



# **Queenstown Lakes District Council Procurement Plan**

**Engineering & Specialist Support  
Services (ESSS 2.0) Panel Contract**

**C-24-061**

Document development control	
<b>Prepared by:</b>	Paul Rogers
<b>Position / title:</b>	Procurement Consultant
<b>Business unit:</b>	Property & Infrastructure
<b>Document version:</b>	v.Final, Rev1
<b>Date of last revision:</b>	v.Final, 29 September 2024. Rev 1, 4 June 2025. <ul style="list-style-type: none"> <li>Amended to bring the various elements of Panel Rules and Secondary Procurement into one section (now section 8).</li> </ul>
<b>Status:</b>	Complete.

# Contents

<b>Acronyms .....</b>	<b>4</b>
<b>Approvals .....</b>	<b>4</b>
1.1 Approval of the plan .....	4
1.2 Budget .....	4
1.3 Delegated Authority .....	6
<b>Background .....</b>	<b>6</b>
2.1 What we are buying and why .....	6
2.2 What we need .....	6
2.2 Panel Objectives & Principles .....	7
<b>Market analysis .....</b>	<b>8</b>
3.1 The supply market .....	8
<b>Requirements and costs .....</b>	<b>8</b>
4.1 Key dates .....	8
4.2 Estimated costs .....	8
5.1 Communications .....	9
<b>Stage 1: Open Market Tendering Process .....</b>	<b>9</b>
6.1 Type of tender .....	9
6.2 Evaluation team .....	9
<b>Evaluation methodology .....</b>	<b>12</b>
7.1 Evaluation method .....	12
7.2 Evaluation criteria and weightings .....	12
7.3 Due Diligence .....	16
<b>Stage 2: Panel Rules &amp; Secondary Procurement .....</b>	<b>16</b>
8.1 Panel Rules .....	16
8.2 Draft Workflow .....	17
8.3 Secondary Procurement Considerations .....	17
8.4 Panel Agreement .....	17
<b>Contract types .....</b>	<b>18</b>
9.1 Contracts .....	18
9.2 Managing Implementation .....	18
<b>Risk management .....</b>	<b>18</b>
<b>Probity management .....</b>	<b>20</b>
<b>Contract delivery .....</b>	<b>20</b>
<b>Appendix 1: Risk register .....</b>	<b>21</b>



# Acronyms

The following acronyms are used in this document.

Acronym	Term
LTP	Long Term Plan
SoW	Statement of Work
ESSSP	Engineering Specialist & Support Services Panel
RFx	X refers to either RFP, RFI, RFT, RFP, RFQ
RFP	Request for Proposal
CSO	Consultancy Services Order
PO	Purchase Order
CN	Contract Number

# Approvals

## 1.1 Approval of the plan

Role	Name	Signature	Dated
<b>Drafted by Procurement Officer</b>	<b>Paul Rogers</b>		23 September 2024
<b>Recommended by Procurement Owner</b>	<b>Trent Beckman-Cross</b>	Signed via CiAnywhere	
<b>Endorsed by Project Sponsor</b>	<b>Simon Leary</b>	Signed via CiAnywhere	
<b>Approval of Procurement Plan</b>	<b>Tony Avery, GM Property &amp; Infrastructure</b>		4 October 2024

## 1.2 Budget

Delegated financial authority holder		
<b>Total Cost:</b>	<p>The total estimated cost of professional services (for the services required and set out below) for the Period 1 July 2024 – 30 June 2029 is \$77.9m. This is equivalent to 15% of the budgets for 3W and Solid Waste infrastructure projects in the proposed 24-34 LTP. A further breakdown is provided below in Table 1 and 2.</p> <p>The cost estimate and available budget for individual contracts will be confirmed and approved as part of specific procurement activities for each contract.</p>	
<b>Total Budget:</b>	<b>Financial year</b>	<b>Amount</b>
	FY25	\$9,500,000
	FY26	\$12,700,000
	FY27	\$14,800,000
	FY28	\$18,200,000
	FY29	\$18,600,000
<b>Total Project Budget</b>	<b>\$73,800,000</b>	

Table 1: Proposed LTP budgets for programmes anticipated to be serviced by the ESSS Panel.

