



**New South Wales Government
Procurement System for Construction**

Procurement Practice Guide

Procurement by Direct Negotiation

July 2008

Important notices

Current version

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<http://www.nswprocurement.com.au/Procurement-System-for-Construction/Reference-material/Procurement-practice-guides.aspx>

Amendments

Refer to the Procurement Practice Guide Amendments Log which is available on the Internet at:

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Procurement by Direct Negotiation

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Procurement by Direct Negotiation

1 Introduction

The purpose of this Procurement Practice Guide is to provide:

- an explanation of procurement by direct negotiation;
- indicative examples of when procurement by direct negotiation may be appropriate;
- a summary to promote probity in the direct negotiation process;
- reference information on Probity Advisors and Probity Auditors.

Direct negotiations, also known as sole sourcing, directly sourced, non-competed contracts, single-invited etc, usually do not undergo a competitive process.

Situations will arise where direct negotiations will be appropriate but as with any procurement process there are a number of attendant risks. As an example a competitive market price will usually be obtained that is considered fair and reasonable when procurement is undertaken through an open tender process, pre-qualification scheme or panel contract. This may not necessarily be the case with direct negotiations but nevertheless the principles of value for money and probity are paramount.

The Independent Commission Against Corruption (ICAC) May 2006 publication *Direct Negotiations Guidelines for Managing Risks in Direct Negotiations*, highlights scenarios in the direct negotiation process. It is available on the Internet at:

www.icac.nsw.gov.au/files/pdf/Direct_Negotiations.pdf

Specific examples and risks are also outlined and for example ICAC recommends that as a general rule the direct negotiation process should be avoided. The ICAC publication is a valuable reference for anyone considering procurement by direct negotiation and should be read in conjunction with the contents of this document.

2 Overview

2.1 What are Direct Negotiations?

Direct negotiations are a procurement process in which an agency may contact a single contractor of its choice to submit a quote or tender without having first gone through a genuine competitive process. A variation to an existing contract can also be a direct negotiation.

Bargaining between buyer and contractor is a critical element of the process. The objective is to reach agreement on all terms and conditions and to obtain the goods and services at a price that is fair and reasonable to both the contractor and the agency.

Direct negotiations are not intended to avoid competition or to discriminate against any organisation and must be conducted in a manner consistent with the standards of behaviour and requirements specified in the NSW Government *Code of Practice for Procurement*.

2.2 When to consider Direct Negotiations

A suitable assessment, based on a comprehensive knowledge gained through specific market research, will need to be made to justify direct negotiation. Multiple conditions may be necessary for direct negotiations to be appropriate and outlined

below are situations that may be the starting point for consideration of direct negotiations (this is not an exhaustive list):

- Where no prequalified construction related works panel exists for the provision of the service and/or over \$10,000 in value;
- Where no State Contracts Control Board (SCCB) period contract exists for the provision of the goods or services above \$30,000 in value;
- Where market research has identified that only one service provider has the capability, experience and suitability to perform the required work or provide the goods;
- Where, in response to an open tender no submissions are received;
- Where, in response to an open tender no evaluated responses represent 'value for money';
- Where, in response to an open tender no response conforms to the minimum content and format as outlined in the tender documentation;
- Where, in response to an open tender no response satisfies the requirement and it is not feasible to modify the requirement;
- Where, after an EOI process and evaluation, only a single applicant is evaluated as suitable to tender;
- To extend an existing contract for a period longer than originally planned and where the cost to tender is prohibitive compared to the cost of the actual procurement;
- Unforeseen circumstances of urgency where the property or services cannot be obtained in time through an open tender or pre-qualification/panel arrangement;
- Exceptionally advantageous time-limited conditions, such as from unusual disposals, unsolicited innovative proposals, liquidation, bankruptcy, or receivership and which are not routine purchases from regular contractors (refer to the ICAC guidelines for additional information);
- Where the goods or services can only be supplied by a particular contractor and no other reasonable alternative or substitute exists;
- Unique acquisitions such as a work of art, manuscript etc;
- Where a limited number of contractors hold the required patent, copyright, or other exclusive right, or proprietary information;
- A particular contract for research, experiment, study, or original development;
- A prototype or a first good or service that is intended for limited trial (refer to the ICAC guidelines for additional information);
- An absence of competition for technical or policy (eg security) reasons.

3 Authority to Negotiate

It is fundamental to have the authority to undertake direct negotiation and to document and justify decisions.

