



Information & Communication Technology (ICT) Project Assurance Advisors Prequalification Scheme

STRATEGIC ICT ASSISTANCE NOW AVAILABLE TO NSW GOVERNMENT AGENCIES

NSW Treasury is responsible for establishing whole of government policy for Information & Communication Technology (ICT) procurement and for monitoring the realisation of benefits from ICT investment.

In November 2006, NSW Treasury announced reforms to the NSW Government Information and Communication Technology capital investment process to bring ICT investment into the same governance framework as the rest of the government's capital investment program.

NSW Treasury, in collaboration with the Department of Commerce, has established the ICT Project Assurance Advisors Prequalification Scheme. The Scheme provides NSW Government agencies with a system to select and engage prequalified expert advisors with the right capability and experience to assist agencies in developing sound ICT strategies and business cases and provide independent assessment of whether the project will deliver the intended benefits of the business case.

The two work type categories covered under this Scheme are:

- **ICT Strategic Plans and Business Cases (Category 338)** - covers assistance to agencies developing ICT Strategic plans and/or business cases for major ICT projects. Advisers will be engaged by the agency
- **Project Quality Assurance Reporting Services (Category 339)** - covers independent assessment to agencies and Treasury on whether major ICT projects will each deliver the benefits of their business case. This is a project health check rather than a project management role. Advisers will be engaged by and report to the agency, with a copy of the report to be sent to Treasury.

Note: The Scheme does not cover areas of consultancy procurement already addressed by other prequalification schemes or panel contracts, including:

1. State Contracts Control Board (period) contracts;
2. Construction Related Consultant Prequalification Schemes; or
3. Performance and Management Services

INFORMATION ON THE SCHEME FOR AGENCIES

Under the prequalification scheme, consultants are able to apply through an open Expression of Interest process to be assessed on their resources, capability, experience and systems in their nominated areas of expertise.

Agencies with specific projects can request a list of selected capable consultants from whom they can invite proposals.

The benefits to agencies of using the Scheme are:

- Provision of panels of external expert resources to assist in development of ICT business cases and project quality assurance reports.
- Streamlining of the competitive tendering process by prequalifying consultants with a demonstrated track record, saving on tendering costs relative to open tenders while maintaining appropriate levels of competition
- Enhancing probity standards by third party assessment and selection of consultants
- Quality assurance and performance management for the engagement of consultants involving performance monitoring and reporting.

Agency use of the prequalified panels is optional except for provision of the services required for the preparation of Project Quality Assurance Reports when use of the panel is mandatory for ICT projects with an estimated total cost of at least \$20 million.

Further information on the Scheme, Application Conditions and Scheme Conditions can be downloaded from:

<http://www.commerce.nsw.gov.au/Home.htm> > Procurement > ICT Assurance Advisors

Selecting Prequalified Consultants Under the Scheme

Agencies and statutory corporations seeking to engage consultants under the Scheme may request a list of appropriate consultants from the Department of Commerce, citing the work type they require for a particular engagement, by submitting a request form to the Department of Commerce.

To download the request for a list of suitable consultants, go to:

<http://www.commerce.nsw.gov.au/Home.htm> > Procurement > ICT Assurance Advisors

Submit the request by e-mail to:

Consultantprequal@commerce.nsw.gov.au or by fax to: **02 9372 8844**. A list of suitably prequalified consultants will be returned by e-mail to the applicant. Please note, the Department of Commerce will only send a list to 'nsw.gov.au' email addresses.

Agencies may then make their own selection from the list of prequalified consultants provided or may seek further assistance from the Department of Commerce. For large value, high risk engagements, the Department of Commerce may be asked to convene its Consultant Selection Committee to assist an agency select a tenderer panel.

The competitive tendering process under the Scheme

NSW Government agencies are required to engage consultants in accordance with Department of Premier and Cabinet Circular C2004-17: *Guidelines for the Engagement and Use of Consultants*.

