Evaluation Plan

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| --- | --- |
| RFx: [Number and Name] | |
| Document number: [TRIM Record Number] | Date: Thursday, June 21, 2018 |

Contact details

|  |  |
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This document is a guide only. Any evaluation plan must be structured around the specific procurement project objectives. You should ensure that in developing any evaluation plan that you seek guidance from all relevant procurement guides e.g. Procurement Conduct Plan, Negotiation Guidelines and the Quick Guide to Evaluation Methodologies at a minimum. Guide notes have been included in this document to assist you in areas that will require you to formulate the text in accordance with your project.

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# Introduction

## Purpose of the evaluation plan

The purpose of this evaluation plan is to detail the procedure and methodology that will be used to determine best value for money responses to [RFx # and Name].

Value for money is achieved through an overall maximisation of all of the evaluation criteria by a respondent. The evaluation will be undertaken in a manner that is accountable, transparent and fair.

## Objective of the evaluation plan

The objective of this evaluation plan is to document a fair, unbiased, rational and transparent evaluation process for the assessment of responses to [RFx # and Name].

This Plan describes the processes which the evaluation team will use to determine and recommend for approval the response which represent the best value for money, whilst meeting the criteria of [RFx# and Name].

This evaluation plan sets the framework and controls to be applied in the evaluation. It is the responsibility of each member of the evaluation team to follow the evaluation plan. The Evaluation Plan may be amended if required, by the endorsement of the chairperson. Reasons for the amendments must be clearly documented.

## Sourcing strategy

[Insert a summary of the sourcing strategy as approved in the procurement strategy]

# Evaluation teams

## Evaluation team members

The evaluation team will consist of the following team members.

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Title | Role | Voting Member |
| Name | Job Title, Organisation | Chairperson | Yes/No |
| Name | Job Title, Organisation | Evaluation Member | Yes/No |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

[Guide Note – There is no fixed number of members that comprise an evaluation team, the number of members should be commensurate with the value of the procurement.]

## Evaluation team responsibilities

The evaluation team is responsible for reviewing the responses and applying the evaluation methodology and criteria. It will document the basis of and reasons for any recommendations and ensure minutes are taken of all meetings.

The specific terms of reference for the evaluation team are to:

* undertake an initial assessment of each RFx response
* evaluate the RFx responses in accordance with all relevant criteria
* identify any clarifications required from respondents
* hold meetings with respondents for clarification purposes, where required
* review responses to clarification questions, undertake reference checks, if required
* score all responses against agreed criteria, as per evaluation methodology
* summarise the assessment results and recommend the respondent that should be appointed
* recommend, if appropriate, areas for negotiating with respondent
* sign-off the final evaluation report (including recommendation).

The chairperson will be designated to:

* take overall responsibility for the evaluation process
* act as contact person for both evaluation team members and respondents.

The evaluation team may obtain additional advice from appropriate sources as and when required, whilst ensuring that all requirements relating to confidentiality and conflict of interest are adhered to.

## Steering committee (optional)

[Guide Note - Steering committees are established for some projects due to complexity of procurement or sensitivities that may exist. The purpose of the committee is to provide an additional level of review and decision making that sits outside of the evaluation team and to provide guidance on the project. Adjust the roles and responsibilities of the steering committee below to meet the requirements of the evaluation.]

A steering committee has been formed and consists of the following members:

|  |  |  |
| --- | --- | --- |
| Name | Title | Steering Committee Position |
| Name | Job Title, Organisation | Chairperson |
| Name | Job Title, Organisation | Member |
| Name | Job Title, Organisation | Member |

The specific terms of reference for the steering committee are to:

* endorse RFx timelines and approve any timeline variations
* approve any variations after the original RFx documentation which are referred to it by the chairperson of the evaluation team
* provide advice, direction and decisions to the evaluation team as required during the RFx process
* sign-off the completion of each stage in the RFx process
* receive the probity report, where applicable, with the engagement of an independent probity advisor and the evaluation report
* consider the draft evaluation reports and endorse the recommendations, prior to seeking approval.
* Requesting the evaluation team to conduct further evaluation, if appropriate.

