Standard Commercial Framework

For P&MS Scheme categories 1-12

Effective from 1 April 2022

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Standard Commercial Framework Overview

The Standard Commercial Framework is applicable to P&MS scheme engagements types 1 to 12.

There are 3 key elements and 2 enablers under the Standard Commercial Framework as per the below description:.

	Commercial Framework	Description
Key Elements	Capped Daily Rates	• Maximum daily rates per engagement and role type
		• Daily rate capped on the basis of standard 8-hour day and in AUD (excl. GST)
	Discounts	• Discount applicable to assignments based on total cost of the engagement (Including Variations)
		• Discounts applicable to secondments where NSW Government uses BAS to augment current teams
	Disbursements	• Defined standards on what expenses are billable
		• Standard cap on disbursement/expenses as a percentage of total engagement cost.
Enablers	Resource Types	• NSW Government standard 7 resource type definitions. Suppliers to provide rates as per NSW Government resource type definition guide.
	Resource Mix Guide	• Provides resource mix guidance to all BAS buyers and suppliers

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P&MS Engagement Types Overview

The Standard Commercial Framework applies to engagement types 1 to 12 that are mapped to 6 high level groupings.

P&MS Scheme Engagement Type	P&MS Scheme Eng. No.	Engagement Types Mapped to High level SCF Groupings	Sub engagement types
Government & Business Strategy	1	**Government & Business Strategy**	Strategy development and planning, strategic business case, business performance reviews, organisational design / transformation, business intelligence, cost management, governance, policy review / development
Financial Services	5	**Financial Services**	Accounting services, accounting standards, finance process reviews, asset management, valuations, financial / economic advisory services, forensic advisory
Audit, Quality Assurance and Risk	6	**Audit, Quality Assurance and Risk**	Internal / external audit, risk management, probity services
Marketing and Customer	10	**Marketing and Customer**	Market research, customer / customer experience, pricing
Business Processes	2	**Operations**	Project management, business process mapping / re-engineering, procurement / sourcing, category management, procurement accreditation, supply chain, change management, human capital management, culture, work health and safety (WHS), remuneration, retention, diversity
Project Management	3		
Change Management	4		
Human Resources	8		
Procurement & Supply Chain	9		
Taxation	7	**Transaction, Actuarial, Taxation**	Transaction services, actuarial services, goods and services tax (GST), other tax services
Actuarial Services	11		
Transaction Services	12		

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Resource type and definitions guide

The following resource types to be used to obtain quotes from Suppliers.

Resource type	Description	Minimum years of relevant experience guide
Partner	Senior management member	12
Director	Management member with deep expertise	10
Senior Manager	Senior employee with significant specialist expertise and team leadership capabilities	8
Manager	Junior level of entity management, specialist technical and subject matter expertise; manages assignment schedules and resource allocation	6
Senior Consultant	Field leadership role, moderate level of technical and subject matter expertise; provides business system advice and consulting services	4
Consultant	Performs detailed data and systems analysis, identifies risks, gathers additional data, interprets data and provides recommendations for improvement. Higher level technical skills, broader experience base, business process & industry knowledge and requiring less supervision than an analyst	2
Analyst	Performs data gathering and analysis with strong technical skills. Low level of industry knowledge. Supervised by more senior members.	0 - 4

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Mandatory Discount Structure

The four tiered mandatory discount structure is applicable as per the engagement size (including variations).

Leveraging suppliers economies of scale on high value engagements

Total Engagement Size AUD (Ex-GST)	Minimum "Assignment" Discount	"Secondment" Discount
≤ $250k	0%	10%
> $250k - $500k	2%	
> $500k - $1m	5%	
> $1m+	7%	

Fees reduced to reflect Engagement Risk residing with NSW Government agency

Examples - Calculating Applicable Discount			
Total Engagement Value - **$ 800K**		Initial Engagement Value **$ 200K** + Variation **$ 100K** - Total Engagement Value **$ 300K**	
Discount under **"Assignment"**	Discount under **"Secondment"**	Discount under **"Assignment"**	Discount under **"Secondment"**
5%	10%	2%	10%
$40,000	$80,000	$6,000	$30,000

Note: (1) Minimum discounts are applicable on the daily capped rates.

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Disbursement Policy

Disbursements are capped at **7%** of the total engagement cost. This policy is used to manage expenses during project delivery.

Cost Element		Disbursements Policy
Disbursements Cap		All disbursements will be capped at 7% of engagement fees
Couriers		At Cost
Database and Market Research		No Charge
Airfares		Lowest available fare of the day
		Maximise advance bookings
		Economy only at cost
		At Cost, using Contract 1008 Travel Management Services through FCM, or lower using other means
Car Hire		At Cost, using Contract 1008 Travel Management Services through FCM, or lower using other means
Accommodation		At Cost, using Contract 1008 Travel Management Services through FCM, or lower using other means
Other Travel		At Cost
Meals - Breakfast		At Cost <$30/day
Meals - Lunch		No Charge
Meals - Dinner		At Cost < $50/day
Taxi		At Cost - prior approval for circumstances other than to/from airports, leaving office after 8 pm, meetings where multiple sites are used
Tips & Gratuities		No Charge
Room Hire & catering		At Cost
Stationery & postage		No Charge
Photocopying		No Charge
Telephone & Fax		No Charge
Wireless Internet Fees	On (NSW Govt) Site	At Cost
	Off Site	No Charge
Secretarial & clerical		No Charge

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Resource Mix Guide

This is used when considering which level of resource type is required for the specific engagement type.

Engagement Types Mapped to High level SCF Groupings	NSW Government Resource Types						
	Partner	Director	Senior Manager	Manager	Senior Consultant	Consultant	Analyst
Government and Business Strategy	9%	8%	10%	18%	20%	23%	12%
Audit Quality Assurance and Risk	8%	9%	5%	17%	18%	26%	16%
Marketing & Customer	8%	10%	4%	20%	18%	21%	20%
Financial Services	8%	9%	5%	17%	18%	26%	16%
Operations	6%	6%	6%	20%	19%	24%	19%
Transaction, Actuarial and Taxation	8%	9%	5%	17%	18%	26%	16%

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Contact

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