Programme	Description	Proposed Budget 2024/25	Proposed Budget 2025/26	Proposed Budget 2026/27	Proposed Budget 2027/28	Proposed Budget 2028/29	Total
3 Waters	New Capital	\$75,207,942	\$99,015,779	\$114,235,130	\$138,428,272	\$145,150,879	\$572,038,003
Solid Waste	New Capital	\$6,045,553	\$13,273,726	\$19,783,328	\$26,696,861	\$15,610,943	\$81,410,411
Buildings	New Capital	\$1,276,985	\$1,120,588	\$1,446,710	\$2,724,284	\$5,701,397	\$12,269,964
Total	New Capital	\$82,530,480	\$113,410,093	\$135,465,168	\$167,849,417	\$166,463,219	\$665,718,378

Table 2: Estimated cost of professional services to be procured via the ESSS Panel.

Professional Services Discipline	Rate (% of proposed LTP budget)	Estimated Cost 2024/25	Estimated Cost 2025/26	Estimated Cost 2026/27	Estimated Cost 2027/28	Estimated Cost 2028/29	Total
3 Waters Design & Advisory	8%	\$6,016,635	\$7,921,262	\$9,138,810	\$11,074,262	\$11,612,070	\$45,763,040
Project Management Vertical	2.5%	\$31,925	\$28,015	\$36,168	\$68,107	\$142,535	\$306,749
Project Management Horizontal	2.5%	\$2,031,337	\$2,807,238	\$3,350,461	\$4,128,128	\$4,019,046	\$16,336,210
Cost Management	0.50%	\$412,652	\$567,050	\$677,326	\$839,247	\$832,316	\$3,328,592
Planning	0.50%	\$412,652	\$567,050	\$677,326	\$839,247	\$832,316	\$3,328,592
Engineer to Contract	0.75%	\$618,979	\$850,576	\$1,015,989	\$1,258,871	\$1,248,474	\$4,992,888
Total (rounded)	15%	\$9,500,000	\$12,700,000	\$14,800,000	\$18,200,000	\$18,600,000	\$73,800,000

### 1.3 Delegated Authority

For the purpose of approving and implementing this procurement plan and entering into a series of zero dollar value Panel Agreements with the successful respondents (suppliers) to form the ESSS Panel of specialist suppliers, the delegated authority sits with the GM, Property and Infrastructure.

It should be noted that the appointment of successful suppliers to Panel Agreements doesn't commit the Council to any expenditure.

At the secondary procurement phase, the appropriate Delegated Authority for each secondary procurement plan and subsequent approval to enter into a contract is required.

## Background

### 2.1 What we are buying and why

Queenstown Lakes District Council (QLDC) has operated the Engineering Specialist Support Services Panel, and the 3 Waters Design Panel since 2019.

Both panels were renewed for the final time in mid 2024 and it is critical that Council continue to utilise a Panel arrangement if it wants to deliver against a very ambitious LTP 24 – 34. This procurement plan sets out the renewal process for these panels, whereby the 3 Waters Design is augmented into a single Panel of professional services (ESSS 2.0). This approach will enable Council to better leverage its buying power with suppliers, enable more effective performance management, and make it simpler for suppliers to work with QLDC.

The panels have been a useful mechanism for engaging a wide range of suppliers through a secondary procurement process where the panelists have standardised pre-approved rates and contractual terms and conditions.

These pre-approvals speed up the procurement process, minimise commercial constraints and build up a reliable and accessible supply chain of local knowledge and skill attuned to our regional needs.

The panel mechanism is based on a two-stage procurement approach:

1. Stage 1: Traditional open market competitive tender to select panel members.
2. Stage 2: Secondary procurement using the pre-qualified panel members selected in Stage 1. The secondary procurement approach will be governed by the following values and as outlined in the flow chart below.

### 2.2 What we need

In order to deliver our ten-year programmes, we need a panel of professional services consultants and selected Contractors with capability in a range of disciplines.

Under the previous P&I Panel (ESSS 1.0) Council had 10 Panel Categories. Several of these categories were under-utilised (Transport, Geotechnical, Structural and Road Safety) and following consultation with the P&I team, those categories were dropped from the ESSS 2.0 procurement. The final categories have been tested and confirmed with P&I.

Based on the previous 5 years demand history and the next 5 years of demand forecasting (sourced from the LTP and stakeholder feedback), we are confident we have a demand for the following 6 categories and number of panelists:

Panel Disciplines	Estimated Supplier numbers ( <u>max</u> )
3 Waters Design & Advisory	5

Panel Disciplines	Estimated Supplier numbers ( <u>max</u> )
Project Management Vertical Project Management Horizontal	6-10 (3-5 and 3-5)
Cost Management Horizontal and Vertical	2-4
Planning	2 - 3
Engineer to Contract	2 - 4

## 2.2 Panel Objectives & Principles

We have developed the following objectives for this procurement project:

- Provide a defensible process for ESSS Panel procurement over the next 3 plus years.
- Where appropriate provide an NZTA compliant process.
- Appoint panel suppliers based on their capability, capacity and price offering (collectively - value for money) to support the delivery of P&I's business need.
- Motivate new and existing suppliers to offer P&I their best value for money offering.
- Maintain competitive tension between the panel providers through transparent, streamlined primary and secondary procurement processes.
- Allocate work to best suit the requirements of the QLDC and the specialisms of the Panel Members.
- Improve the efficiency of planning, sourcing and managing contracts and supplier performance through the ESSS Panel to enable QLDC staff to focus on their core delivery and project/contract management roles
- Create a scalable panel model where multiple disciplines can be managed via a standardised approach; and which in the future could be expanded by discipline and pan organisation.

We have developed the following objectives for the ESSS Panel and are seeking suppliers that:

- Are solution focused.
- Demonstrate evidence-based decision making.
- Proactively identify risks and issues and help us solve these.
- Understand our budgetary constraints.
- Can develop good relationships with key Council staff.
- Provide value for money.

The ESSS Panel Principles are:

- There will be competition for suppliers to be on the ESSS Panel.
- Panel membership will be constrained.
- There will be real opportunities for suppliers to win work.
- Dedicated contract and commercial panel administration is required to gain the full benefits and Value for Money from the panel.

# Market analysis

## 3.1 The supply market

The national supply market for professional services panel categories (services and works) is strong, however locally, the supply market is extremely variable with limited capacity and capability in some areas (for example, Surveyors, and Engineer to Contract).

The current market opportunities for engineering consultancy and advisory services is not as strong as previous periods with many central government projects either in hiatus or back in feasibility assessment. This has seen a more competitive market, client side for Councils service requirements as evidenced by the recent Kingston Project Management Services tender which generated 11 viable responses. Recent engineering panel procurement projects at Christchurch City Council has also seen a significant increase in tender responses for engineering consultancy and advisory services, most recently the Transport Project Management – QS – Planners Panel released in July 2024.

This will be a discipline-based sourcing approach which means we are not necessarily seeking a single supplier to provide services across all disciplines, but rather a best for discipline approach.

Under the previous panel, Council experienced a variable level of service from some of the multinational/international consultancies. Going forward, it's likely we will continue to have a mix of large multinational, as well as smaller, 'niche' local expertise but with strengthened panel management processes to better manage the service level performance.

Our preference is to support and encourage the local supplier markets but also recognising out of district, best for project resource opportunities as well.

# Requirements and costs

## 4.1 Key dates

We require the panel contracts to commence on or before 1 February 2025.

- We estimate the sourcing of the supplier and contract negotiations will take 12 - 16 weeks.
- This means the tender must be initiated by mid-August 2024.

## 4.2 Estimated costs

The budgets for these categories

Professional Services Discipline	Rate (% of total proposed LTP budget FY 25 – FY 29)	Total
3 Waters Design & Advisory	8%	\$45,763,040
Project Management Vertical	2.5%	\$306,749
Project Management Horizontal	2.5%	\$16,336,210
Cost Management	0.50%	\$3,328,592
Planning	0.50%	\$3,328,592
Engineer to Contract	0.75%	\$4,992,888
<b>Total (rounded)</b>	15%	\$73,800,000



## Key stakeholders

### Internal stakeholders' roles and level of engagement

Role	Name	Stakeholders
Responsible	The person or people responsible for undertaking the procurement.	Paul Rogers
Accountable	The person or people that have authority to make decisions and are accountable for the outcomes.	Tony Avery
Supportive	The person or people that do the real work.	Simon Leary Geoff Mayman Trent Beckman Cross
Consulted	The person or people who need to be consulted to add value or get "buy-in"	PMO Operations and Maintenance
Informed	The person, people or group, groups that need to be kept informed of key actions and results but are not involved in decision-making or delivery.	Maintenance and Ops, Parks and Reserves, Comms Team, Strategy and Asset Planning Team

### 5.1 Communications

- Through P&I Team updates.

## Stage 1: Open Market Tendering Process

### Primary Tender

#### 6.1 Type of tender

- Pre-briefing notice to existing members + GETS notice prior to RFP release.
- The opportunity will be advertised on GETS in line with QLDC's procurement policy.
- The recommended approach to market is a one-step open competitive tender.
- The reason for this recommendation is to allow competition in the market and to assess current pricing.
- This approach to the market fits with QLDC's Procurement Policy and Procurement Guidelines.

#### 6.2 Evaluation team

A cross-functional team will be involved in the evaluation of bids and recommending the preferred supplier.

