



**Government
of South Australia**

Department for
Energy and Mining

Dear [REDACTED]

I am writing in relation to your application made under the *Freedom of Information Act 1991* (FOI Act) in which you requested access to the following documents:

I am requesting access to documents, under Section 13 of the Freedom of Information Act 1991 (SA). The documents I seek concern the Display Tender LCE040937, South Australian Grid-connected battery storage, Issued by Department of the Premier and Cabinet (closed on 31 March 2017). I am requesting document/s that contain information regarding: - the standards of service and/or the performance indicators that bids were judged on, in respect to tender LCE040937; and - the accountability of the agency regarding the conduct of the tender process and the decisions made in relation to awarding tender LCE040937.

In accordance with Premier and Cabinet Circular PC045, if you are given access to documents as a result of this FOI application, details of your application, and the documents to which access is given, may be published in the agency's disclosure log. A copy of PC045 can be found at <http://dpc.sa.gov.au/what-we-do/services-for-government/premier-and-cabinet-circulars>.

A search has been conducted and one (1) document was located that is within the scope of your application. In respect of the document, I have determined that it can be released as follows:

Document 1

I have determined that this document should be released in part.

With regard to this document, the parts to which I have not granted you access contain names of people no longer employed by state government and information relating to the personal affairs of third parties.

Under Clause 6(1) of Schedule 1 to the FOI Act, a document is exempt if its disclosure would involve the 'unreasonable disclosure of information concerning the personal affairs of any person'. This information falls within the definition of personal affairs under the FOI Act and is therefore exempt from release pursuant to Clause 6(1).

Under Clauses 7(1)(b) and 7(1)(c) a document is an exempt document if it consists of information that has a commercial value to any agency or any other person; and information concerning the business, professional, commercial or financial affairs of any agency or any other person. This information falls within the definition of document affecting business affairs under the FOI Act and is therefore exempt from release pursuant to Clauses 7(1)(b) and 7(1)(c).

Please note that a copy of the SA Grid-connected Battery Facility Agreement can be found at: <https://www.tenders.sa.gov.au/contract/view?id=13019>.

CORPORATE SERVICES

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Exemptions

For your information, the following exemption applies:

Clause 6 – Documents affecting personal affairs

- (1) *A document is an exempt document if it contains matter the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).*

Clause 7 – Documents affecting business affairs

- (1) *A document is an exempt document –*

...

- (b) *if it contains matter –*

(i) *consisting of information (other than trade secrets) that has a commercial value to any agency or any other person; and*

(ii) *the disclosure of which –*

(A) *could reasonably be expected to destroy or diminish the commercial value of the information; and*

(B) *would, on balance, be contrary to the public interest; or*

- (c) *if it contains matter –*

(iii) *consisting of information (other than trade secrets or information referred to in paragraph (b)) concerning the business, professional, commercial or financial affairs of any agency or any other person; and*

(iv) *the disclosure of which –*

(A) *could reasonably be expected to have an adverse effect on those affairs or to prejudice the future supply of such information to the Government or to an agency; and*

(B) *would, on balance, be contrary to the public interest.*

Appeal Rights

If you are dissatisfied with this decision, you are entitled to exercise your rights of review and appeal as outlined in the attached documentation.

Should you have any enquiries in relation to this matter, please do not hesitate to contact me via email DEM.FOI@sa.gov.au.

Yours sincerely



Julianne Cirson
Accredited FOI Officer

✶ April 2019

SCHEDULE OF DOCUMENTS

Freedom of Information application by [REDACTED] – “I am requesting access to documents, under Section 13 of the Freedom of Information Act 1991 (SA). The documents I seek concern the Display Tender LCE040937, South Australian Grid-connected battery storage, Issued by Department of the Premier and Cabinet (closed on 31 March 2017). I am requesting document/s that contain information regarding: - the standards of service and/or the performance indicators that bids were judged on, in respect to tender LCE040937; and - the accountability of the agency regarding the conduct of the tender process and the decisions made in relation to awarding tender LCE040937.”

| Doc No | Description | Exemption Clause(s) | Determination |
|---------------|--|--|----------------------|
| 1 | SA Grid-connected Battery Storage – Evaluation Plan dated 6 June 2017 | Clause 6(1) – Personal affairs Clause 7(1)(b) & 7(1)(c) – Business affairs | Released in part |