This is especially the case where procurement by direct negotiation is of a high dollar value, of special importance or significance, politically sensitive and/or involves a number of other risks.

The *Public Finance and Audit Act, 1983* (NSW) in particular requires that expenditure should only be committed, or incurred, by a person within the limits of a delegation conferred in writing by a person entitled to make the delegation.

Anyone involved in negotiating a contract must not commit the client agency to expenditure of funds without prior written approval from an authorised representative of the agency.

Approval would require a submission that explains the circumstances and detail of the direct negotiation and justifies that the proposed course of action is the best value for money option given the risk and costs associated with alternative procurement actions.

In the process of direct negotiation the procurement must be consistent with the respective financial and administrative limits established in an agency's delegations or authorities manual. The limits of financial delegation for goods and services construction and ICT are available set out in the corporate Delegations Manual.

The SCCB Delegations Manual sets the limits of financial delegation for goods and services procurement.

Although a direct negotiation procurement may be within the officer's financial authority, discretion should be exercised. This may include a segregation of duties by referring approval to an appropriate senior officer. In any case before exercising any financial authority, an officer must establish that funds are available to meet any committed expenditure.

3.1 Conflict of Interest

The exclusive nature of direct negotiations makes allegations of conflicts of interest particularly potent.

ICAC defines a conflict of interest as 'a conflict between the public duty and private interests of a public official, in which the public official has private interests which could improperly influence the performance of their official duties and responsibilities.'

Refer to ICAC publication *Managing Conflicts of Interest in the Public Sector*, available on the Internet at:

www.icac.nsw.gov.au/files/pdf/Guidelines_final.pdf

To ensure that the best value for money is obtained, the negotiated tender process must be conducted with efficiency, impartiality and integrity.

If someone involved in the negotiated tender process stands to lose or gain money by performing his or her duty, then this can be determined to be a conflict of interest. Non-financial personal interests based on common interests such as sporting, social, cultural, family and sexual relationships etc could also be construed as giving rise to a conflict of interest.

Although not definitive, if conflicts of interest emerge these usually can be resolved by:

- Removing the source of the conflict e.g. disposing of an interest.
- Making the interest public e.g. disclosing or registering all relevant interests.

The Department of Commerce has a Code of Conduct for tender processes included in which is a declaration of personal interests and potential conflicts of interest. It is recommended that anyone participating in the direct negotiation process, including the proposed contractor read and sign this form available on the Internet at:

http://www.nswprocurement.ocm.au/psc/service_provider_selection/sm_sf_code_of_conduct.doc

4 The Direct Negotiation Process

Chapter 3 of the ICAC document *Direct Negotiations* (Guidelines for Managing Risks in Direct Negotiations), available on the Internet at:

www.icac.nsw.gov.au/files/pdf/Direct_Negotiations.pdf

provides advice on the risk mitigation measures that an agency can take during the process of direct negotiation.

The following outlines the minimum conditions to consider in the direct negotiation process. The conditions will vary dependent on the value, the risk and circumstances. If value for money and probity cannot be achieved through a direct negotiation process the option not to proceed should always be considered.

4.1 Service Demand Identification

- Develop project objectives consistent with NSW Government policies;
- Conduct stakeholder consultation (clients, experts and the market) to define, justify and clarify requirements;
- Identify the market's capability to provide the goods and services and confirm that the procurement cannot be provided through existing Department of Commerce service provider pre-qualification schemes or SCCB contracts;
- Undertake contractor/supplier positioning or viability analysis;
- Identify constraints or limitations and an appropriate level of delegated authority (eg a higher level of management including possibly Ministerial approval);
- Prepare cost estimates;
- Draft a commercial strategy including a risk management plan to achieve the procurement outcome in accordance with legislative and probity requirements;
- Consider a 'do nothing' option in the event that negotiation is not acceptable.

4.2 Appoint Project Manager and Define Responsibilities

- Develop and document a plan of action to manage the direct negotiation process;
- Appoint a project manager and form a team (technical, financial, environmental etc) where appropriate;
- Identify outcomes, objectives and logistics;
- Specify standards of performance, rewards and disincentives, and performance measures;
- Ensure specification meets client requirements and is acceptable to all stakeholders,

4.3 Procurement Management Strategy

- Clearly outline procurement stages from acquisition to close out;
- Ensure all participants in the process sign a code of conduct declaration;
- Formulate the mandatory selection criteria and the weighted selection criteria;
- Obtain specialist advice to formulate and evaluate selection criteria including, where appropriate, a probity adviser;
- Develop a direct negotiation tender evaluation plan to manage the process and ensure criteria and evaluation meet all requirements. A worked example is available on the Internet at:
- http://www.nswprocurement.com.au/psc/service_provider_selection_cs/cs_w_e_tender_evaluation_plan.aspx
- Ensure contract negotiation documents are appropriate to the level of risk and of the highest possible standard. Deficiencies in the solution, commercial and contractual arrangements will have an adverse effect on every subsequent phase of the acquisition process.
- Communicate procurement arrangements to stakeholders.