#### Non-voting members

Role	Name	Organisation
Chair of evaluation panel	Paul Rogers	Spire Consulting / QLDC Contractor
Tender Secretary	Sonia Day Susie Sheridan Neesha Weiss	QLDC QLDC QLDC
Commercial Assessment	Paul Rogers / Geoff Mayman	QLDC

Legal Advisor	TBC	QLDC
---------------	-----	------

### Voting members

A range of internal QLDC evaluators have been selected to correspond with their technical disciplines. A minimum of 3 evaluators will be involved with each tender exercise.

Evaluator	3 Waters Design & Advisory	Project Mgt Vertical	Project Management Horizontal	Cost Management	Planning	Engineer to Contract
Simon Leary						
Trent Beckman-Cross						
Simon Mason						
Anna McCarthy						
Ben Greenwood						
Stefan Amston						
Tony Pickard						
Rob Darby						
Alison Howie						

## Indicative timeline

The proposed timeline for the procurement is as follows, based on a one-step open tender.

Action	Indicative date
<b>Pre-procurement</b>	
Procurement plan approved	1 October 2024
Advance notice published on GETS	Week, beg. 7 October 2024
Tender documents approved	1 October 2024
Action	Indicative date
<b>Tender</b>	
Panel confidentiality & conflict of interest declarations signed	7 October 2024
Tender advertised on GETS	<b>10 October 2024</b>
Last date for supplier questions	13 November 2024
Last date for QLDC TET to answer questions	18 November 2024
Tender closing date	<b>Midday 25 November October 2024</b>
Tender Administrative Compliance review	26 November 2024
<b>Evaluation</b>	
Assessment period begins (indicative)	27 November 2024
Evaluation panel meets (indicative)	Friday 6 December 2024
Post evaluation clarifications (indicative)	6 -18 December 2024
Procurement recommendation and acceptance (indicative)	Late November 2024
Contract award (indicative)	<b>From mid-January 2024</b> – transition and uptake.
<b>Post-Evaluation</b>	
Advise bidders of outcome & Contract signing (indicative)	<b>Preferred / Non-Preferred email notices pre-Christmas. Full confirmation via letter mid-late January 2024.</b>
Debrief sessions with unsuccessful suppliers	Early – mid February 2024
Contract start date (indicative)	From 1 February 2025 under ESSS 2.0
Staff Training / awareness (P&I)	From 1 February 2025

# Evaluation methodology

## 7.1 Evaluation method

Brooks Law, a quality-based evaluation method will be used. The quality (non-price) attributes for all the suppliers will be assessed, scored and ranked in order of preference. Rates will then be negotiated with the preferred suppliers, using a price proposal provided as part of the RFP process as the basis for the negotiation. The benefit of using Brooks Law, for Panel selection is the emphasis on quality and best optimized alignment of both experience and nominated individual resources.

Using a quality-based evaluation method will ensure that the best for money is obtained by selecting the suppliers on the basis of quality alone and then negotiating a set of standard rates that are affordable and within our benchmark fee range.

The price benchmarks are sourced from three data points; our current rates, Christchurch City (generic) Panel Rates and the rates obtained through this tender exercise (at least for the shortlisted set). The final rate set is typically a range that is within 10 – 20% of each supplier.

This method uses a system of ranking that is specified in the RFP for non-price attributes. The evaluation of non-price attributes shall be undertaken using the weight assigned to each attribute in the RFP, for indices calculation.

## 7.2 Evaluation criteria and weightings

Each supplier must meet all the following preconditions before its bid will be considered for evaluation on its merits.

Preconditions	
1.	Supplier must hold current professional indemnity and public liability insurances' valued at \$2m and \$2m respectively. Note, Council reserves the right to negotiate and reset these Insurance Levels based on each project risk profile.
2.	Supplier must accept all Councils RFP and Agreement Terms and Conditions.
3.	Supplier must be able to demonstrate genuine commitment to the region through permanent or periodic regional presence.
4.	The supplier is accredited (or will be accredited prior to the start of the Panel term) with SiteWise or similar accreditation scheme and has achieved a score of 75% or more (SiteWise Green).
5.	Demonstrated experience providing the respective Panel services required for a minimum of 5 similar scale relevant projects in the last 10 years. Relevant means examples where services were provided to support capital or operational projects for Local Government Organisations or Central Government Agencies.

### Evaluation criteria – Non-Price Attributes

Having met all preconditions, qualifying bids will be evaluated on their merits using the following evaluation criteria and weightings.

