



HUON VALLEY COUNCIL

Evaluation and Probity Plan

Request for EOI

Sale of Cygnet Medical Centre

28 February 2019

Table of Contents

EOI Evaluation and Probity Plan – Request for EOI for Sale of Cygnet Medical Centre

1	Aim	2
2	Description of Requirement.....	2
	2.1 Desired Outcomes	2
	2.2 Background.....	2
	2.3 Purpose of Request for EOI	3
3	Probity and Accountability.....	3
	3.1 Probity	3
	3.2 Probity and Confidentiality Agreement and Conflict of Interest Declaration	3
	3.3 Security and Confidentiality.....	4
	3.4 Authorised Contact Officer	4
	3.5 Advertising the Request for EOI.....	5
	3.6 Receipt of EOIs.....	5
	3.7 Late EOIs.....	5
	3.8 Requests for Clarification	5
	3.9 Critical Issues or Risks.....	6
4	Evaluation Committee.....	6
5	EOI Evaluation.....	6
	5.1 Evaluation Methodology.....	6
	5.1.1 Mandatory Criteria	6
	5.1.2 Qualitative Evaluation Criteria.....	9
	5.2 Shortlisting / Setting Aside EOIs:	11
	5.3 Alternative EOIs.....	11
	5.4 Interested Provider Presentations	11
	5.5 Evaluation Report	11
6	Probity Advisor.....	11
7	Contract Negotiations	12
8	Debriefing of Unsuccessful Interested Providers.....	12
9	Contract Management	13

Request for EOI Evaluation and Probity Plan

1 Aim

A Request For Expressions of Interest (EOI) has been developed that seeks expressions of interest for the purchase of a portion of the land containing the Cygnet Medical Centre at 14 George Street, Cygnet. This EOI Evaluation and Probity Plan (EPP) is the planning and control document in conducting the evaluation of EOIs received in response to the Request for EOI.

The EPP sets out:

- the processes and principles to be followed when evaluating EOIs;
- individual's responsibilities;
- the evaluation schedule; and
- reporting requirements.

2 Description of Requirement

The aforementioned Request for EOI seeks a purchaser able to provide quality medical services to the Cygnet community in the long term at the Cygnet Medical Centre.

2.1 Desired Outcomes

The following outcomes have been identified for this engagement:

- Offer price constitutes land and building value;
- Secure quality medical services for the Cygnet community in the long term; and
- Secure a reliable provider of medical services with strong commitment to the Huon Valley community.

2.2 Background

In 2012 the medical centre was developed at 14 George Street, Cygnet by the Huon Valley Council with funding from the Commonwealth of Australia as part of the Health and Hospitals Fund to establish medical services within regional areas of Australia.

The development of the medical centre with the Commonwealth secures the provision of medical services at the centre at 14 George Street, Cygnet until 2032.

The portion of land where the medical centre is situated is owned by Council and forms part of the surrounding land formerly known as The Old School Farm. The portion of land containing the medical centre is approximately 2,050m² ("the Premises") and will be subdivided from the Old School Farm land. The Old School Farm land is to be developed in the future in consultation with the community.

As the market for medical services within the Cygnet area is at a point where there is commercial competition from private providers, it is no longer desirable for the Huon Valley Council to operate or own the medical centre at 14 George Street, Cygnet.

This Request for EOI will consider whether an acceptable opportunity exists for a private provider of medical services to purchase the Premises and take over the Council's obligation to the Commonwealth to provide medical services at the location until 2032.

2.3 Purpose of Request for EOI

The purpose of this Request for EOI process is to identify if there is a provider of medical services to purchase the Cygnet Medical Centre and provide quality medical services to the Cygnet/Huon Valley community in the long term.

3 Probity and Accountability

3.1 Probity

Promoting probity is an integral element of this EOI and contract process and is the responsibility of all staff members associated with the Request for EOI. The broad objectives of the probity process are to:

- ensure conformity to processes that are designed to achieve best value for money as well as quality services to the community;
- improve accountability;
- encourage commercial competition on the basis that all EOIs will be assessed against the same criteria;
- preserve public and Interested Providers' confidence in government processes; and
- improve defensibility of decisions to potential administrative and legal challenge.