4.4 Obtain Approval to Proceed with Direct Negotiation

- Specify contract arrangements;

- Approval is in accordance with procedures, guidelines and delegations and within budget.

4.5 Approach the Contractor/Supplier

- Approach the contractor/supplier in a method appropriate for the direct negotiation and conforming to the principles of the NSW Government Code of Practice for Procurement including a declaration of Conflict of Interest;
- Ensure team has appropriate skills, training and experience in commercial negotiations;
- Brief the contractor/supplier in accordance with public sector standards and organisational protocols;
- Encourage the contractor/supplier to provide as much relevant information in their response as possible so that the evaluation team is fully informed about the proposal;
- Stress to the contractor/supplier not to assume that the client agency and evaluation team have any previous knowledge about the contractor's skills, abilities or past performance;
- Clarify any points of uncertainty;
- Maintain auditable records documenting the approach and subsequent process as per *Recordkeeping in the NSW public sector*:
www.records.nsw.gov.au/recordkeeping/recordkeeping_in_the_nsw_public_sector_2072.asp

4.6 Evaluate Response Including the Option not to Proceed

- Use specialist advice to assist in the evaluation of the direct negotiation;
- Evaluate in accordance with the direct negotiation tender evaluation plan;
- Clarify and negotiate issues contained in the contractor or supplier's offer;
- Justify, or otherwise, the offer and document in accordance with the evaluation criteria;
- Ensure proposed contract documents are appropriate to the direct negotiation and legally binding to both parties;
- Recommend the award of contract or;
- Recommend option not to proceed if the procurement cannot be undertaken on acceptable terms.

4.7 Formalise the Direct Negotiation

- Negotiate agreed contractual arrangements;
- Address and incorporate in the contract identified risks, redress for both parties and a suitable basis for performance indicators;
- Make no commitment to the contractor/supplier until the contract is executed;
- Recommend to the client to approve the engagement of the contractor/supplier through direct negotiation;
- Ensure contract entered into is valid and legally binding;
- Brief stakeholders accordingly on contractual arrangements.

4.8 Disclosure

- Do not disclose information about the direct negotiation process before the proposed contract has been awarded;
- Ensure disclosure is in accordance with Premier's Department Memorandum M2007-01 *Public Disclosure of Information arising from NSW Government Tenders and Contracts* available on the Internet at:

www.dpc.nsw.gov.au/publications/memos_and_circulars/ministerial_memoranda/2007/m2007-01

4.9 Manage the Contract

- Establish a communication strategy and reconfirm contract requirements;
- Confirm and implement start up arrangements.

4.10 Monitor the Contract

- Monitor performance against performance indicators;
- Obtain progress and performance reports monthly & quarterly from contractor/supplier or probity auditor where appropriate;
- Meet all contractual obligations;
- Monitor and manage contract for emerging and potential risks;
- Obtain approval for any contract variations;
- Maintain documentation to address complaints/disputes in accordance with contractual requirements and an audit trail;
- Address complaints/disputes and any actions approved are in accordance with the contract;
- Advise stakeholders on the contract performance.

4.11 Complete the Contract and Contract Review Strategy

- Goods or services meet the desired procurement outcome and value for money achieved;
- Finalise, cancel or terminate the contract in accordance with contractual arrangements;
- Develop strategies to manage close out, renewal or transition to a new contract.

4.12 Evaluation

- Evaluate the contractor/supplier and user satisfaction with results used to improve contract management and future procurement strategies;
- Document and justify where contract performance measures or outcomes are not fulfilled;
- Use information from the evaluation and an independent audit (where appropriate) to form the basis for good contract management and future improvements.

5 Probity Advisors and Probity Auditors

In a direct negotiation the evaluation team or senior procurement officers could encounter probity issues that may not be able to be addressed adequately with the level of skills and processes in place. As part of the risk management process it may be appropriate to engage either, or both, a probity advisor or probity auditor.

