

## Unsolicited Proposals Schedule

### Purpose

This Schedule provides an overview of how a public authority will manage an unsolicited proposal.

By following the process set out in this Schedule, public authorities will apply a consistent approach to assessing whether an unsolicited proposal can/should be pursued directly with a supplier based on meeting criteria. It is a tool to inform an acquisition strategy, which will require separate approval for a direct market approach.<sup>1</sup>

### What is an unsolicited proposal?

An unsolicited proposal is a unique or innovative method, concept, approach or idea submitted to a public authority from a private entity (either for profit or not-for-profit), not in response to a formal request and not readily available in the marketplace.

An unsolicited proposal is submitted without formally being requested by a public authority. The nature of the proposal can address a wide range of areas including the procurement of goods and services and construction.

### How to manage unsolicited proposals

#### Unsolicited proposals valued greater than \$1.1million (GST inclusive)

The DTF Guidelines for Assessment of Unsolicited Proposals (government guideline) provides a framework and process for the assessment of unsolicited proposals and is supported by the Premier and Cabinet Circular PC038 - Unsolicited Proposals (PC038).

PC038 considers unsolicited proposals valued greater than \$1.1 million (GST inclusive)<sup>2</sup>. The requirement to treat unsolicited proposals of this value in this manner (rather than as a procurement) is mandated in accordance with PC038 to provide a consistent approach to assessment in addition to protection of a supplier's Intellectual Property.

#### Unsolicited proposals valued less than \$1.1million (GST inclusive)

Where a public authority receives an unsolicited proposal for goods or services, valued up to \$1.1million (not covered by PC038 or the government guideline), the public authority will follow the process outlined below.

#### Stage 1: Initial Proposal

During Stage 1, the public authority will form a preliminary view as to whether the

<sup>1</sup> Refer to *Treasurer's Instruction 18 Procurement* and the *Procurement Planning Policy* for further details on the approval requirements for a direct market approach.

<sup>2</sup> However, this threshold does not preclude a supplier lodging an application directly (via the [online form](#)) to the Unsolicited Proposals Committee (the Committee) who can then elect to review the proposal and make recommendations to Cabinet.

## Unsolicited Proposals Schedule

unsolicited proposal should be considered further, considering the following criteria:

- there are no competing proposals under consideration by the government or other public authorities including through an existing or planned procurement process or grant opportunity/industry assistance
- the proposal promotes economic, social and/or environmental outcomes for South Australia and is consistent with the government's/public authority's strategic priorities
- the proposal is unique and could not be delivered by any other party within acceptable timeframes
- the proposal represents value for money when the supplier is seeking any form of financial contribution or risk sharing from the government
- the supplier has the technical skills, experience and financial capacity required to deliver the project as specified in the proposal.

Only proposals that meet all the above criteria and are approved by the public authority's Chief Executive can move to Stage 2. The supplier will be advised in writing of the outcome.

### Stage 2: Detailed Proposal

The detailed proposal stage involves further consideration of the feasibility of the proposal, with the details outlined in a separate acquisition strategy and approval for the direct market approach. This may require further engagement with the supplier (who may be required to provide additional information) and relevant stakeholders (for example, business managers, procurement experts, technical experts).

The approval to directly approach the supplier will consider:

- the nature and terms of the arrangement, including timeframes and the nature of any exclusivity arrangements
- how it will be delivered and whether it represents value for money
- the costs and risks to government/the public authority and the benefits to South Australians
- whether the proposal is technically and financially feasible.

No commitment is to be made, and the supplier is to be kept informed of the progress of their proposal. Only proposals that form part of an approach to market approved in accordance with the *Procurement Planning Policy* can move to the Stage 3 (the final stage). The supplier will be advised in writing of the outcome.

### Stage 3: Contract Negotiations

The contract negotiation stage allows the public authority and the supplier to negotiate final legal and commercial terms.

## Unsolicited Proposals Schedule

Contract negotiations will be carried out in line with the *Sourcing Policy*.

### Conflict of Interest Declarations

All participants involved in the assessment of an unsolicited proposal (e.g. public authority employees, senior executives and project consultants) will complete a conflict of interest declaration and confidentiality agreement prior to participating in the proposal assessment.

Any actual, potential or perceived conflict of interest identified before, during or at the conclusion of the proposal assessment process will be documented and actioned appropriately by the public authority's Chief Executive. A conflict of interest declaration will be completed even where there is no conflict to declare.