SA GRID-CONNECTED BATTERY STORAGE EVALUATION PLAN



| | |
|--------------------------|--|
| Project Name: | SA Grid-Connected Battery Storage – Invitation to Supply |
| Department: | Department of the Premier and Cabinet |
| Division: | Office of the Chief Procurement Officer |
| Reference Number: | DPC041245 |
| File No. | DPC17/0841 |
| Date: | 6 June 2017 |

Confidentiality-I2-A2



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1. INTRODUCTION

On 14 March 2017, the South Australian Government (State) announced the SA Energy Plan, which included a \$150m Renewable Technology Fund to support projects that make renewable energy available 24 hours a day, seven days a week, to power the state when it is needed.

The first project to be funded will be a grid-connected battery – the largest in Australia – to provide the state with 100 megawatts of storage. The battery will modernise South Australia’s energy grid and begin the transformation to the next generation of renewable-energy storage technologies.

The Premier of South Australia has announced that the battery storage should be in place by summer 2017-18, meaning that a fast-tracked Government procurement process is required.

An Acquisition Plan was considered and approved by the State Procurement Board on 10 April 2017 which detailed a multi stage procurement strategy. In accordance with the Acquisition Plan the following activities have been undertaken:

Stage 1 - Expression of Interest

An Expression of Interest (EOI) was released to the market to ascertain supplier interest and sought to understand what potential solutions could be offered by the market that will meet the tight timeframes for delivery.

As an outcome of the EOI evaluation process, the DPC Accredited Purchasing Unit (APU), considered and approved a recommendation from the Evaluation Team to shortlist the following [REDACTED] Respondents to proceed to Stage 2:

Clause 6 (1)



Clause 6 (1)



Stage 2 - Invitation to Supply

Those suppliers shortlisted as a result of the EOI process were invited to respond to an ITS, which provided those suppliers the opportunity to respond to a more detailed statement of requirements.

2. KEY PRINCIPLES

In line with the State Procurement Act 2004 (“Act”), the Evaluation Team will seek to advance government priorities and objectives through a procurement directed towards:

- obtaining value in the expenditure of public money;
- providing for ethical and fair treatment of participants; and
- ensuring probity, accountability and transparency in procurement operations.

3. OBJECTIVES

The objective of the evaluation process is to obtain the best outcome by:

- satisfying all of the requirements of the project;
- providing a value-for-money outcome;
- providing South Australia with large-scale storage for energy so power is available when it is needed;
- contributing to the provision of energy services with the capability to prevent certain load shedding events in South Australia; and
- having the ability to provide key services to maintain system integrity, particularly in the peak summer periods and times of loss of generation or inter-connector capacity.

4. EVALUATION GOVERNANCE

4.1 Project Governance Committee

The evaluation process for this procurement is subject to oversight and review by the Project Governance Committee.

The primary role of the Project Governance Committee is to review the decisions, assessments and recommendations made by the Evaluation Team to ensure they are based on factual, logical and commercial justifications consistent with this Evaluation Plan. Membership of the Project Governance Committee is listed in Appendix 3 and its roles and responsibilities are outlined in Appendix 4.

4.2 Approvals

The following table outlines the governance arrangements for the evaluation process.

| Decisions/ Documents | Project Manager | Project Governance Committee | Chief Procurement Officer | DPC APU | DPC CE |
|---|--------------------|------------------------------------|---------------------------------|---------|--------|
| Evaluation Plan | - | E | - | A | - |
| Acceptance of Late Tenders | - | E | A | - | - |
| Acceptance of non-compliant Tenders or incomplete | - | E | A | - | - |
| Alternate Proposals | N | E | A | - | - |
| Engagement of Specialist Advisers | A | - | - | - | - |
| Variation to the Evaluation Plan | - | E | - | A | - |
| Changes to Evaluation Team membership | - | N | A | - | - |
| Shortlisting Stages | - | A | - | - | - |
| Evaluation Report | - | E | - | A | - |

A = Approve

E = Endorse

N = Note

N/A = Not Applicable

5. EVALUATION TEAM

5.1 Membership

The Evaluation Team will consist of representatives from the Department of the Premier and Cabinet (DPC), Department of State Development and external advisors who will have appropriate knowledge and expertise to evaluate the Responses against the State's Requirements and evaluate any Alternative Offers submitted.