These objectives are underpinned by five essential principles as follows:

- open competitive process;
- transparency of process;
- identification and resolution of conflicts of interest;
- accountability, and
- monitoring and evaluating performance.

The Evaluation Committee will consider these principles throughout all stages of the EOI and contract process in order to achieve best value for money and services to the community.

3.2 Probity and Confidentiality Agreement and Conflict of Interest Declaration

Members of the Evaluation Committee, advisors and other staff directly involved in the EOI evaluation processes must sign a Confidentiality and Conflict of Interest Declaration prior to the commencement of their first meeting. Members need to declare any relationships or connections they currently have, or previously had, to Interested Providers or their employees. Throughout the EOI process members of the Evaluation Committee or advisors to the Committee cannot accept offers of gifts,

meals etc from any interested party and/or prospective Interested Provider. Furthermore, members of the Evaluation Committee and advisors will be expected to declare the existence of any real or perceived conflict of interest as soon as they become aware of it.

In the case where a nominee to, or a Member of the Evaluation Committee has declared a conflict of interest with an Interested Provider and due to the nature of the conflict, either the nominee/member or the Evaluation Committee feel that the person could not continue their involvement without potentially compromising the process, that person should be replaced on the Evaluation Committee.

3.3 Security and Confidentiality

It is essential for the integrity of the EOI evaluation process that security and confidentiality are maintained. Interested Providers have a right to expect that commercial information will be treated in confidence. Lapses in security on the part of any Evaluation Committee member may seriously jeopardise the evaluation process. Similarly, the Committee must maintain the confidentiality and physical security of evaluation reports and other information generated during the evaluation. While it is understood that requests under 'Right to Information' legislation could ultimately lead to the disclosure of 'confidential' information, this does not diminish the need for the evaluation process to be conducted in a secure manner.

3.4 Authorised Contact Officer

As stated in the Request for EOI documentation, the only departmental officer who is authorised to deal with enquiries is Melissa Siipola, Legal and Governance Officer on (03) 6264 0300 and legal.pa@huonvalley.tas.gov.au. Should any other officer receive an enquiry, which relates to the EOI process, that officer must decline to respond and refer the enquiry immediately to the Authorised Contact Officer.

All contact with prospective Interested Providers is to be documented, transparent and unbiased. The Authorised Contact Officer is to use good judgment in responding to questions and is not to disclose any matter that would prejudice the Request for EOI objectives or any matter, which is confidential or commercial-in-confidence to another party.

Consistent information is to be provided and supplied uniformly to all Interested Providers. The Authorised Contact Officer should limit information provided to clarification of procedural issues or documentation, and ensure that any additional information provided to one Interested Provider is provided to all Interested Providers. Under no circumstances is information to be provided which gives, or has the potential to give, an unfair advantage to the enquirer. Any questions or requests of this nature are to be put in writing and submitted to the Authorised Contact Officer.

The membership of the Evaluation Committee will not be disclosed to Interested Providers under any circumstances. This will minimise the likelihood of Interested Providers contacting Committee members in an attempt to solicit information and/or influence the evaluation process.

In any situation where an Evaluation Committee member is concerned he or she may have been compromised, or that such a perception may exist, they should document details promptly and raise the matter with the Evaluation Committee. Advice on how

best to address the matter will be sought from Legal and Governance Services if required.

3.5 Advertising the Request for EOI

The Request for EOI will be advertised on the Huon Valley Council website in late February 2019 and in the Mercury newspaper(s) in late February 2019.

3.6 Receipt of EOIs

EOIs will be lodged by Interested Providers ensuring that the Council has received an electronic version via Tenderlink before the closing date and time stated in the Request for EOI document.

3.7 Late EOIs

Late EOIs will be treated in accordance with the 'Late EOIs' guidance provided in the Request for EOI.

An EOI not received as specified before the closing time will not be admitted for consideration unless there is evidence satisfactory to the Evaluation Committee that such EOI:

- was delivered to the specified location before the specified closing time; or
- was dispatched to the specified location in sufficient time before the specified closing time for EOIs, to reach that place under normal circumstances, but was still in the course of delivery at the specified closing time.