The roles are different in that the advisor provides advice during the negotiated tender process and the auditor essentially reviews the processes that have been undertaken including the implementation of any probity advice.

Ideally their engagement and use should be considered in the early stages of the project however probity advisors and auditors do not transfer the risk away from the agency. The onus of accountability remains with management.

Probity advisors and probity auditors can be engaged through the SCCB period contract No 7174 Audit and Audit Related Services Auditors which covers, amongst other things, probity auditors as well as internal audit, performance (operational)

audits, compliance audits, and strategic risk assessment etc), available on the Internet at:

www.contractservices.nswp.commerce.nsw.gov.au/Contract+Information+and+User+Guides/Contract+Information+and+User+Guides.htm#categories

Additional guidance is also available in the ICAC publications:

- *Direct Negotiations (Guidelines for Managing Risks in Direct Negotiations)*
www.icac.nsw.gov.au/files/pdf/Direct_Negotiations.pdf
- *Probity and probity advising*
www.icac.nsw.gov.au/files/pdf/Probity___probity_advising.pdf

5.1 Probity Advisors

A ‘probity advisor’ external to, and independent of, the procurement process, can scrutinise (by way of observing and reviewing) the direct negotiations and evaluation process and provide advice on issues, which may arise before and during the process.

The probity advisor should be engaged as early as possible in the process to avoid the circumstance where advice they may give contradicts decisions made earlier.

In the case of direct negotiations the role would be a preventative one insofar as ensuring that the process complies with the criteria and principles of the NSW Government *Code of Practice for Procurement*.

Table 1 Probity Advisor Consideration

Why a Probity Advisor?	Areas outside the scope of a Probity Advisor
<ul style="list-style-type: none"> • the ‘direct negotiation’ is highly complex, unusual or contentious • the procurement is high value • the integrity of the project may be questioned • there has been a history of controversy or litigation • to ensure that appropriate procedures and scrutiny are in place to maintain the integrity of the process • the matter is politically sensitive • the nature of the market and procurement strategy makes grievances more likely • where commercial secrets are important • there is a probability of a conflict of interest in the procurement process or with participants 	<ul style="list-style-type: none"> • to justify a decision to depart from a competitive process • to act as insurance against errors in planning or decision making • to demonstrate probity - systems should already be in place that incorporate probity • to save a procurement process where things are already going wrong

5.2 Probity Auditors

A ‘probity auditor’ is self-directing and provides an objective opinion on issues, such as government regulations, procurement policy and legal requirements, generally after the process has been completed.

The role of a probity auditor is not to try and remedy problems during the process and therefore the engagement of a probity auditor should be seen as a means of complementing existing processes.

Table 2 Probity Auditor Consideration

Why a Probity Auditor?	Areas outside the scope of a Probity Auditor
<ul style="list-style-type: none"> • the 'direct negotiation' is highly complex, unusual or contentious • the procurement is high value • to provide independent scrutiny to ensure prescribed procurement processes are adhered to • to provide a report at the end of the process, which records an independent professional view of the way in which, the procurement process was managed, from a probity perspective. 	<ul style="list-style-type: none"> • to protect against errors in the decision making process • to advise or comment on the commercial effectiveness of the negotiated tender • to salvage a negotiated procurement process that may be off the rails • to check the effectiveness and outcome of the contract resulting from the direct negotiation

6 Negotiating

Negotiation is a process that allows parties to discuss and isolate issues to seek common ground. Effective negotiation should result in compromise with a win-win situation for both parties. To this end negotiations should be undertaken by suitably experienced and trained officers.

6.1 Plan the Negotiation

- Know the degree of negotiating flexibility allowed internally prior to entering into direct negotiations;
- Consider all likely outcomes and options possible in the direct negotiation process including those of the contractor;
- Seek common ground rather than conflict;
- Long term outcomes must be considered, onerous terms and conditions will inevitably have adverse implications in the future; and
- Prepare an agenda of issues for negotiation with desired outcomes.

6.2 Effective Negotiation

- Avoid communication irritators or defence/attack spirals;
- Avoid offering immediate counter proposals;
- Seek further information to clarify issues;
- Ensure that outcomes are understood by both parties; and
- Outcomes should be mutually accepted.

6.3 Documenting the Negotiations

- Document all negotiations and conversations as reference for any disputes;
- Maintain a registered file; and
- Ensure that only appropriately delegated officers authorise change.