The Project Manager, will not take part in the actual scoring of Responses (as defined in this Plan) but will be required to be familiar with all Responses, co-ordinate the Specialist Advice, provide advice to the review and approving bodies (where requested), oversee the conduct of the Evaluation Team and mediate on evaluation issues and outcomes.

Membership of the Evaluation Team is listed in Appendix 3 and its roles and responsibilities are outlined in Appendix 4.

5.2 Specialist Advice and Support

The Evaluation Team may, as required, utilise specialist advice or support to assist in the evaluation process. The areas of expertise may include:

- clerical support;
- technical support and/or analysis;
- financial assessment;
- human resource issues; and
- commercial and/or legal issues.

If non-Government assistance is required, a confidentiality and conflict of interest form must be signed.

6. PROBITY

Independent Probity Advisers have been appointed to provide probity advice as required throughout the procurement, including the evaluation process. The Probity Advisers are listed in Appendix 3 and the roles and responsibilities are outlined in Appendix 4.

7. EVALUATION PRINCIPLES

7.1 Preliminary

To protect the interests of the State and the Respondents, a thorough evaluation of Responses received shall be undertaken. The lowest price / rate submitted may not necessarily be the best value-for-money outcome. Care shall be taken to ensure that all costs (direct and indirect) are considered together with qualitative, risk and probity aspects.

7.2 Timetable for Evaluation

The anticipated timetable and tasks to be undertaken by the Evaluation Team for the completion of the evaluation process are identified below:

| Key Action | Completion Date |
|--|----------------------|
| ITS – Release to shortlisted Respondents | 17 May 2017 |
| ITS – Tender Close | 2:00 pm, 7 June 2017 |

| Key Action | Completion Date |
|---|-----------------------------------|
| Preliminary Evaluation | 8 – 15 June 2017 |
| Initial shortlist of ITS Responses | By 15 June 2017 |
| Detailed Evaluation | From shortlisting to 30 June 2017 |
| Selection of Preferred Responses | 30 June 2017 |
| Best and Final Offer (BAFO) process – if required | 1 – 7 July 2017 |
| Evaluation of BAFO Responses – if required | 8 – 15 July |

7.3 Evaluation Premises

Secure dedicated premises and/or a secure online workspace will be arranged for the Evaluation Team to conduct the evaluation and store Responses and other relevant documentation. Access to these premises will be controlled and managed by the Project Manager.

External advisors will be permitted to undertake evaluation activities at their respective offices, subject to appropriate probity / confidentiality arrangements (to be separately agreed with the Independent Probity Advisors).

7.4 Communication with Respondents

The only person authorised to communicate with Respondents during the evaluation process is the Contact Person as specified in the ITS. The Project Manager may grant an exception if requested to do so by a Respondent.

The Contact Person must receive written authorisation from the Project Manager for all communications with the Respondents during the evaluation process.

7.5 Completeness of Response

The Evaluation Team will conduct an analysis of each Response to identify if there are any gaps in the information provided that would result in an incomplete evaluation. If major gaps are identified, the Evaluation Team will:

- ascertain whether any of the other assessment mechanisms can provide the missing information; and
- determine the probity implications of not having the missing information.

If the missing information cannot be sourced elsewhere by the Evaluation Team and it is deemed necessary to undertake the evaluation, the Evaluation Team may choose not to consider the Response further in the procurement process or, where there are insignificant probity implications, request the Respondent to provide the information.

7.6 Errors in Responses

Occasionally the rates / pricing information provided in a Response may contain errors or omissions. A genuine error by a Respondent does not include poor estimation or uneconomical pricing but may include one of the following:

- where it is viewed that, from the Evaluation Teams' knowledge, experience and judgement, a price is too far in excess of the average price that the Respondent has either made an error or has misrepresented a requirement; and/or
- where it is found by examination that there is an error in calculations i.e. multiplying rates, in additions or in bringing forward an amount.

If an error is detected, the Evaluation Team will take the approach of minimising the risk to the State while maintaining equity amongst Respondents. Subject to this principle, if an error is detected then the Evaluation Team shall allow the Respondent to correct the error. The Evaluation Team shall note any instances of errors in Responses and the effects of any corrections allowed by the Evaluation Team.