## Expert / advisory / independent representatives (optional)

[Guide Note - For some projects, experts or independent reviewers will be called upon to undertake some elements of an evaluation, or review the process. Details of their roles must be noted within the evaluation plan. Other experts may be required for IT projects, where speciality pricing, technical knowledge or other expertise is required.]

### Probity advisor – ([Company Name])

The independent probity advisor to the evaluation team will have the following responsibilities:

* Attend meetings with the evaluation team to monitor their activities during the evaluation.
* Ensuring the evaluation methodology has been adhered to by the evaluation team.
* Assisting in the resolution of any probity issues that may arise during the course of the evaluation process.
* Complete a final report on the evaluation process to be attached to the final submission for approval or subsequent recommendations.

### Financial reviewer – ([Company Name])

The financial reviewer to the evaluation team will have the following responsibilities:

* To review and note recommendations to the financial criteria only for the evaluation team to consider.
* Provide any additional feedback on concerns noted or need for further clarification with any financial aspects of the proposals.

### Legal advisors

Legal advisors may be engaged to review proposed contract terms and assist with contract negotiations and finalisation.

## Decision making

A quorum for evaluation team meetings shall comprise one half or greater of the approved evaluation team membership. Any meeting that does not attract a quorum will be deferred.

* Decisions of evaluation teams will be by unanimity or by simple majority. In the event of a tied vote, dissenting members may submit minority reports to the secretary and/or delegate for consideration.

# Evaluation protocols

## Confidentiality

A significant quantity of confidential information is generated as a result of the RFx evaluation process. The following procedures will be followed to ensure that the unauthorised release of confidential information does not occur:

### Confidential documents

The following items are to be maintained as ‘Commercial-in-Confidence”:

* Contents of responses/submissions from respondents.
* Clarification questions and responses.
* Confidential information produced as part of the evaluation process (e.g. scoresheets, meeting minutes and evaluation reports).
* Other information related to the process that is not publicly available.

### Document security

Where NSW eTendering is used, access to RFx documentation will be administered by the chairperson and restricted to the evaluation team for the duration of the evaluation process.

All RFx and evaluation information will to be stored in the departments records management system, access to which is restricted to evaluation members and systems administrators only.

A record will be maintained of the distribution of the RFx and evaluation documents. Evaluation team members shall preferably leave documentation in a secure place but may take it to their own work area if security can be guaranteed.

## Conflicts of interest

Conflicts of interest of persons involved in the evaluation or decision making process may result in a lesser standard of independence than required to maintain the integrity of the evaluation process.

Conflicts of interest (whether actual, perceived to exist, or potential to exist at some time in the future) should be avoided at all times. A conflict of interest is a situation arising from conflict between the performance of public duty and private or personal interests.

Staff involved in the procurement project must disclose in writing to the chairperson of the evaluation team any interest that they, or any member of their family, or any close friends and relationships, hold or are offered, which may be perceived to conflict with their obligations of confidentiality and probity.

### Code of conduct and declaration of interests

All evaluation team members must sign the *Code of Conduct, Probity and Confidentiality Agreement* at the commencement of the project or when they join the project team. Signed agreements must be placed on the project file.

## Minutes of evaluation team meetings

All key issues discussed and action agreed at evaluation team meetings will be recorded, including meeting details, attendance, confirmation that evaluation team members have no conflict of interest, reminder of confidentiality obligations, decisions and recommendations made, actions agreed, responsibilities and timeframe.

The chairperson will arrange for the minutes to be maintained.

## Records

Comprehensive records of the evaluation process are essential. Appropriate, written records are to be retained on file of the evaluation process including the reasons and basis of decisions/recommendations made. In addition to the final, endorsed evaluation report, records may include:

* agendas and minutes of meetings
* comparative statements
* scoring sheets, consensus scores and reasons supporting or explaining the basis
* the basis for not recommending/passing over a respondent
* the basis for not recommending a lowest priced respondent
* the evaluation team outcomes regarding late responses and non-conforming responses identified
* e-mails or file notes of all communications with respondents including meetings and conversations
* e-mails or file notes of the response to all enquiries from respondents (all such enquiries should be recorded, noting the time and date, the subject matter and any responses provided)
* any details of presentations, demonstrations or briefings, including attendance records
* detailed written records of negotiations
* file notes of telephone conversations.

