

TENDERS AND PROCUREMENT

Frequently Asked Questions

What is Gippsland PHN's Procurement Strategy based on?

Gippsland PHN has developed a Procurement Strategy that is aligned to the requirements of the [Commonwealth Government's PHN Program Guidelines](#) and Funding Agreement, including for the purposes of achieving positive health outcomes and attaining value for money. It incorporates best practice, leverages administrative frameworks and creates linkages between sequential phases of the commissioning lifecycle.

Why is Value for Money a primary objective of all Gippsland PHN's procurements?

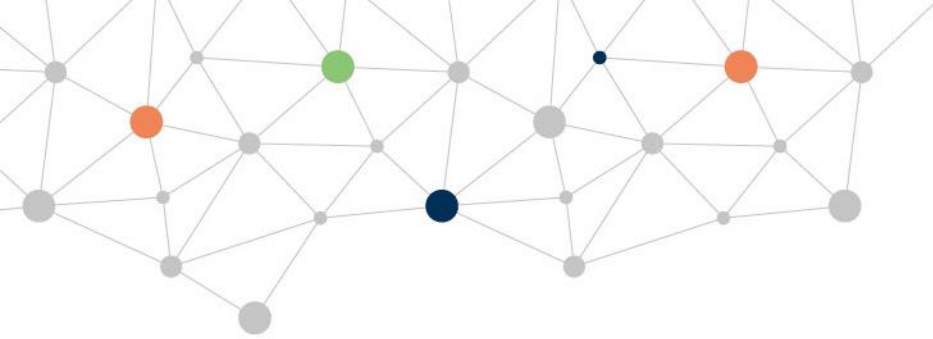
Consistent with the PHN Program Guidelines, the Procurement Strategy provides that:

- public resources should be used in an efficient, effective, economical and ethical manner; and
- determining the value offered by the market should take into account a number of factors such as (but not limited to):
 - whole-of-life cost (that is, financial and non-financial costs)
 - fitness for purpose, and
 - a potential provider's experience and performance history; and their flexibility (including innovation and adaptability).
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What definition of Value for Money does Gippsland PHN use?

At Gippsland PHN, Value for Money is represented as the overlap of pricing, non-pricing and risk considerations:





In the context of evaluating tenders, Value for Money can also be described as:

Value for Money = Technical Score plus Pricing plus Risk

- **Technical Score** is the total weighted score of the tender. This is calculated by applying the nominated weighting to a score out of ten for each evaluation criterion.
- **Pricing** is the pricing proposal offered by the tenderer.
- **Risk** includes (but is not limited to) service delivery risk, financial risk, program risk, contract risk and reputational risk.

Who holds Gippsland PHN to account to ensure its procurement strategy and tender processes are fair?

The Board is Gippsland PHN's governing body. It is ultimately responsible for ensuring that procurement activities further Gippsland PHN's strategic and organisational goals and that they are conducted in a way that is consistent with applicable legal and policy requirements. The Board approves the Procurement Framework, Governance Policy and Strategy for use throughout the organisation.

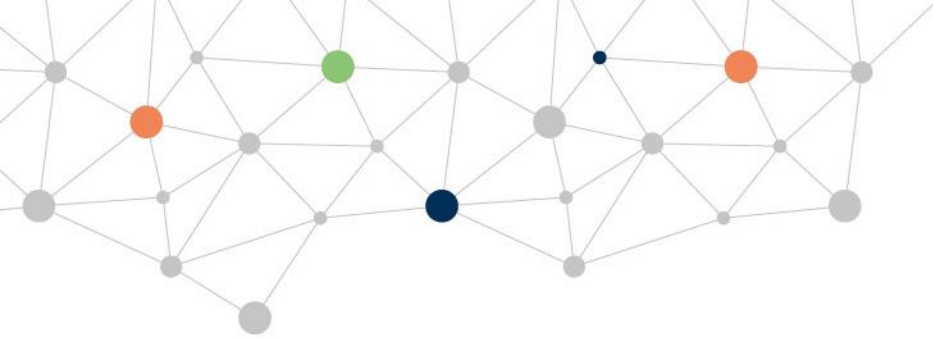
The Audit, Risk and Finance Committee is responsible for monitoring and reporting on matters relating to risk and financial governance of Gippsland PHN to the Board.

From time to time, conducted procurements undergo review by internal auditors and all Gippsland PHN processes are an ongoing focus for continuous improvement activities.

Gippsland PHN's Procurement Governance Policy has a requirement to include an external third-party Probity Practitioner to oversee tenders in some circumstances.

When overseeing a procurement, the Probity Practitioner's responsibilities include:

- Reviewing the Request for Tender specification and Application Form from a probity perspective prior to release;
- Attending tender briefing sessions and Tender Evaluation Panel meetings; and
- Providing a Probity Report to the Gippsland PHN Board on the conduct of the procurement.



How is the Tender Evaluation Panel established and who is on it?

The Tender Evaluation Panel ('the Panel') is established by Gippsland PHN's procurement lead during the planning phase of each procurement. It consists of a Chair and a minimum of three voting Panel members.

The Chair is a representative of the Gippsland PHN business unit that initiates the procurement. The three (or more) voting panel members may include internal contract managers and program leaders along with external industry subject matter experts and members of the community with lived experience. The Panel may also include a non-voting adviser to provide contextual or cultural advice to Panel members.

How are any conflicts of interest managed during the tender evaluation process?