If a Respondent is notified about an error, the Project Manager shall be responsible for communicating the detail and nature of the error (via the Contact Person) to the Respondent in writing. The Project Manager shall determine a reasonable timeframe for the Respondent to provide corrected information. The Respondent's reply shall be limited only to providing the corrected information.

7.7 Resolution of Differences

When differences arise between members of the Evaluation Team, the following guidelines are presented to assist with resolving differences:

- place aside differences until a full run through is completed and then return and review;
- allow differences to be aired and analyse the source of the differences;
- determine the value of the evaluation criteria to the final outcome and average the different views if contribution is marginal;
- seek clarification from the Respondent; and
- allow the relevant technical expert/s, either within the Evaluation Team or externally, to make the decision.

If the difference cannot be resolved, the Project Manager/Probity Adviser will mediate to ensure that an agreed score is achieved.

8. PRELIMINARY EVALUATION PROCESS

8.1 Preliminary

The Project Manager and Probity Adviser will brief the Evaluation Team on the evaluation process and methodology prior to the commencement of the evaluation and provide each Evaluation Team member with an evaluation form(s).

8.2 Receipt and Opening of Proposals

All Responses will be received at the location(s) identified in the ITS and will be receipted in accordance with that required in the DPC 'Tender Receipt and Registration Guideline'.

Responses must be submitted to the Electronic Tender Box via the SA Tenders and Contracts website by no later than 2.00pm (Adelaide Time) on 7 June 2017.

Strategic Procurement personnel (independent of the evaluation process) will be responsible for the receipt and registration of all proposals. All responses will be listed on the Tender Registration Form which will be signed by the two persons present at the opening of the responses.

Late Responses will be dealt with in accordance with the approved Tender Receipt and Registration Procedure and this Plan.

8.3 Preliminary Evaluation

As a first step in the evaluation, the Evaluation Team will seek to determine an initial shortlist of ITS Responses to be further evaluated under the Detailed Evaluation process (as set out in section 9).

This Preliminary Evaluation will consider the extent to which an ITS Respondent appears:

- technically **C 6 (1)** and financially **C 6 (1)** capable of delivering the required services, to the expected performance standards,
- able to meet the required Project delivery timetable (including the State's timeframes for execution of contracts) **Clause 6 (1)**
- to be using acceptable technology **C 6 (1)**
- to deliver outcomes under the State's Industry Participation Policy **Clause 6 (1)**
Clause 6 (1)
- able to meet any expected FIRB requirements (or other similar approvals) within required timeframes **C 6 (1)** and / or
- to have adequate arrangements in place to manage supply and logistics requirements **C 6 (1)**

The parties responsible for leading the assessment in each area are shown above in brackets. They will draw on the input of other Evaluation Team members and technical advisors as required.

The State's Industry Participation Policy is a mandatory evaluation criteria and initial assessment will be undertaken on a YES / NO basis. If the Respondent satisfies the criteria i.e. submits a completed and signed IPP Plan then it shall be considered further in the evaluation process. If it does not, then the Evaluation Team may exclude the Response on the basis of non-compliance. Submitted and signed IPP's will be scored out of 100 per Appendix 2. This score will reflect 20% of the overall evaluation criteria at preliminary assessment.

The Evaluation Team will consider the extent to which ITS Responses pose material risk to the completion of the procurement process and / or delivery of the Project in accordance with government's current expectations. Risks may exist in one or more of the areas identified. Risks will be identified on an "exceptions" basis only.

The materiality of any risk will be considered in terms of its potential consequences and the likelihood of occurrence.

ITS Responses will not be shortlisted where this risk (individually or collectively) is considered to be unacceptable. Whilst such an assessment will be made at the discretion of the Evaluation Team, as a guide, where the risk is considered Extreme or High in accordance with DPC's *Risk Management Procedures (Sept 2016)* (noting that the presence of multiple Medium rated risks may overall be considered to represent a High risk) ITS Responses are less likely to be shortlisted.

8.4 Clarifications

It is not expected that any Clarification Questions will be issued to ITS Respondents as part of the Preliminary Evaluation.

The outcomes of the Preliminary Evaluation will not be communicated to ITS Respondents.

