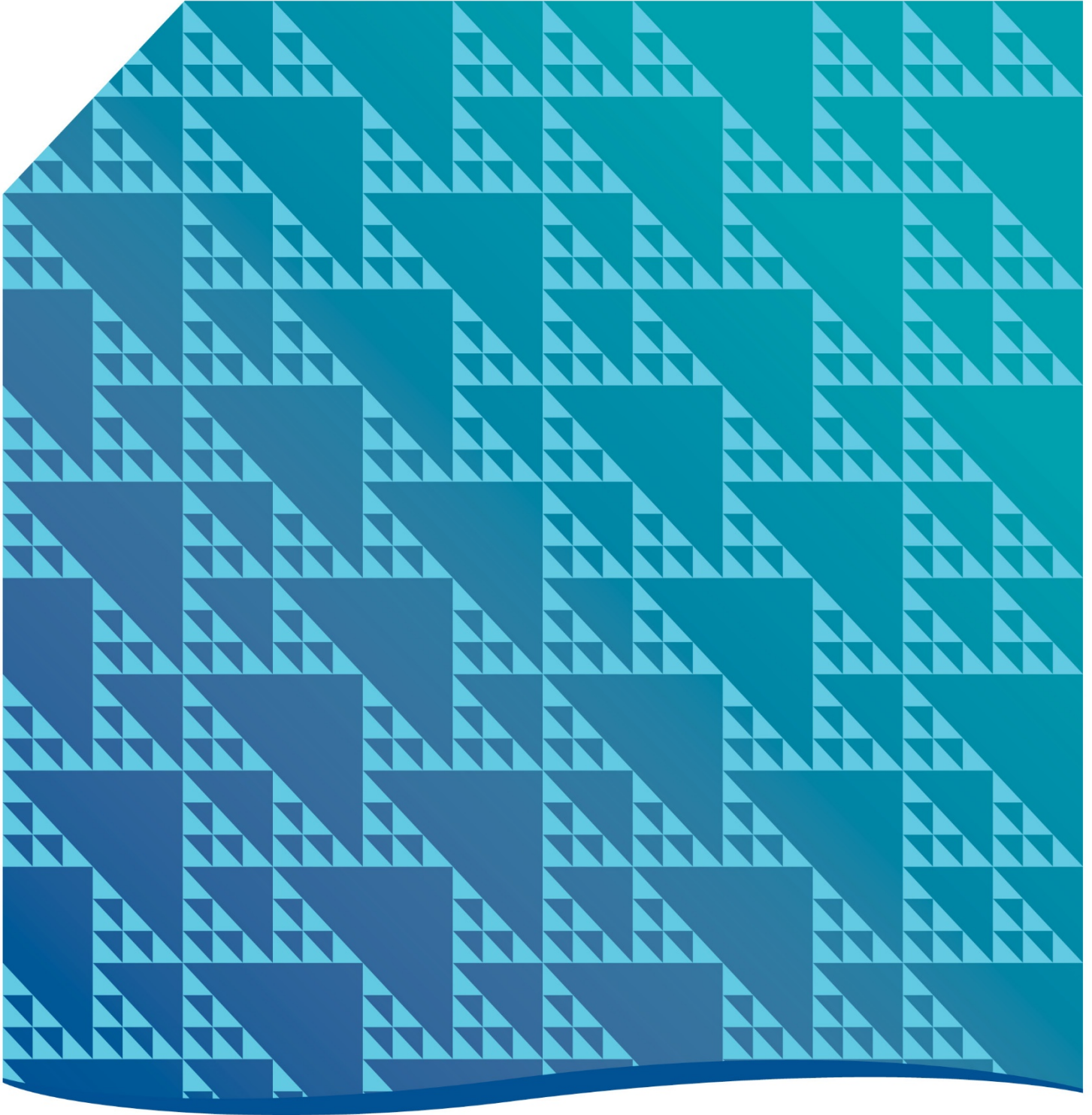


Guidelines for the Tasmanian Industry
Participation Plan for use with the Department
of State Growth's National Prequalification
System for Civil (Road and Bridge) Construction
Contracts

Assessment Guidelines



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Introduction

The objective of this document is to provide transparency and guidance for the assessment of the Tasmanian Industry Participation Plan for use with the Department of State Growth's National Prequalification System for Civil (Road and Bridge) Construction Contracts.

This document shall apply and be in effect from 1 December 2020.

Note these guidelines are to be used in conjunction with the document entitled: Government's Buy Local Policy <https://www.purchasing.tas.gov.au/Documents/Buy-Local-Policy.pdf>

Buy Local Policy

On 20 July 2020 the Department of State Growth via its Procurement Reference Group representative received email correspondence from Treasury outlining approved amendments to the Buy Local Policy and the Local Benefits Test. In short, the Department was advised that the following changes to the Buy Local Policy were to be effected by Accountable Authorities from 1 August 2020:

- the current Local Benefits Test is replaced by an Economic and Social Benefits Test;
- the Economic and Social Benefits Test now applies to competitive procurements valued at \$100 000 or more;
- the low value procurement threshold in TI PP-2 is increased to \$100 000 (previously \$50 000); and
- the Economic and Social Benefits Test is now to be weighted at a minimum of 25% of the total evaluation criteria for all competitive procurements valued at \$100 000 or more.