On appointment to the Tender Evaluation Panel, all members are required to sign a Conflict of Interest Declaration in relation to the subject of the procurement along with a Confidentiality Agreement.

Once the tender is closed and the tenderers are known, Panel members are required to formally confirm in writing that they do not have any conflicts of interest with any of the tenderers.

Panel members are also asked if they have any conflicts of interest to declare at the commencement of each form Tender Evaluation Panel meeting.

If a Panel member advises of a conflict of interest, advice will be sought in order to:

- 1) Confirm if a conflict or perceived conflict does in fact exist; and
- 2) Receive formal advice on how to manage any such conflict, which may include providing further instructions to the Panel member on probity conduct or removing them from the tender evaluation process altogether.

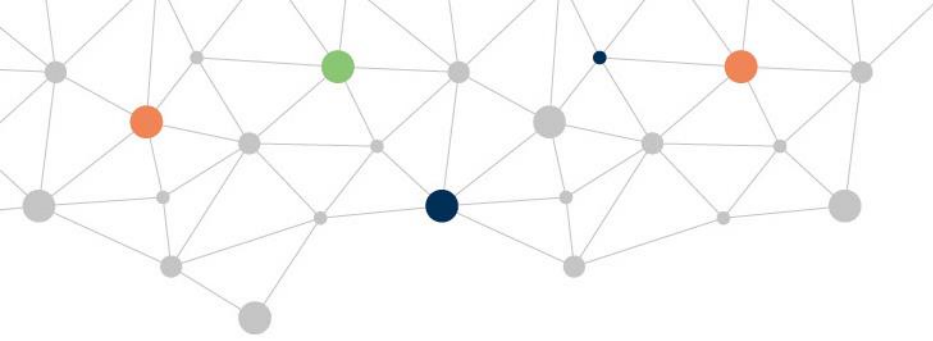
How are tenders evaluated at Gippsland PHN?

This [Guidance Document for Tender Evaluation](#) explains Gippsland PHN's tender evaluation process.

If only one tenderer is received, is it automatically awarded the tender?

If only one tender is received, all of the standard procedures and probity protocols in relation to tender evaluation still apply.

The Tender Evaluation Panel will score the submission against the evaluation criteria in order to make a Value for Money assessment, where the Technical Score plus Pricing plus Risk is carefully considered. This may also include benchmarking against industry standards.



The Panel will come to a consensus agreement on whether that tender should be recommended for contract award or not and must provide clear justification to support the recommendation.

Are tenderers given an explanation if their tender is unsuccessful?

All unsuccessful tenderers are offered a debrief, where the Chair of the Tender Evaluation Panel provides feedback to the tenderer, highlighting the strengths and weaknesses of the response to each evaluation criteria. Probity constraints limit what can be discussed during a tender debrief. Other tenderers, other submissions or any topic not related to the tenderer's own submission cannot be discussed during a tender debrief.

What if all tenders submitted are considered unsuitable?

If all tenders are considered unsuitable, or if no tenders are received, then market failure is declared, and the procurement is terminated.

Can Gippsland PHN award a contract to a service provider that didn't submit a tender?

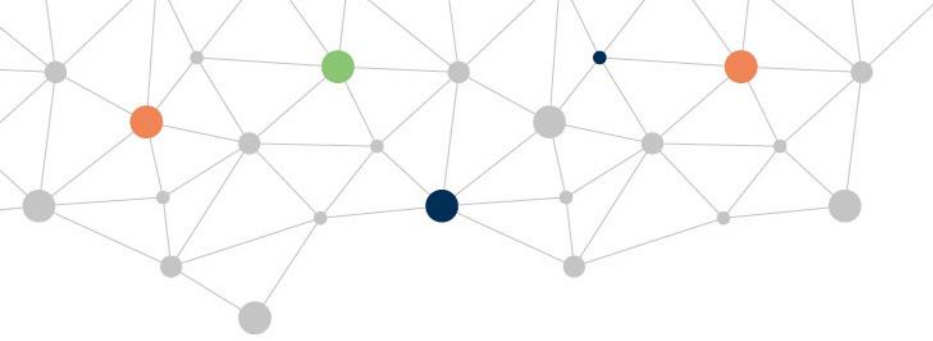
A declaration of market failure formally terminates a procurement. In order to continue seeking a solution, Gippsland PHN may choose to undertake a new and separate procurement to commission the same services via a different method, such as directly approaching service providers for discussion.

Although the new procurement may be for the same service and have similar specifications, any contract that results from the new procurement is not linked to the original Request for Tender in any way.

How can smaller local organisations compete with larger metro-based organisations?

Gippsland PHN's [strategic objectives](#) include a focus on localised outcomes. Our Requests for Tender include evaluation criteria specifically designed to draw out local knowledge and tangible experience in working with regional and remote communities in Gippsland.

The response provided to this evaluation criteria contributes to the Technical Score component of the Value for Money assessment. Partnership models are encouraged, particularly for new and smaller providers.



What information does Gippsland PHN disclose about the outcomes of conducted procurements?

Gippsland PHN discloses high-level information about the outcomes. In addition to providing feedback to unsuccessful tenderers on the merits of their tenders, Gippsland PHN provides certain high-level information to assist the market in understanding the outcomes of conducted procurements.

Due to privacy, probity and commercial-in-confidence considerations, Gippsland PHN is unable to provide detailed information.