8.5 Reporting

The Evaluation Team will draft a short report setting out:

- The ITS Responses to be shortlisted (Shortlisted Responses),
- The key risks identified in respect of parties not shortlisted, including the potential consequences of those risks and whether they were rated High or Extreme.
- Any significant matters, identified in respect of Shortlisted Responses that require further consideration during the Detailed Evaluation.

9. DETAILED EVALUATION

9.1 Process

Following the identification of the Shortlisted Response, the Evaluation Team will undertake the Detailed Evaluation.

During the course of the Detailed Evaluation, the Evaluation Team must (in conjunction with the technical advisors identified in Appendix 1), as appropriate, identify and record any:

- strengths or weaknesses of the Responses with respect to the objectives of the ITS and performance against criteria;
- risks associated with the proposals, including an assessment of the likelihood and potential impact;
- legal or regulatory issues which may need to be considered;
- matters requiring clarification;
- possible future opportunity in relation to a procurement process;
- matters of relevance to an ongoing procurement or project; and
- other matters which are considered relevant for the purpose of the evaluation.

The Evaluation Team will assess and rate all Responses against evaluation criteria in section 9.2. Ratings will correspond to the table in Section 9.9 and will be recorded in an Evaluation Criterion Report (along with an outline of the relevant parts of the response and a justification of the final rating).

The scoring of Shortlisted Responses will be undertaken as follows:

- The Evaluator(s) of each Criterion will be required to record a Rating for their respective Criterion. At the discretion of the Evaluators, Ratings may also be identified for various sub-criterion (for example technical verses financial capability) to assist in the resolution of an overall Rating for the Criterion. Sub-criterion ratings are not required to be included in the Criterion Assessment Report.
- Collectively, the Evaluation Team will be required to agree an overall Rating (on a consensus basis) for each Shortlisted Response, based on the individual Ratings allocated to each Criterion.

9.2 Evaluation Criterion

Responses will be evaluated by five separate groups within the Evaluation Team, with appropriate background to the project and technical expertise to ensure a robust assessment of all Responses. The Evaluation Teams and the criterion to be evaluated are outlined in the table below.

| Criterion | Evaluator(s) | Technical Advisor(s) |
|-----------------------------|--------------|----------------------|
| Project Risk | Clause 6 (1) | |
| Respondent Capability | | |
| Project Specification | | |
| Commercial Offer | | |
| Industry Participation Plan | | |

9.3 Stages of Detailed Evaluation

The evaluation process consists of the following stages.

- Stage 1:** Evaluation of Shortlisted Responses
- Stage 2:** Clarification and Validation of Responses (if required)
- Stage 3:** Gather Further Evidence (if required)
- Stage 4:** Evaluation Report (Selection of Preferred Respondent (s))
- Stage 5:** BAFO process (if required)
- Stage 6:** Final Evaluation

9.4 Stage 1: Evaluation of Shortlisted Responses

The evaluation process will proceed by way of the Evaluation Team undertaking a qualitative assessment of each Shortlisted response in accordance with the process detailed in this section and the criteria detailed in the Appendix 1:

- Assessment of Project Risk;
- Evaluation of Respondent Capability;
- Evaluation of Project Specification (Technical Component);
- Evaluation of Commercial Offer (value for money);



- Evaluation of Alternative Services (where offered) by the Evaluation Team.

At its discretion, the Evaluation Team may also take into account other matters that become apparent during the evaluation, which are considered material to the assessment of the Shortlisted Responses.

9.4.1 Assessment of Project Risk

The Evaluation Team will undertake a further detailed risk assessment of Shortlisted Responses and make a determination whether each response satisfies the Evaluation Team in accordance with this Evaluation Plan. In determining the inherent level of risk, the Evaluation Team must consider both the nature of the proposed service detailed in the Offer and relevant factors relating to the Respondent itself.

