

## Unsolicited Proposals Schedule

### Purpose

This Schedule provides direction and an overview of the government's process for managing unsolicited proposals. Following the process set out in the Schedule allows public authorities to assess 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 procurement approvals. For consistent application, an unsolicited proposal should be firstly assessed in accordance with this Schedule<sup>1</sup> prior to determining the procurement approach.

### 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 not a market approach as such, but is an alternative sourcing strategy to a market approach.

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

### 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). The government guideline encourages the private sector to bring innovative ideas to Government while maintaining value for money and probity.

PC038 considers unsolicited proposals for goods and services valued greater than \$1.1 million (GST inclusive); that being the value of the proposed transaction with government rather than the whole-of-life cost<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 supplier's Intellectual Property.

If a public authority has initial contact with a supplier on an unsolicited proposal valued greater than \$1.1 million (GST inclusive), they are to encourage suppliers to [contact](#) the DTF Unsolicited Proposals Team prior to the supplier lodging their

<sup>1</sup> Sourcing Policy

<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.

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submission.

Where the government assesses that a proposal does not meet the criteria under the government guideline at any stage of the process, it reserves the right to go to market, end the proposal consideration process or withdraw from exclusive negotiations. If the government does go to market, the supplier will be given the opportunity to participate in any subsequent procurement process. The government will respect any intellectual property owned by the supplier.

Proposals that are not accepted by the Committee or by Cabinet, may form the basis of a competitive bidding process or be referred to a relevant public authority for further consideration.

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

The public authority may choose to consider proposals valued at less than the government guideline threshold (less than \$1.1million (GST inclusive) for goods and services) by using the unsolicited proposals process outlined in the section below. This process is consistent with the government guideline and addresses relevant issues through the development of the acquisition plan. When considering unsolicited proposals valued at below the government guideline threshold of \$1.1 million for goods and services, public authorities will proceed as follows<sup>3</sup>.

#### *Stage 1: Initial Proposal*

The initial proposal stage enables the public authority to form a preliminary view as to whether to further consider the unsolicited proposal in accordance with 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; and
- the supplier has the technical skills, experience and financial capacity required to deliver the project as specified in the proposal.

<sup>3</sup> In accordance with the Sourcing Policy

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Only proposals that meet the initial proposal criteria and are approved by the public authority's Chief Executive via business case, briefing etc 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 an acquisition plan in cooperation with the supplier (who may be required to provide additional information) and relevant stakeholders (for example, business managers, procurement experts, technical experts).

The acquisition plan will address and outline:

- 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/public authority and the benefits to South Australians; and
- whether the proposal is technically and financially feasible.

No commitment is to be made at any stage of the process, and the supplier is to be kept informed on the progress of their proposal at each step. Only proposals that form part of an acquisition plan approved by the public authority's Chief Executive (or authorised person) 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. Only proposals that form part of a purchase recommendation approved by the public authority's Chief Executive (or authorised person) will progress to contract and implementation. The supplier will be advised in writing of the outcome.