## Communication with respondents

Respondents may be requested to provide clarification of their responses. Any request for further information shall only be made through the evaluation team chairperson. The details of discussions and interviews with respondents will be documented and retained on the project file.

Business as usual communication on matters not relating to this RFx between any member of the evaluation team and respondent is allowable. Any communication relating to this RFx is governed by the rules of this evaluation plan and procurement conduct plan.

## Negotiation protocols

A period of negotiation may arise from the evaluation process. This may necessitate a combination of meetings as required and written exchanges. If negotiation is required, a negotiation plan (refer Negotiation Planning Guidelines) must be prepared by the evaluation team prior to entering into negotiations.

# Evaluation process

## Overview

In broad terms, the RFx evaluation process involves:

* an assessment of compliance with the functional and technical requirements
* an assessment of each respondent's ability to meet all obligations under the proposed contract, as evidenced by reference checks, system demonstrations, site visits, financial viability checks, etc. (as appropriate)
* an assessment of compliance with the commercial and contractual requirements outlined in the RFx
* consideration of the cost of each proposal.

This process will culminate in the selection of a preferred respondent with whom a contract is to be executed, subject to approval by the secretary or delegate.

## Evaluation criteria weightings

The evaluation criteria specified in [clause XXX] of the RFx have been assigned the following weightings by the evaluation team.

|  |  |
| --- | --- |
| Criterion – Sample Only – Adjust criteria and weightings as required. | Weighting |
| Degree of compliance with the functional and technical requirements of specification. | 20% |
| Demonstrated expertise and experience in the successful implementation of the specified or similar system on a similar scale. | 10% |
| Demonstrated ability to meet the nominated timeframe for implementation | 10% |
| Qualifications and experience of proposed contract personnel and/or proposed sub-contractors | 10% |
| Quality assurance system in place | 5% |
| Suitability of implementation plan | 10% |
| Demonstrated financial viability and stability | 5% |
| Compliance with proposed conditions of contract, e.g. Procure IT | 5% |
| Price / Fee | 30% |
| Total (Overall Rating – Non Price 70% Price 30%) | 100% |

[Guide Notes: All criteria and weightings must be agreed and signed off by the evaluation team prior to viewing responses and prior to the commencement of the evaluation.

* In the event that a large number of criteria are identified in the RFx, similar criteria may be ‘grouped’ for scoring purposes.
* All criteria identified in the RFx will be evaluated by the evaluation team, either individually or as a group. There will be no scope for the evaluation team to introduce new criteria or amend weightings during the evaluation process.
* It is important that the determination of non-price and price weighting aligns with the overall objective. As a general rule a qualitative procurement will have a higher non-price weighting whereas a quantitative procurement will have a higher price weighting.
* All criteria must align with those noted in the RFx document and should be linked to the questions formulated in the response document.]

## Evaluation method

The evaluation of responses, including where a single response is received, shall be conducted in two stages as follows:

### Stage 1 - Initial cull

An initial review will be conducted by the evaluation team to identify any seriously non-conforming responses. Responses that fail to meet mandatory functional/technical requirements of the RFx will be set aside immediately from further consideration.

The evaluation team may also set aside responses on the basis that the price is excessive, e.g. where an exceedingly high total price would not provide any opportunity for success, regardless of the make-up of the short-listed group of responses and the scores which may be allocated to these responses in terms of satisfying the technical and commercial criteria.

Responses that pass this stage will be short-listed and go on to Stage 2.

### Stage 2 - Detailed evaluation of remaining responses

Responses which pass Stage 1 will undergo detailed examination by the evaluation team. Each of these short-listed responses will be scored against evaluation criteria using the weightings shown section 4.2, to determine their relative degree of compliance the set of technical and commercial requirements.