The Evaluation Team will assess Responses to the following criteria and sub-criteria in accordance with the DPC Risk Management Procedure, with risk to be determined as Low, Medium, High or Extreme.

| Risk Evaluation Criteria | Part D Reference |
|--|---|
| Company Details | Schedule 1 |
| Statement of Compliance | Schedule 2 |
| Terms and Conditions (Schedule of Departures) | Schedule 3 |
| Litigation and legal | 5.7 (a), (b), (c) and (d) - 4 questions |
| Conflict of interest | 5.8 (a), (b) and (c) - 3 questions |
| Insurance | 5.9 (a) and (b) - 2 questions |
| Corporate structure | 5.3 (a) and (b) - 2 questions |
| Ability to achieve contract execution within required timeframes | - |

The Evaluation Team will also assess and identify any significant risks identified in the Responses to the other evaluation criterion.

9.4.2 Evaluation of Respondent Capability

In accordance with Appendix 1, the Evaluation Team will consider (amongst other things):

- Consortium structure and organisational experience
- Financial capacity and capability (of consortium members and any key subcontractors)
- Appropriateness and quality of key management systems

9.4.3 Evaluation of Project Specification

In accordance with Appendix 1, the Evaluation Team will consider the extent to which a Shortlisted Respondents' solution meets the technical requirements of the Project (including the extent to which it will meet the necessary performance requirements).

In particular the Evaluation Team will consider the appropriateness of the Shortlisted Respondents proposal for connection to the grid, including subcontracting arrangements and timing.

9.4.4 Evaluation of Commercial Offer (Value for money)

In accordance with the Evaluation Methodology, the Pricing section will be provided for analysis to the relevant Evaluator, who will in turn undertake an evaluation of all Responses to Schedule 10.

Key considerations in respect of the Commercial Offer will include:

- The commercial implications of proposed mark-ups to the Draft Agreements
- The total whole of life, risk adjusted cost of the proposal to the State including the competitiveness of capital, operating and maintenance costs, and taking into account:
 - the maximum monthly amount and profit share factor,
 - any potential financial implications of proposed amendments to the State's preferred risk allocation (including the allocation of key financial risks to the State),
 - the extent of delivery of desired scope of services and meeting of desired performance standards,
 - the proposed operation strategy of the battery, and the minimisation of network impacts that may otherwise result in additional costs to the State over the life of the contract
 - other value-add service offerings and/or commercial proposals.
- The deliverability, robustness and competitiveness of the proposed financing strategy, including:
 - The competitiveness / deliverability of proposed capital structure / funding terms,
 - The nature and extent to which firm funding commitments have been provided, and
 - The effectiveness of any performance security measures proposed

9.4.5 Industry Participation Policy (IPP)

The Submission of an IPP Plan is a mandatory evaluation. Key considerations in respect of the Industry Participation Policy will include:

- Growth strategies within South Australia
- Relocation of services and job creation in South Australia
- Investment strategy and commitments to South Australia
- Construction work packages and opportunities for South Australian contractors
- Risk of failure to deliver on relevant IPP commitments.

The IPP Plan will be assessed by those listed in Appendix 3 and will be evaluated in accordance with the criteria detailed above and given a score out of 100. At the detailed stage, the IPP Plan will also be assessed beyond just a 'score' and against its relative strengths and weaknesses in a merit based fashion, and accounting for areas of improvement and negotiation.

9.4.6 Evaluation of Alternative Services

As part of Stage 1, Alternative Services Responses will be identified and be assessed by the Evaluation Team in consideration of the specification of requirements and the State's overall objectives. A Respondent is not required to submit a Response for the Alternative Service to submit a compliant bid.

The Evaluation Team will assess each response against the same evaluation criteria as those nominated for non-alternative services. Specialist technical and financial advice will be sought as necessary.

The Evaluation Team will report its findings on each Offer in the Evaluation Report and may recommend incorporation of that service into negotiations with the preferred Supplier.

9.5 Stage 2: Clarification and Validation of Responses

There may be instances where the Evaluation Team requires clarification of information contained in a Response. If the Evaluation Team identifies a need for clarification, a clarification notice shall be approved by the Project Manager and forwarded to the Respondent via the Contact Person in writing and shall set a reasonable timeframe for the Respondent to reply.

The Respondent shall reply to the request for clarification in writing and within the specified time. All clarification questions asked of Respondents and the answers received during the evaluation period shall be recorded and retained for permanent record.

9.6 Stage 3: Gather Further Evidence (if required);

The Evaluation Team may undertake, subject to approval by the Project Governance Committee, any additional activities that it considers are required to inform its recommendation as to those Shortlisted Respondents that should be taken forward to the negotiation or BAFO stage.