Criterion	Weighting
Relevant Experience and Track Record	30%
Personnel and Service Delivery	30%

<ol style="list-style-type: none"> <li>1. Trusted advisor: Demonstrated resources who can develop 'trusted advisor' status. This means reliable, agile and demonstrated engineering domain expertise.</li> <li>2. Service Delivery: Approach to client care, service excellence and how the suppliers propose to add value to QLDC as a panel member</li> <li>3. On time delivery: Demonstrated prompt, reliable on-time service delivery. Proactive management of project deliverables and status checks that enable Council teams to deliver their commitments to the community.</li> <li>4. Regional Presence: QLDC values resources with district-wide awareness, periodic or permanent regional presence, and a genuine understanding of our region.</li> </ol>	
<p>Methodology – being the proposed solution/service offering, including how the proposal demonstrates:</p> <ul style="list-style-type: none"> <li>▪ How the respondent meets our requirements effectively</li> <li>▪ How the respondent manages cost more dynamically to enable greater cost certainty and the opportunity to reduce cost throughout the project</li> <li>▪ How the respondent ensures delivery of their services in full, on time to spec</li> <li>▪ Genuine value to Council and its ratepayers</li> </ul>	40%
	100%

Skill Level	Skill Level Description
<b>GRADUATE</b>  <b>&lt; 2 Years' Experience</b>	<ul style="list-style-type: none"> <li>• Qualified as a Graduate in fulltime employment in a related Panel engineering discipline or equivalent.</li> <li>• Able to undertake technical tasks with guidance. Basic understanding and knowledge of project objectives and how to support project analysis/assessment.</li> <li>• Performs tasks under supervision most of the time. Uses standard techniques for solving problems.</li> <li>• Primarily to be used for research, analysis and reporting.</li> </ul>
<b>JUNIOR</b>  <b>2+ Years' Experience</b>	<ul style="list-style-type: none"> <li>• Qualified as a Graduate in fulltime employment in a related Panel engineering discipline or equivalent with 2+ years' experience.</li> <li>• Working towards post graduate qualifications, / professional qualifications e.g. working towards Chartered Engineer.</li> <li>• Able to undertake technical tasks with limited guidance. Good understanding and knowledge of project objectives and how to support project analysis/assessment.</li> <li>• Performs tasks under some supervision (50% of the time). May check work of technicians. Uses standard techniques for solving problems. Allocates work and checks. May train other employees.</li> <li>• Primarily to be used for research, analysis and reporting.</li> </ul>
<b>INTERMEDIATE</b> Professional (Including Project managers)  <b>5+ Years' Experience</b>	<ul style="list-style-type: none"> <li>• May / may not be registered Professional / Chartered Engineer. Typically involved in small/medium-sized projects. Typically 5+ years of employment.</li> <li>• Qualified and technically capable and holds full Membership of Engineering NZ or equivalent.</li> <li>• Able to undertake technical tasks with little guidance. Ensures technical quality and completion on schedule and within budget. Liaises with client representatives.</li> <li>• Demonstrated awareness of Council best practice, standards and guidelines.</li> <li>• Plans implementation of project, co-ordinates, controls specific discipline or contracts within project. May represent Council on technical issues at a local level.</li> </ul>
<b>SENIOR</b>  <b>Alternative track record project roles:</b>  <i>Project Technical / Discipline Lead/ Deputy / Assistant Project Director/ Associate/ Principal/ Senior Engineer or Planner/ Senior Project Manager</i>  <b>10+ Years' Experience</b>	<ul style="list-style-type: none"> <li>• Appropriately qualified and experienced specialist in their field – e.g. Chartered Engineer or Planner with recognised post graduate qualifications in their area of expertise</li> <li>• Minimum 10 years' experience at a senior level in the work category or closely related disciplines – and demonstration of considerable technical competence in the category(s) of work</li> <li>• Able to fulfil a technical role in multi-disciplinary and multi-organisational project environments with limited client guidance, within defined bounds of the project requirements.</li> <li>• Considerable demonstrated awareness and implementation of international, national and local best practice, standards and guidelines.</li> <li>• Able to understand and interpret appropriate levels of delegation and makes sound judgement with limited client engagement.</li> <li>• Able to perform a major technical / specialist role in multi-disciplinary / organisational project teams.</li> <li>• Able to represent and reflect Council views and opinions on technical issues at a local and regional level.</li> <li>• Demonstrated capability in representing outcomes at a judicial, political and stakeholder level</li> <li>• Able to build, foster and support relationships with key stakeholders.</li> <li>• Demonstrated capability in developing and implementing innovative solutions to complex planning and engineering projects</li> </ul>
<b>PRINCIPAL</b>  <b>Alternative track record project roles:</b>	<ul style="list-style-type: none"> <li>• Appropriately qualified and highly experienced specialist in their field – e.g. Chartered Engineer, Planner or QS with full accreditation and chartered membership (or equivalent) with recognized post graduate qualifications in their area of expertise</li> <li>• Minimum 15 years' experience at a senior level in the work category or closely related disciplines</li> </ul>