The Evaluation Committee in its discretion may reject an EOI delivered after the closing time regardless of the reason for late delivery.

3.8 Requests for Clarification

To enable the Evaluation Committee to thoroughly evaluate EOIs it may be necessary for the Committee to request clarification of information provided in an EOI. To the extent practicable, clarification will be sought and recorded in writing. In the event that an Interested Provider has been invited to an interview or to make a presentation, matters of clarification will also be documented. In each case, the Authorised Contact Officer will coordinate the clarification process. Clarification does not mean that Interest Providers can revise their original offer and therefore no new or additional information will be requested or permitted at this point.

Should Evaluation Committee members be asked a specific question during an interview or presentation, they must provide a factual answer, never a personal opinion.

Further guidance will be sought from Legal and Governance Services in the event that it is unclear whether additional information submitted by an Interested Provider is truly a clarification of submitted EOI information, or whether it effectively amounts to the submission of late material that seeks to vary the existing EOI.

3.9 Critical Issues or Risks

Risk management is the process of identifying risks, analysing their consequences and devising appropriate responses. An assessment of risk should be undertaken to provide greater certainty that this EOI and contracting process will produce a successful outcome. Dependant on the nature, cost and complexity of the transaction, the Evaluation Committee may need to develop a risk management plan.

Issue/Risk	Consequences	Action
Inconsistent information could be provided to Interested Providers	Unequal source of information for Interested Providers to submit EOI	Maintain an information register throughout the EOI process so that all information requests and provision of information is consistent with all parties.
Unknown or undisclosed factors forming part of the assessment criteria.	Interested Providers may not have the same opportunity to address the criteria.	All criteria that will be relied upon in the assessment process will be predetermined and disclosed to Interested Providers.
Post EOI contractual negotiations could be hindered by Public Land Sale process under the <i>Local Government Act</i> , particularly if objections received.	Additional time and expense to Council for potentially dealing with an appeal and prolonged contractual negotiations could give rise to increased legal expenses.	Ensure probity process is followed and there is effective communication with all Interested Providers and the community regarding the process. The Public Notification period should be undertaken prior to a decision being made regarding the EOI process to ensure any community concerns are attended to at an early stage.

4 Evaluation Committee

The Evaluation Committee will consist of a minimum of three representatives with a range of knowledge and skills including medical and community services, accounting, corporate and legal.

5 EOI Evaluation

5.1 Evaluation Methodology

The Evaluation Committee in accordance with the evaluation methodology specified in the Request for EOI and reproduced in this document will evaluate all EOIs. This methodology involves a two-stage process:

5.1.1 Mandatory Criteria

EOIs will initially be assessed for compliance with the requirements set out in the Request for EOI document.

Compliance with the Request for EOI document is taken to mean:

- Submission of the EOI by the closing date and in accordance with all other lodgement instructions; and
- Provision of all of the information requested in the Request for EOI.

The following table details the mandatory criteria.

Mandatory Criteria
a) Compliance with the Conditions of the EOI as per Part 2 of the Request.
b) Completion of the Form of EOI, including the signature of the Authorised Signatory.
c) Provided a Business Plan on how the designated use requirements will be met over the designated use period.
d) Evidence of Accreditation to RAPG or similar standards in the last 3 years.
e) Assessment
i. An outline of organisational structure inclusive of any branches and number of personnel.
ii. If companies are involved, attach current ASIC company extracts search including latest annual return.
iii. Provide the organisation's directors/company owners and any other positions held with other organisations.
iv. Provide a summary of the number of years the organisation has been operating.
v. Staff resource levels including identification of full time staff and capabilities to service the Cygnet community in the long term.
vi. Financial security extending for the next 5-10 years.
vii. Business Plan including all relevant information outlined in the Requirements.
viii. Whether the Interested Provider is acting as a trustee of a trust. If