This prequalification scheme varies and complements these guidelines by providing for engagement of consultants or contractors on the following basis:

- Where the estimated cost of the engagement is less than \$50,000, an engagement can be made directly from the panel by inviting one written quotation from a prequalified consultant.
- Where the estimated cost of the engagement is \$50,000 or more (to no limit) an engagement can be made from the panel by inviting a minimum of three written proposals from prequalified consultants. Open invitations are not required.

Terms of engagement

The engaging agency and the service provider must enter into a separate agreement for each engagement.

To engage an ICT Project Assurance Adviser when the engagement is valued less than \$50,000, use the Standard Form of Agreement available from:

<http://www.commerce.nsw.gov.au/Home.htm> > Procurement > ICT Assurance Advisors

To engage an ICT Project Assurance Adviser when the engagement is valued at \$50,000 or more, use standard forms to invite fee proposals available from:

<http://www.commerce.nsw.gov.au/Home.htm> > Procurement > ICT Assurance Advisors

Agencies should not modify the terms of the Standard Form of Agreement unless there are exceptional circumstances which warrant modification. In any such circumstance, prior to making any modification, please seek the advice of NSW Procurement.

Performance Monitoring and Reporting

Quality assurance, value for money and performance improvement are key objectives of the Scheme. The Scheme provides panels of expert external resources to assist agencies. In addition, the Scheme and its related procurement system has been developed to assist agencies improve their procurement and use of consultants providing ICT business case and quality assurance reporting services.

To assist in meeting these objectives, the Department of Commerce will need to collect basic information on engagements from agencies to monitor the performance of consultants engaged. The information collected is:

- the name of the consultant
- the total value of the engagement
- any variations or flow-on engagements
- a brief description of the outcome.

Project Performance Reports are to be prepared by the agency. Reports are to be prepared:

- in the first week of February, May, August and November for engagements valued at \$50,000 or more;
- at the completion of an engagement;
- whenever it becomes apparent that the standard of services delivered by the consultant are found to be unsatisfactory; and
- at termination of the engagement (if occurring).

To download a word version of the Performance Report visit:

Work category 338:

<http://www.commerce.nsw.gov.au/Home.htm> > Procurement > ICT Assurance Advisors

Work category 339:

<http://www.commerce.nsw.gov.au/Home.htm> > Procurement > ICT Assurance Advisors

Guidelines for preparation and submission of the performance reports are provided in the report templates. Agencies are to liaise with the consultant and attempt to reach an agreement on the rating of each performance criterion in a manner which reflects the consultant's actual performance on the project.

The results of performance monitoring are linked to the selection for future tendering opportunities. Poor or inconsistent performance may result in decreased opportunities for future work, while good or consistent performance may result in increased opportunities for future work.

These reporting obligations apply in addition to agencies' other reporting and disclosure obligations under the Freedom of Information Act 1989, Premier's Memorandum 2007-01 "Public Disclosure of Information arising from NSW Government Tenders and Contracts" and NSW annual reporting legislation.

Obligations and responsibilities of agencies accessing the scheme

Agencies are responsible for making their own assessment of a consultant's suitability for a particular engagement and to undertake appropriate due diligence checks according to the size of the engagement and the risks involved.

INFORMATION ON THE SCHEME FOR APPLICANTS

Unless otherwise notified, the Scheme will remain open for new applicants throughout the term of the Scheme. Consultants, whether individuals or firms, can apply for prequalification at anytime throughout the life of the Scheme.

Consultants benefit from being prequalified through reduced tendering time and costs.

Prequalification under this Scheme is not a guarantee of work and no agency of NSW Government is obliged to provide any work opportunities to any prequalified consultant.

The following Scheme documents provide consultants with an overview of the Scheme, application conditions and Scheme conditions. An application form for consultants is provided at Schedule 1 of the Scheme Conditions.

To download a word version of the Scheme Conditions including the Application Form, visit:

<http://www.commerce.nsw.gov.au/Home.htm> > Procurement > ICT Assurance Advisors





FURTHER INFORMATION

For further information on ICT Project Assurance Advisors, please contact the Client Support Centre.



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