On 1 August 2020, the procurement series of Treasurer's Instruction and Buy Local Policy guidance documentation were updated to reflect these changes. This included the provision of updated Economics and Social Benefits Test and TIPP templates by Treasury.

The intent of the test is to evaluate the benefits that any supplier would bring to the local area. The origin of the supplier is not relevant, what is important is the benefit that a supplier can bring locally.

Elements such as capability, quality and price remain critical, however factors such as stimulating employment (particularly in regional areas) increasing socio-economic development within regions (including employment and training) and supporting social objectives may be considered among the decision making criteria.

Tasmanian Industry Participation Plan

As stated in the Buy Local Policy, Agencies must prior to any approach to the market, undertake an assessment of the impact of the procurement on Tasmanian businesses to ensure that those businesses are given every opportunity to participate and be successful in relation to the procurement. Such matters would include consideration of how local industry participation will be maximised and what strategies can be developed to provide local industry with a full, fair and reasonable opportunity to participate.

Tasmanian Industry Participation Plan - Template

A bespoke Tasmanian Industry Participation Plan (TIPP) has been developed for this purpose and is attached for reference.

In effect, the TIPP defines the supplier's ability to demonstrate the benefit they can bring to the Tasmanian community should they be awarded the contract. In responding, contractors can outline how their supply of goods or services will result in a positive impact on the Tasmanian economy and wider community and will ensure that Tasmanian SMEs are provided with every opportunity to participate in the procurement.

As part of an application for registration under the Department of State Growth's assessment of National Prequalification System for Civil (Road and Bridge) Construction Contracts, civil contracting firms are able to complete and submit a TIPP template. Following evaluation, the score allocated to the contractor's TIPP response will stand for its entire period of prequalification with the Department (a maximum of three years).

In accordance with Treasurer's Instruction PF-2, a contractor's standing TIPP score will form a minimum of 25 per cent of the overall evaluation criteria for each Request for Tender process the contractor submits a response to.

TIPP Arrangements

The arrangements under the National Prequalification System for Civil (Road and Bridge) Construction Contracts Buy Local policy will be applied as follows:

- the bespoke TIPP be completed by contractors and submitted in association with State Growth's Prequalification System;
- the TIPP be independently reviewed by State Growth's external assessor who will attribute a score based on the information supplied in the TIPP;
- the allocated score be used as the contractor's Economic and Social Benefits test score in the evaluation process for each road and bridge tender (ie where suitable prequalification categories exist) submitted by the supplier, for the period of their prequalification;
- the contractor's TIPP score to be reviewed every three years, unless a contractor considers that material changes are required to the information originally supplied, in which case the contractor may request that State Growth seek a review of the resubmitted TIPP (and attributed score), by its external assessor;
- for more complex and diverse projects, State Growth reserves the right to request a TIPP submission independent of the standing score attached to a contractor's prequalification. The requirement to complete a project specific TIPP will be clearly set out in the Request for Tender documentation. A contractor's score for a project specific TIPP will only apply for the purposes of evaluating the project for which it was submitted for and will not affect its standing TIPP score;
- contractors shall have the right to request a review of their TIPP score at the time of the assessment and be provided with a debrief on the scores allocated to the TIPP should they disagree with the allocated score.

In order to ensure a level playing field associated with the commencement of these arrangements, given the varying expiry dates for contractor prequalification, there will need to be a transition process. The new prequalified contractor TIPP scores shall come into effect on **1 December 2020**, with all prequalified contractors required to transition to the new score by **30 June 2021**.

Qualitative Assessment

The weighted qualitative assessment process is based on the following key principles:

1. selection criteria that reflect the critical elements of the Social and Economic Benefits policy;
2. weightings that reflect the relative importance of each criteria; and
3. scores that are based on information submitted with the TIPP by a contractor.

Note: Guidance information on some of the example criteria is set out below.

* Tasmanian SMEs are Tasmanian businesses employing less than 200 people.

Sub criteria has been used to reflect the relative importance of each local benefit in the context of the procurement.

The Table (below) sets out the TIPP format and sub criteria that sum to 100 per cent.