	Yes, give the name of the trust and include a copy of the trust deed (and any related documents); and if there is no trust deed, provide the names and addresses of beneficiaries.
ix.	Intention to subcontract any of the Requirements and if Yes provided details of the subcontractor/s including; the name, address and the number of people employed; and the Requirements that will be subcontracted.
x.	Provided details on how the organisation will meet the designated use requirements?
xi.	Whether the Interested Provider is presently able to pay all of debts in full as and when they fall due?
xii.	Whether the practice or any director, partner or employee of the practice currently engaged in litigation in relation to the activities of the organisation as a result of which the organisation may be liable for \$50,000 or more? If Yes, please provide details.
xiii.	Demonstrated financial ability to take over the Council's obligations, including a profit and loss statement and the latest financial return for each of the proposed contracting entities, together with a list of financial referees from a bank and/or accountant.
xiv.	Provided evidence of insurance coverage meeting the insurance requirements as required in the Funding Agreement.
xv.	Provided details of whether the business is based in the Huon Valley and how long the business has been providing services to the Huon Valley.
xvi.	Provided details of how the organisation currently bill clients and how will the organisation bill in the next 5-10 years.
xvii.	Statement of services and service model included in submission

These criteria will not be point scored however the information provided may be used in the assessment of the Qualitative Evaluation Criteria. Each EOI will be assessed on a Yes/No basis as to whether the compliance criterion is satisfactorily met.

5.1.2 Qualitative Evaluation Criteria

Compliant EOIs will then be evaluated against a set of weighted qualitative evaluation criteria.

The following table details the evaluation criteria and the weightings for the second stage of the evaluation process.

Qualitative Evaluation Criteria	Weight
<p>Price – Interested Providers must provide details of the offer price and whether they are willing to commit to a longer period of provision of medical services at the Premises.</p> <ul style="list-style-type: none"> i. Offer price is reflective of land and building value. ii. If offer price is for land value, there is an offer to extend the designated use period to 25 years beyond with an agreement being entered into with Council. 	30%
<p>Experience, demonstrated ability and commitment to the Huon Valley -</p> <ul style="list-style-type: none"> i. Capability and experience in providing quality medical services ii. Service models represent a sustainable and caring practice iii. Provide details of qualifications and experience of key staff who will be involved in the provision of medical services. iv. Feedback from clients within the last 3 years. v. Future business plan shows commitment to the Cygnet community and Huon Valley. vi. Experience in delivery of medical services in Rural Areas. 	30%
<p>Financial Security and Business Stability for the next 5 years –</p> <ul style="list-style-type: none"> i. Future forecasts for the next 5 years demonstrate long term financial security and stability. ii. Business plan and financial statements/profit and loss demonstrate viable and sustainable business practices. 	30%
<p>Risk Management -</p> <p>The Interested Provider must provide details of its Risk Management practices including insurance coverage and Workplace Health and Safety (WHS) Management System in compliance with all duties of an employer specified in the <i>Work Health and Safety Act 2012</i>.</p> <p>The Interested Provider must submit a complete copy of their WHS</p>	10%

Management System documentation which must also include as a minimum requirement: <ul style="list-style-type: none"> i. WHS policy and objectives ii. Organisation structure & responsibilities iii. Insurance Coverage Details. 	
TOTAL	100%

The Interested Provider's ability to satisfy the qualitative criteria will be assessed on the basis of scores allocated by the Evaluation Committee by consensus in response to questions relating to each criterion and then weighted as detailed above.

The scoring of EOIs will be based on the degree of achievement by the Interested Provider of the requirements set out in the Request for EOI. 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 the Council.

Scoring will be based on the following allocation:

Score	Description	Full Description
10	Exceptional	Full achievement of the requirements specified in the Request for EOI for that criterion. Demonstrated strengths, no errors, weaknesses or omissions.
8 to <10	Superior	Sound achievement of the requirements specified in the Request for EOI for that criterion. Some minor errors, risks, weaknesses or omissions, which may be acceptable as offered.
6 to <8	Good	Reasonable achievement of the requirements specified in the Request for EOI for that criterion. Some errors, risks, weaknesses or omissions, which can be corrected/overcome with minimum effort.
4 to <6	Adequate	Satisfactory achievement of the requirements specified in the Request for EOI for that criterion. Some errors, risks, weaknesses or omissions, which are possible to correct/overcome and make acceptable.
2 to <4	Inadequate	Minimal achievement of the requirements specified in the Request for EOI for that criterion. Several errors, risks, weaknesses or omissions, which are possible, but difficult to correct/overcome and make acceptable.
>0 to <2	Poor to deficient	No achievement of the requirements specified in the Request for EOI 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.