In order to determine an appropriate set of scores, the evaluation team shall take into account the respondent’s ability to fully satisfy each criterion, e.g. the evaluation team may elect to score the respondent’s response to each clause of the response specification, in order to determine an appropriate score for the criterion. The method of scoring is provided at Appendix C.

[Option A -Each evaluation team member must independently review and record their evaluation for each criterion of the RFx responses and document a justification for their score. The evaluation team will meet to discuss the outcome of this exercise, consolidate their evaluations and reach a consensus on the overall ranking of responses.]

[Option B - The evaluation team will independently review the RFx responses and then meet to discuss the outcome of this exercise, reach a consensus on the score for each criterion and overall ranking of responses.]

Prior to scores being finalised, the evaluation team may inspect a respondent’s premises, facilities and methods of operation to ensure they have the capability and capacity to perform the work required under the contract. This will extend to an examination of the qualifications, experience and business acumen of management.

The evaluation team may request the issue of a ‘Request for Clarification’ in response to any RFx responses, reference information, inspections, due diligence or other material or information that comes to its attention through the RFx process. The responses from respondents and all other information available to it will be considered by the evaluation team members in their evaluation.

The evaluation team may record risks and inconsistencies in pricing that may need to be considered in the price to be used for best value for money.

The evaluation team may continue to seek assistance of internal subject matter experts in obtaining advice to inform the evaluation process. Respondents may be required to conduct a presentation to highlight the benefits of their offer to the evaluation team. Each respondent will be allocated the same amount of time to conduct its presentation.

Short-listed responses may also be subjected to a detailed credit reference, financial analysis and referee checks on performance. These will help to ensure that the successful respondent has a satisfactory financial and performance history and will give an indication as to its likely long-term financial stability.

The evaluation team shall ultimately determine a value for money index for each of the short-listed response, i.e. relative value for money, having regard to:

* the non-price criterion
* the total price.

### Stage 3 - Sensitivity analysis/risk assessment (as appropriate)

A sensitivity analysis will be applied should there be any significant areas of concern. A sensitivity analysis tests the robustness of the evaluation having regard to any uncertainty surrounding criteria weighting and response scoring. The analysis shows how the evaluation outcomes are affected by variations in the components of the evaluation.

[Guide Note - In some cases additional statements of sensitivity may also be incorporated depending on the evaluation methodology applied. For example if a pass level is applied to the non-price score results for respondents it may be of benefit to include the following:

Example   
Where the technical score of a recommended product falls below the quality threshold of 70%, however, the product is considered to represent better overall value for money than a product in the same category scoring >70% for quality, a detailed analysis justifying its recommendation must be included in the evaluation report. The evaluation team must confirm its concurrence with the recommendation made.

Alternatively, you may have a risk assessment that can be undertaken to address the progress of the evaluation to highlight any concerns e.g. are the objectives of the procurement still able to be achieved where some very clear objectives need to be part of the outcome.]

### Stage 4 - Establishment of best value for money

[Guide Note - The purpose of this phase is to demonstrate how the value-for-money (VFM) index or score of all short-listed responses will be undertaken. There are a number of methodologies that can be used for demonstrating a VFM result depending on the products and/or services being procured. It is important to clearly document how both the price and non-price criteria that are being assessed will determine overall VFM.]

### Stage 5 - Financial and contract compliance

The response representing the best value for money (“the preferred response”) may be subjected to a financial capacity check, if deemed necessary, and assessed for compliance with contract conditions. If a response is deemed unsuitable at this stage then the second best value for money response will become the preferred response, and the processes mentioned above will be repeated, and so on, as necessary.

### Stage 6 – Presentation/demonstration and site visits (if applicable)

If necessary, the respondents may be subject to a site visit or be requested by representatives of the evaluation team to confirm the accuracy of information provided in the respondent’s response by presentation or demonstration. The evaluation team will prior to any arrangements being made agree on the approach, questions or information to be provided by the respondents and ensure all invited respondents receive clear direction on the process selected at least 48 hours prior if not longer. The evaluation team will also prior to any arrangements being made with respondents ensure it is agreed by the evaluation how the scoring will be addressed with the results of the above process.

