Premier’s Memorandum No. 2000 - 11
Disclosure of Information on Government Contracts with the Private Sector
Technical Services

Details of Contract

On 6 May 2005, The Department of Education and Training (DET) invited three firms to submit proposals for the role of technical advisor to DET in the procurement of nine schools as a public private partnership (PPP).

The technical advisor role was to assist the PPP Project Control Group (PCG) in defining, scoping, assessing and detailing proposals, bids and contract documents and providing other specialist advice as required. Technical information such as the output specification, abatement regime, facilities management specification and costing information was prepared for the first schools PPP project, which was procured in 2002 and of which all nine schools are now operational. The applicants for technical advisor were advised that these documents would be available to the successful applicant for reviewing, revising and updating.

The successful advisor was required to undertake a range of tasks, some of which related specifically to individual phases of the procurement process and others which spaned the length of the process. The tasks were as follows:

1. Preparation of the Public Sector Comparator (PSC)
   - Assist in updating / revising the PSC including detailed estimates of construction costs, furniture, fittings and equipment requirements and costs, lifecycle maintenance costs, utilities requirements and costs, and non-core service costs (including cleaning, security and insurance).
   - Contribute to risk analysis to determine PSC risk adjustments.
   - Advise on adjustments to reference project scope and documentation.
   - Establishing means of measuring the impact of the initial growth in student numbers as schools increase their intake and subsequent enrolment fluctuations.
   - Assist in updating / revising the technical and contractual aspects of the output specification including definition of design requirements and availability and performance requirements.

2. Preparation and Participation in the RDP Process
   - Assist in the preparation of RDP briefing documents including definition of technical submission requirements for bidders and interpretation of government policy and statutory requirements.
   - Assist in preparation of the evaluation plan.
   - Assist in updating / revising the payment mechanism.
   - Assist in updating / revising the technical performance requirements and the payment abatement regime.
• Participate in meetings with bidders to clarify the government’s and bidder’s proposals and to advise on any specification or other technical amendments.

• It is a requirement that the Technical Advisor be available to prepare for, attend workshops and provide post-workshop follow-up (e.g. provide replies to bidder queries taken on notice).

• Provide a full and detailed review of proponents’ financial, technical and FM submissions with particular focus on compliance, integrity of submissions, robustness and deliverability of financial projections.

• Provide detailed costing report on bidder’s proposals for design, construction and facilities management services.

• Participate in technical evaluation of bidders’ design and construction, facilities management, financial and contractual proposals and contribute to reports as part of the formal bid evaluation process.

• Assist in the preparation of documents if any further procurement stage is undertaken.

• Participate in formal negotiations with the preferred proponent(s) and advise on any amendments to facility design and service specifications.

General

• Work with all professional diligence and at a rate necessary for the completion of the technical components by the target date, including cooperating with the project director to expedite completion in the event of delay.

• Prepare submissions and undertake any background research, as required, addressing technical and commercial issues affecting the project.

• Undertake other relevant technical tasks associated with the procurement including, potentially, ad hoc advice during the contract management phase.

• Provide technical advisory support to DET as necessary or required.

Evaluation

Three proposals were received and assessed against the following criteria:

1. Understanding of the nature of the work.

2. Experience and expertise of the firm and key personnel in acting for government authorities in connection with the procurement of major infrastructure and particularly in relation to the PPP contractual model for social infrastructure projects.

3. Capacity and commitment of personnel to undertake the tasks outlined including, where necessary, within tight deadlines.
4. Proven ability to work co-operatively in a team environment and to communicate effectively with individuals from a range of non-technical backgrounds.

5. Price and fee structure. DET sought capped prices based on a clear and comprehensive delineation of tasks.

6. Reference to referees willing to confirm a firm’s experience and ability, particularly in relation to PPP.

The applicants’ proposals were scored against criteria 1 – 5 and given a score between 1 and 5 for each criterion. An overall score was then calculated on a non-weighted basis.

**Contract Award**
An agreement was entered into with Milliken Berson Madden on 27 May 2005. The services are charged at hourly rates and hence the price payable will depend on the time and seniority of the resources required to deliver the services. The average hourly rate quoted by Milliken Berson Madden is $142.50 (ex GST).