7 Sample Criteria for Direct Negotiation

7.1 Goods and Service

In preparation for a negotiated contract, choose appropriate acceptance criteria. Examples include:

- Fitness for purpose of deliverables offered including:
 - compliance with Specification,
 - quality,
 - innovative aspects,
 - product design,
 - performance and warranties etc.
- Price
 - Capacity to perform the agreement:
 - production/technical capacity,
 - human resource capacity, qualifications, skills and experience,
 - financial capacity and stability (including security considerations),
 - technical, warehousing, inventory and distribution systems,
 - maintenance and support service,
 - quality assurance systems,
 - suitability of sub-contractors,
 - current commitments,
 - ability to market the agreement,
 - previous experience and performance on NSW Government contracts/standing offers,
 - demonstrated ethical behaviour,
 - satisfactory site inspection,
 - compliance with the proposed conditions,
 - compliance with NSW Government procurement policy (OHS&R, Environmental, economic development etc.) as well as relevant legislation and standards,
 - compliance with other SCCB requirements,
 - capacity and capability to facilitate electronic commerce through smartbuy® etc.

7.2 Construction

Management Systems

Negotiations should include mandatory criteria based on the NSW Government management systems guidelines for the construction industry. Details are available on the Internet at:

<http://www.nswprocurement.com.au/Procurement-System-for-Construction/Reference-material/Procurement-practice-guides.aspx>

Select the management systems mandatory criteria and weighted criteria appropriate to the direct negotiation from the following table:

Construction Contract Estimated Value	Management System (MS)	Mandatory Criteria	Weighted Criteria
Less than \$1M	Quality	Not Applicable	Demonstrated experience in systematically planning and managing the quality of work by developing and implementing Inspection and Test Plans. See Note 1 below.
\$1M and greater	Quality	QMS certified to AS/NZS ISO 9001:2000	Demonstrated experience in implementing a certified QMS on construction projects.
Less than \$1M	OH&S	Not applicable	Demonstrated experience in documenting, implementing and maintaining Site Safety Management Plans and Safe Work Method Statements (SWMS) complying with the NSW Government OH&S Management System Guidelines, Edition 4. See Note 2 below.
\$1M and greater	OH&S	OH&S MS accredited by a NSW Government construction agency as conforming to the NSW Government OH&S Management Systems Guidelines, Edition 4.	Demonstrated experience in implementing a NSW Government construction agency accredited OH&S Management Systems on construction projects.
Under \$10M	Environmental	Not applicable	Demonstrated experience in preparation of site-specific environmental management plans complying with the NSW Government Environmental Management Systems Guidelines, November 1998
\$10M and greater	Environmental	EMS accredited by a NSW Government construction agency as conforming to the NSW Government Environmental Management Systems Guidelines, November 1998	Demonstrated experience in preparation of site-specific environmental management plans complying with the NSW Government Environmental Management Systems Guidelines, November 1998
Any value	Industrial Relations	Not applicable	Demonstrated experience in implementation of industrial relations management plans complying with the NSW Government's Industrial Relations Management Guidelines, December 1999.
Any value	Training Management	Not applicable	Demonstrated experience in implementation of training management plans complying with the NSW Government's Training Management Guidelines
Any value	Aboriginal Participation in Construction	Not applicable	Demonstrated experience in implementation of project Aboriginal participation plans complying with the NSW Government's Aboriginal Participation in Construction Implementation Guidelines, January 2001

Notes to Table

1. The NSW Government Quality Management Systems Guidelines for Construction, Version 1, June 2005 details the requirements for contacts valued at under \$1 million.
2. The NSW Government Occupational Health & Safety Management Systems Guidelines, 4th Edition, June 2004, details the requirements for Site Specific Safety Management Plans and Safe Work Method Statements.

The above Guidelines are available on the Internet at:

<http://www.nswprocurement.com.au/Procurement-System-for-Construction/Reference-material/Procurement-Guideline-Documents.aspx>

Financial Performance Criteria

The main criteria considered in the financial assessment of construction contractors is:

- Net Worth (total assets, excluding any assets of company directors, less total liabilities less intangible assets);
- Current Ratio (ratio of current assets to current liabilities); and
- Working Capital (current assets less current liabilities).

The Principal considers a negotiated tender with the following financial capacity, and no other significant detrimental financial characteristics, to be financially satisfactory:

- Net Worth exceeds 5% of the Contract Sum or initial Contract Price;
- Current Ratio exceeds 1; and
- Working Capital exceeds 10% of the Contract Sum or initial Contract Price.