<i>Technical Director</i> <i>Senior Associate</i> <i>Director</i>  <b>15+ Years’ Experience</b>	<ul style="list-style-type: none"> <li>• Well respected and recognised by their peers</li> <li>• Demonstrated reputation nationally or internationally for their technical skills.</li> <li>• Able to lead multi-disciplinary and multi – organisational projects that build, foster and support relationships with a wide range of stakeholders and organisations</li> <li>• Ability to provide expert advice at a senior level to elected members, stakeholders, partner organisations and the wider community</li> <li>• Demonstrated ability to develop innovative solutions to complex transportation planning, engineering, policy and strategy matters</li> <li>• Demonstrable ability to represent outcomes at a judicial, political and stakeholder level</li> <li>• Demonstrable experience in coaching and mentoring less experienced staff.</li> <li>• Able to undertake peer review and evaluations of others’ work.</li> </ul>
---	--

The non-price criteria shall be scored on a scale of 0-100, using the following scoring guidelines to evaluate each bid against the criteria.

Description	Definition	Rating
<b>Excellent</b>	Exceeds the requirement. Exceptional demonstration by the supplier of the relevant ability, understanding, experience, skills, resource, and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence.	90, 95, 100
<b>Good</b>	Satisfies the requirement with minor additional benefits. Above average demonstration by the supplier of the relevant ability, understanding, experience, skills, resource, and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence.	75, 80, 85
<b>Acceptable</b>	Satisfies the requirement. Demonstration by the supplier of the relevant ability, understanding, experience, skills, resource, and quality measures required to provide the goods / services, with supporting evidence.	60, 65, 70
<b>Minor reservations</b>	Satisfies the requirement with minor reservations. Some minor reservations of the supplier’s relevant ability, understanding, experience, skills, resource, and quality measures required to provide the goods / services, with little or no supporting evidence.	50, 55
<b>Serious reservations</b>	Satisfies the requirement with major reservations. Considerable reservations of the supplier’s relevant ability, understanding, experience, skills, resource, and quality measures required to provide the goods / services, with little or no supporting evidence.	40, 45
<b>Unacceptable</b>	Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the supplier has the ability, understanding, experience, skills, resource, and quality measures	35 or less

A score of less than 45 for any one attribute may void the remainder of the respondents bid.

## 7.3 Due Diligence

The following verification matrix will be used as part of the evaluation and due diligence process. The table shows how elements of the criteria will be verified by the panel.

Verification table

Evaluation and due diligence options	Criteria		
	Fit for purpose	Ability to deliver	Value for money
Written offer/tender documents	✓	✓	✓
Buyer clarifications of offer	✓	✓	✓
Reference checks	✓	✓	✓
Accepts proposed contact conditions		✓	
Interviews and face to face sessions to determine fit and engagement (that matches Councils expectations). TBC		✓	
Accepts rates as negotiated with QLDC that fall within market benchmark ranges			✓

## Stage 2: Panel Rules & Secondary Procurement

Once the Panelists have been selected and Panel Agreements awarded, the selection of each supplier for the services required is undertaken through the Secondary Procurement process set out below (Stage 2).

A dedicated Panel Management Plan will be drafted to represent the workflow and appears in the Panel Agreement.

### 8.1 Panel Rules

It is proposed that the Panel Rules are different to the Procurement Policy in the following areas:

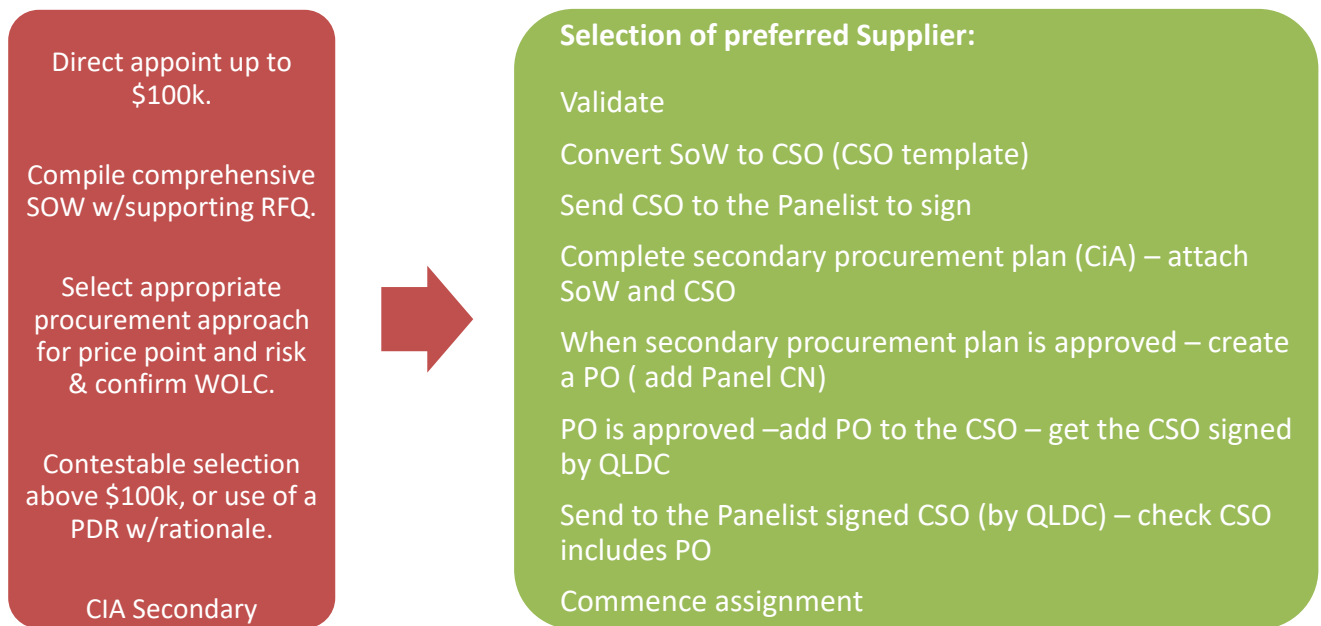
1. Utilising a customised Secondary Procurement Plan that reflects the RFP's full evaluation of the Suppliers capability to undertake the services.
2. Amended Sourcing Methods so as not to require approaching the open market; and
3. Amended Financial Thresholds to reflect the wide range and large values in the capital budgets.

#### Amended Thresholds

1	Direct appointment with high level scope	Less than \$10,000
2	Scoped RFP / SoW to One Panel Member	>\$10,000 to <\$100,000
3	Scoped RFP / SoW to Three Panel Members	>\$100,000 to <\$400,000
4	Scoped RFP / SoW to All Panel Members; or RFP to the Open Market (GM Approval)	Over \$400,000
Note: QLDC reserves the right to Go to Market at any stage.		



## 8.2 Draft Workflow



## 8.3 Secondary Procurement Considerations

Important to the secondary appointment process is sufficient rationale and justification for the direct appointments up to \$100k. The appointment must be supported and described in the Secondary Procurement Plan where the rationale is expected to encompass the following attributes:

- a. Demonstrate Value for Money (tasks & deliverables clear enabling the supplier to scope and resource accordingly and able to offer the best appropriate team and costs).
- b. Knowledge and experience for the assignment either technical or situational / geographical (ideally both).
- c. Availability to resource and delivery in the timeframes available.

Once the SoW has been completed, the QLDC person responsible for the activity will seek review from their immediate manager and to ensure the secondary procurement has followed due process.

## 8.4 Panel Agreement

In parallel to the RFP development, the Panel Agreement will be developed, utilising the original ESSSP as the template.

The Panel Agreement will provide transparency of the proposed Panel Rules and Secondary Procurement Processes.

# Contract types

## 9.1 Contracts

The RFP will include the terms and conditions for operation of the panel.

QLDC contracts will be utilised, including the:

- Professional Services Panel Agreement based on QLDC Services Agreement with secondary procurement statement format.
- Conditions of Contract for Consultancy Services, 4th Edition 2017 (CCCS) and as amended and scheduled by QLDC.
- Secondary procurement from the panel will utilize the Standard QLDC Consultancy Services Order with reference to the agreed Panel Agreement and associated Conditions of Contract for the Panel members.

## 9.2 Managing Implementation

- The responsibility for managing delivery under the contract and supplier relationship management will belong to the respective QLDC Contract Manager on the signing of the contract.
- Depending on the scale and risk of the project, the supplier's performance will be reviewed regularly with a progress meeting agenda including delivery performance against programme milestones and quality of the works completed.