The score that each Interested Provider receives will provide a numeric basis for comparison of the EOIs. The recommendation on the preferred EOI will be based on scoring comparisons.

5.2 Shortlisting / Setting Aside EOIs:

In the event that a significant number of EOIs are received (ie, more than five), EOIs, which are clearly non-competitive and have no reasonable prospect of exhibiting the best quality of medical services in the long term for the Cygnet community compared to other EOIs, will be excluded from detailed evaluation. The reasons for exclusion must be defensible in the context of requirements and clearly identified.

5.3 Alternative EOIs

The Evaluation Committee will evaluate alternative EOIs in accordance with the evaluation methodology specified in the Request for EOI and reproduced in this document.

5.4 Interested Provider Presentations

Interested Providers may be requested to make a formal presentation to the Evaluation Committee to clarify their EOI and provide the opportunity for the Evaluation Committee to ask questions. No new or additional information will be requested or permitted at this point (see section 3.8 – Requests for Clarification).

5.5 Evaluation Report

On completion of the evaluation process, the final results will be documented in an Evaluation Report, which will detail (as a minimum):

- a comprehensive record of the evaluation method;
- the number of EOIs received (Tasmanian and overall total);
- the relative ranking of the EOIs;
- a recommendation as to the preferred EOI or EOIs; and
- the rationale used to select the preferred Interested Provider.

The Evaluation Report will also highlight any key issues that must be addressed via negotiation and/or require ongoing scrutiny once the contract has been commenced.

The Evaluation Report will be considered by the Evaluation Committee and if approved, signed by all Committee members and forwarded for final decision by the Council.

6 Probity Advisor

In accordance with Council resolution 15.035/18 (below) the Council will engage an independent probity officer for the expression of interest process.

Resolution 15.035/18:

“The Council engages an independent probity officer to conduct the expression of interest process and make recommendations to the Council for a decision in relation to the expression of interest”

The services of a probity advisor will be requested to oversee, provide guidance and a final report including recommendations for the successful Interested Provider. The probity advisor will provide advice regarding the following:

1. Review of draft Request for EOI and Probity Plan.
2. First round of assessment.
3. Shortlist of best applicants and review of any additional information submitted, if necessary.
4. Evaluation Committee decision and report to Council regarding selection for Council to make a final decision.

A probity advisor will be selected based on relevant experience and expertise to the EOI transaction and in accordance with the Code for Tenders and Contracts.

7 Contract Negotiations

A period of negotiation with the successful Interested Provider may arise following completion of the Request for EOI phase and Council approval.

This period will result in executed copies of contractual documentation being completed and will necessitate a combination of meetings and written exchanges. Negotiators are to ensure the negotiation approach is appropriate to the nature of this project, is open and fair, meets the needs of the Interested Provider. Negotiations must not result in material change to the requirements of the Request for EOI. The outcome of the negotiations will be reflected in the final contract and all negotiation discussions and outcomes will be documented.

8 Debriefing of Unsuccessful Interested Providers

All unsuccessful Interested Providers will be offered the opportunity to be debriefed. The purpose of the debriefing is to assist Interested Providers to offer more competitive EOIs in the future by identifying ways in which the Interested Provider's offer could have been improved. The debriefing process will be conducted by a member or members of the Evaluation Committee and may be carried out by telephone, letter or by interview.

Advice on debriefing arrangements will be included in all EOI documentation. Interested Providers will be advised via the Request for EOI that the debriefing process will be limited to the unsuccessful Interested Provider's offer. No comparisons will be made with the winning EOI and the debriefing process will not be used to justify the selection of the successful EOI.

9 Contract Management

The contract will be managed by Legal and Governance Services.