Deviations below these indicative criteria will not necessarily prevent the Principal from considering any tender.

Weighted Criteria

The weighted criteria will be used for evaluating the contractor with weightings applied to each criterion to suit their relative importance to the Client.

The critical elements reflected in the weighted criteria should be identified in the negotiation plan and could include:

Design

The contractor's concept design to demonstrate scope, quality, best value, inclusion of "whole of life" issues and energy conservation with a focus on:

- Integrity of the architectural design
- Integrity of engineering services design
- Materials selection
- Asset management and maintenance

Design Management

The contractor's understanding of and approach to management of the development of design and implementation to provide a best value proposition for the Principal. This could include an assessment of the design team to be brought to the contract by the contractor.

Project Management

The level of competency and suitability of the contractor's site based team and project organisation to:

- undertake a project of the nature and scale of the project.
- plan and manage occupational health and safety, industrial relations, training and aboriginal participation.
- maintain continuity of operations on the site and related facilities.

The capability of key personnel should also be considered. For example:

- demonstrated experience of the key personnel in undertaking similar services
- availability and proposed extent of involvement of the key personnel
- demonstrated experience of sub-consultants and the services they will perform and additional or replacement personnel if required.

Experience and capability

The contractor's proposal for critical elements such as demonstrated experience and successful performance in undertaking similar works.

Contractors could be requested to support their statements by outlining similar completed works, together with client or referee reports or to demonstrate an understanding of, and an ability to comply with, relevant project specific requirements.

Quality Management

The contractor's quality management system capability to establish a defect free handover of the works.

Local Community

The contractor's proposed contribution to local employment to maximise local content and benefit to the community.

7.3 Technical Consultants

Direct negotiations should include the following criteria, weighted to suit their relative importance to the Client. The critical elements reflected in the weighted criteria should be identified in the negotiation plan and could include:

Management Systems (Construction)

Consultant Engagement Estimated Fee Construction	Management System (MS)	Mandatory Selection Criteria	Weighted Selection Criteria
\$30,000 and over	Quality	QMS certified to AS/NZS ISO 9001:2000	Demonstrated experience in implementing a certified QMS on consultant engagements

Professional Indemnity Insurance

Consultants are to be insured for Professional Indemnity as follows:

Fee Range	Professional Indemnity Insurance
\$0 to \$30,000	\$250,000
> \$30,000 to \$150,000	\$500,000
> \$150,000	\$2,000,000

The cover notified by a consultant will be taken into account in the evaluation process and the level of Insurance cover required may be reduced if the consultant is a member of an occupational association with an approved scheme under the *Professional Standards Act 1994* (NSW).

Public Liability Insurance

Consultants are to be insured for Public Liability and the insurance of employees. The Public Liability Insurance is to be in the joint names of the consultant and the Principal, and for an amount not less than \$5,000,000. Generally, an annual policy held by the consultant, which provides appropriate cover suitable for the engagement and which covers the Principal in general terms (not necessarily naming the Principal), is satisfactory.

Financial Criteria

Consultants must have sufficient financial capacity to perform the services required under the contract. Consultants do not need to provide financial statements.

If requested to do so, Consultants must provide a statement from a qualified accountant certifying that the Consultant has met:

- all of its statutory obligations including payment of pay as you go taxation instalments, PAYG withholding tax, GST Business Activity Statements, Superannuation Guarantee payments and payment of payroll tax if applicable; and

- other obligations including payment of rentals and interest, as well as payment of sub-contractors, sub consultants and contractors within acceptable business credit periods.

Weighted Criteria

The weighted selection criteria will be used for evaluating the consultant with weightings applied to each criterion to suit their relative importance to the Client.

The critical elements reflected in the weighted selection criteria should be identified in the tender evaluation plan and could include:

- experience and capability
- experience, capability and availability of key personnel
- other criteria (relevant to the scope of work)

Experience and capability

The consultant's proposal for critical elements such as demonstrated experience and successful performance in undertaking similar engagements.

Consultants may be requested to support their statements by outlining similar completed engagements, together with client or referee reports.

Experience, capability and availability of key personnel

Consultants may be requested to support their statements by outlining:

- demonstrated experience of the key personnel in undertaking similar services,
- availability and proposed extent of involvement of the key personnel,
- demonstrated experience of sub-consultants and the services they will perform; and
- additional or replacement personnel if required.