# Risk management

- Overall, this procurement is deemed to be medium value with medium risk.
- Key risks have been assessed against the risk framework detailed at Appendix 1. They have been assessed based on likelihood (L) and consequence (C).
- The key for the following risk tables is:
  - Likelihood (L): R = rare U = unlikely P = possible L = likely A = almost certain
  - Consequence (C): N = negligible L = low M = moderate H = high E = extreme

### Key risks in the procurement process

Risk	L	C	Rating	Mitigation action
• Insufficient or incomplete tenders received to provide assurance of value for money.	U	M	Medium	RFP specific to allow compliant and detailed responses. Brookes Law enables competitive negotiation on prices.
• Contract finalisation takes longer than anticipated due to time required to negotiate rates for services.	L	M		Timely response to supplier queries and make all PTCs timebound.
• RFP Respondents don't accept Preconditions	P	M		Council to consider exceptions but reserves the right to accept/reject

				RFP response
--	--	--	--	--------------

### Key risks in delivering the contract

Risk	L	C	Rating	Mitigation action
<ul style="list-style-type: none"> <li>Poor panel management and administration.</li> </ul>	L	H		Dedicated .5 FTE for panel administration and management able to track secondary procurement to ensure compliance with procurement rules.
<ul style="list-style-type: none"> <li>Delivery performance poor.</li> </ul>	L	H		Disciplined regular panel meetings to track performance metrics
<ul style="list-style-type: none"> <li>QLDC unable to provide a consistent pipeline of work to the Panel.</li> </ul>	L	M		Regular P&I reporting against a high level delivery schedule aligned to the Draft LTP. Regular communication to Panel members about the forward pipeline of work.
<ul style="list-style-type: none"> <li>Scope Change. There is uncertainty regarding the exact services required. A change in scope may result in increased cost, and/or an extension of the duration of the term of the engagement.</li> </ul>	L	H		Weekly summary of progress, actions and early warning for scope change – increase. QLDC develop standardised requirements specification process.
<ul style="list-style-type: none"> <li>Poor change management: There is a risk that change to cost, time, or quality is not professionally managed resulting in increased cost and/or an extension to the design programme, and low satisfaction from QLDC managers and the executive team</li> </ul>	P	H		Engage PM with a high degree of rigour and approach to Project Control with formal Change Management and Variation controls in place.
<ul style="list-style-type: none"> <li>Inadequate management and communication of risk: There is a risk the service providers do not adequately communicate project risks to QLDC resulting in negative cost, programme, and reputational impacts for QLDC.</li> </ul>	P	H		Engage service providers with a high degree of rigour and approach to project control with formal communication processes implemented.
<ul style="list-style-type: none"> <li>Lack of engagement from internal QLDC stakeholders:</li> </ul>	p	H		Early procurement planning and communication of procurement

There is a risk that key QLDC do not engage with the procurement activities resulting in delays to the project schedule.				activities to approvers.
--	--	--	--	--------------------------

## Probity management

It is essential that the agency demonstrates ethics and integrity in its procurements. This means:

- acting fairly, impartially, and with integrity
- being accountable and transparent
- being trustworthy and acting lawfully
- managing conflicts of interest
- protecting the supplier's commercially sensitive and confidential information.

Probity in this procurement will be managed by:

- ensuring compliance with QLDC's code of conduct.
- ensuring that financial authority for the procurement is approved before proceeding to tender.
- ensuring everyone involved in the process signs a confidentiality agreement and declares any actual, potential, or perceived conflict of interest.
- identifying and effectively managing all conflicts of interest.
- ensuring that all bids are opened at the same time and witnessed.
- treating all suppliers equally and fairly.
- providing each supplier with a comprehensive debrief at the end of the tender process.

## Contract delivery

The success of the ESSS Panel is heavily influenced by the quality of Panel Administration, Panel Management and Governance oversight. It is essential we have a dedicated Panel Administrator (part FTE) to track panel throughput, allocations across the panelists, support for the secondary panel process and adherence to the proposed panel workflow.

QLDC Contract Managers will be responsible for managing delivery under the contract and supplier relationship management on the signing of the contract.

# Appendix 1: Risk register

Key risks have been assessed using this risk analysis framework.

*Diagram: Risk analysis framework*

LIKELIHOOD of risk happening	Almost certain	amber	amber	red	red	red
	Likely	yellow	amber	amber	red	red
	Possible	yellow	yellow	amber	amber	red
	Unlikely	green	yellow	yellow	amber	amber
	Rare	green	green	yellow	yellow	amber
		Negligible	Low	Moderate	High	Extreme
CONSEQUENCE if the risk happens						