Criteria	Guidance information	Weighting
<p>Are you a Tasmanian SME?</p> <p>Do you employ Tasmanian?</p>	<ul style="list-style-type: none"> • Is the company a Tasmanian SME within the definition? • How many people does the company employ in Tasmania? How many FTEs does the company employ? • What estimate of labour hours are worked by Tasmanian-based employees versus other employees over the past 12 months? • If you are not a Tasmanian SME, will you be setting up a local Tasmanian office and employing local staff? • Is the company Tasmanian owned? 	25%
<p>Where are the goods or services to be used in the contract sourced from?</p>	<ul style="list-style-type: none"> • Does the company provide all the goods and services identified in the TIPP on its projects? • Has the company provided an estimate of the value of locally sourced goods and services versus imported, including the location of where materials will be sourced? • Has the company provided evidence on how the company will incorporate local products, services and capabilities into delivering 	15%

Criteria	Guidance information	Weighting
	<p>projects to maximise opportunities for local suppliers?</p>	
<p>Opportunity for Tasmanian SME* involvement</p>	<ul style="list-style-type: none"> • Will the company source components from other Tasmanian SMEs or sub-contractors? Has the company provided evidence or details? • Has the company identified who it engages? For example, sub-contractors or other Tasmanian SMEs to deliver projects in order to maximise opportunities for local suppliers? Has the company provided details on how the company will use existing supply chains or advertise sub-contracting or supply opportunities? Will the company liaise with local industry groups? • Has the company provided evidence as to how it will ensure that Tasmanian SMEs are not disadvantaged when competing with other suppliers to provide goods or services? • Has the company demonstrated whether there are opportunities to transfer skills to a Tasmanian SME or sub-contractor? 	<p>25%</p>
<p>Building the capacity and capability of the industry</p>	<ul style="list-style-type: none"> • Are there any other benefits that the company will provide to the Tasmanian economy? • Will trainees or apprentices be appointed? If yes, how many and in which profession? • What is the company's three year planned intake of trainees and/or apprentices? • How many trainee or apprentice placements are planned for Tasmania? • How does the company support ongoing development of professional staff? • Does the company provide opportunities for pathways to employment for disadvantaged 	<p>25%</p>

Criteria	Guidance information	Weighting
	<p>Tasmanians?</p> <ul style="list-style-type: none"> Does the company support the Tasmanian community, for example through formal support, sponsorship, volunteering or in-kind support? 	
Local innovation solutions	<ul style="list-style-type: none"> Does the company's TIPP involve adding value to imported goods or services through local development or innovation? Does the company's TIPP evidence developing strategies to provide goods or services to the Tasmanian economy that have historically been imported from interstate or overseas? Does the company offer any innovative solutions that might benefit the broader Tasmanian community and economy? Provide details. 	10%
TOTAL		100%

NB: Consideration should be given to only the evidence and information provided in the TIPP.

As the local benefits criteria forms only part of the overall evaluation process, the purpose of this Guidelines is to provide a local benefits criteria overview (rather than instruct on how to evaluate).

Assessment Process

A contractor's ability to satisfy the qualitative criteria will be assessed on the basis of scores allocated by the Assessor in response to questions relating to each sub-criterion and then weighted as detailed above.

The scoring of a contractor's TIPP's will be based on the degree of achievement by the contractor of the requirements set out in the TIPP. A maximum score for each criterion will be given if the achievement of the criterion is fully compliant, with no risks and weaknesses. The score will be reduced proportionate to the extent of non-conformities, discrepancies, errors, omissions, and risks for Government. Scoring will be based on the following allocation:

Score	Description	Full Description
10	Exceptional	Full achievement of the requirements specified in the RFT for that criterion. Demonstrated strengths, no errors, weaknesses or omissions.
8 to 9	Superior	Sound achievement of the requirements specified in the RFT for that criterion. Some minor errors, risks, weaknesses or omissions, which may be acceptable as offered.
6 to 7	Good	Reasonable achievement of the requirements specified in the RFT for that criterion. Some errors, risks, weaknesses or omissions, which can be corrected/overcome with minimum effort.
4 to 5	Adequate	Satisfactory achievement of the requirements specified in the RFT for that criterion. Some errors, risks, weaknesses or omissions, which are possible to correct/overcome and make acceptable.
2 to 3	Inadequate	Minimal achievement of the requirements specified in the RFT for that criterion. Several errors, risks, weaknesses or omissions, which are possible, but difficult to correct/overcome and make acceptable.
>0 to 1	Poor to deficient	No achievement of the requirements specified in the RFT for that criterion. Existence of numerous errors, risks, weaknesses or omissions, which are very difficult to correct/overcome and make acceptable.
0	Unacceptable	Totally deficient and non-compliant for that criterion.

Further information on the evaluation of TIPPs, Best Practice Procurement Principles and the Buy Local Policy in general should be obtained from the Department of Treasury and Finance (Tasmania) purchasing website at: <https://www.purchasing.tas.gov.au/>



Department of State Growth

4 Salamanca Place
Hobart TAS 7001 Australia

Phone: 03 6166 3314

Email: contractservices@stategrowth.tas.gov.au