustainable outcome. [Sample SPF schedules](https://buyingfor.vic.gov.au/social-procurement-toolkit) are available. | Essential |
| Local Jobs First Policy (LJF) | LJF is applicable to all procurement activities that are wholly or partially funded by the State Government and the procurement activity meets or exceeds the following value thresholds:   * $1 million in regional Victoria; or * $3 million in metropolitan Melbourne or applies to a statewide activity. | For information relating to inclusion of [LJF requirements](https://localjobsfirst.vic.gov.au/) | Recommended |

## Using this tool

This tool accompanies the [Developing an offer template - Goods and services procurement guide](https://buyingfor.vic.gov.au/social-procurement-toolkit)

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