### Stage 7 - Negotiation stage (if applicable)

[Guide Note - All contractual issues with respondents must be resolved prior to seeking approval to award.]

If necessary, the Department of Finance, Services and Innovation will enter into negotiations with the preferred respondents.

# Recommendation and acceptance

[Guide Note - Below is standard test for the final recommendation process. You should add or delete any information that is or is not relevant to your procurement process.]

The respondent with the highest value for money score shall be recommended for contract award, provided the evaluation team is satisfied that:

* the response meets all essential requirements
* the financial analysis is satisfactory (if required)
* the results of the sensitivity analysis is satisfactory (if required)
* an acceptable level of compliance with contract conditions is achieved.

Where a preferred response is not the ‘lowest cost’ proposal, justification based on superiority, service benefits will be presented.

Where any member(s) of the evaluation team disagree with the findings and/or recommendations contained within the evaluation report, such dissent will be indicated in the evaluation report and the dissenting member(s) will be invited to provide a signed and dated letter, that outlines the reasons for not agreeing with the findings and/or recommendations contained within the evaluation report, for inclusion in the report.

All evaluation team members are required to sign a declaration in the evaluation report to endorse the evaluation results, and confirm that the results of the evaluation are reflected as true and correct.

# Notification

Following approval of contract award, NSW Procurement will notify all respondents of the outcome of their response.

Unsuccessful respondents may seek a formal debriefing, to discuss the evaluation of their responses. Such debriefings will be arranged by NSW Procurement, in consultation with the evaluation team.

# ANNEXURE A - Agreement to follow the evaluation plan

## Evaluation team members

Each evaluation team member listed below acknowledges that they have read, understand and agree to comply with this evaluation plan.

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Title | Signature | Date |
| Name | Job Title, Organisation |  |  |
| Name | Job Title, Organisation |  |  |
| Name | Job Title, Organisation |  |  |
| Name | Job Title, Organisation |  |  |

[Guide Note - The Evaluation Plan must be signed off by the evaluation team prior to close of responses at the latest.]

# ANNEXURE B

## Timetable for the RFx process

The proposed timetable for the RFx process is as follows:

|  |  |
| --- | --- |
| Date | Milestone (amend as required to meet requirements) |
|  | RFx issued |
|  | RFx closed |
|  | Initial review and short-listing of respondents |
|  | Presentations/site visits/financial checks (as necessary) |
|  | Complete evaluation of responses |
|  | Negotiation of contractual terms or planned negotiations or BAFO of shortlisted respondents (as necessary or per strategy) |
|  | Executive review of recommendation |
|  | Secretary/delegate approval of recommendation |
|  | Preferred respondent informed |
|  | All respondents advised of outcome |

# ANNEXURE C

## Scoring - Degree of compliance with functional and technical requirements

**10 - Exceptional** - Requirements are significantly exceeded in all areas, all claims are fully substantiated and the proposals are of an excellent standard.

**9 - Outstanding** - Requirements are exceeded in key areas, claims are all very well substantiated and proposals are of a very high standard.

**8 - Very Good** - Requirements met to a very high standard in all areas, claims are well substantiated in all areas and proposals are of a high standard.

**7 - Good** - Requirements are met to a high standard in all areas, claims are well substantiated in key areas and proposals are sound.

**6 - Fair** - Requirements are met to a reasonable standard in all areas, claims are well substantiated in most areas and proposals credible.

**5 - Acceptable** - Requirements are met to an acceptable standard with no major shortcomings. All claims are adequately substantiated while some proposals are questionable.

**4 - Marginal** - Requirements are not fully met, some claims are unsubstantiated while others are only adequate with some proposals being unworkable.

**3 - Poor** - Requirements are poorly addressed in some areas or not at all, claims are largely unsubstantiated and the proposals are generally unworkable.

**2 - Very Poor** - Requirements are inadequately addressed in most or all areas, claims are almost totally unsubstantiated and the majority of proposals are unworkable.

**1 - Unacceptable** - Requirements are not met, claims are unsubstantiated and the proposals are unworkable.

**0 - Non-Compliant** - Respondent completely failed or refused to provide a response

|  |
| --- |
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