These activities may involve site visits to confirm a Shortlisted Respondents capability, formal clarification requests, reference checking, presentations, additional pricing requests, discussions regarding contractual arrangements or other similar approaches.

The Evaluation Team will review outcomes of any activities undertaken as part of this Stage 3 and the scoring of Shortlisted Responses (e.g. evaluation outcomes of Stage 1: Evaluation of Responses) adjusted accordingly (if necessary) based on the outcomes of this Stage.

9.7 Stage 4: Evaluation Report (selection of Preferred Respondent(s))

An Evaluation Report will be prepared by the Project Manager in conjunction with the Evaluation Team summarising the findings of the Criterion Assessment Reports, and documenting all aspects of the evaluation process. The evaluation report shall:

- provide an outline of each Shortlisted Response, taking account of the features, costs and benefits offered by each Shortlisted Respondent;
- identify the Ratings attributed to each Shortlisted Respondent (and associated justification);
- identify the Preferred Respondent(s) (if any);
- identify and discuss the risk factors associated with the Preferred Respondent(s);
- identify whether some form of "Early Ordering Deed" is required;
- include any comments which any member of the Evaluation Team requests to be documented; and

- identify the proposed next steps of the procurement process i.e. recommend whether a BAFO process is required, or whether Preferred Respondent(s) should proceed to a further negotiation phase.

The Evaluation Report will be endorsed by the Evaluation Team and be submitted to the Project Governance Committee for endorsement, and DPC APU for approval.

9.8 Stage 5 and 6: BAFO and Final Evaluation (if required)

In required the State will undertake a BAFO process to resolve outstanding matters with one or more Shortlisted Respondents. The precise structure and timing of this process will be determined based on the circumstances at the time but is likely to include:

- Issuing of detailed instructions to the Preferred Respondents (in writing and/or via interactive discussions)
- The preparation and submission of a “final” offer by Preferred Respondents

Following receipt of final offer(s) the State will undertake a further evaluation to confirm the acceptability / selected a Respondent(s). This may include a final process of negotiation with one or more of the Preferred Respondents.

Early Ordering Deed

Where it is identified that Preferred Respondents require particular items or works to commence prior to 30 June 2017 (or such other date that is likely to fall before the execution of contracts) the State may seek to negotiate a separate agreement with Preferred Respondents such that those items or works can be ordered or undertaken in advance of executing the main Project Agreement. The terms of such an agreement will be negotiated subject to the specific circumstances at the time.

9.9 Scoring Methodology

In accordance with this evaluation methodology, the following scoring methodology will be used by the Evaluation Team to rate the Shortlisted Respondents:

| Rating | Description |
|-----------------|--|
| A: Excellent | Superior achievement of the Evaluation Criterion. Demonstrated strengths with few (if any) errors, risks, weaknesses or omissions. |
| B: Good | Sound achievement of the Evaluation Criterion. Some errors, risks, weaknesses or omissions that may be acceptable as offered. |
| C: Adequate | Some achievement of the Evaluation Criterion. Existence of errors, risks, weaknesses or omissions that can be corrected/overcome with minimal effort. |
| D: Poor | Minimal achievement of the Evaluation Criterion. Various errors, risks, weaknesses or omissions that are possible to correct / overcome. |
| E: Unacceptable | Negligible or no achievement of the Evaluation Criterion. Numerous errors, risks, weaknesses or omissions that are difficult to correct / overcome and make acceptable. |

Where a proposal has demonstrated achievement of the Evaluation Criterion which is considered to be in the upper reaches of the rating, but not of such a level so as to achieve the next rating, a “plus” may be applied.

Conversely, where a revised proposal has demonstrated achievement of the Evaluation Criterion which is considered to be in the lower reaches of the rating, but not of such a level so as to achieve the lower rating, a “minus” may be applied to the rating.

10. ENDORSEMENT

As a member of the Evaluation Team, I agree to keep all information and documents relating to this matter confidential and undertake not to disclose or communicate the same to any person or persons without the prior written consent of the Project Manager.

I agree to keep the results of this evaluation process confidential.

I declare to the best of my knowledge that neither I, nor any member of my immediate family, have any interest (pecuniary or otherwise) that could be construed as having any influence on the proper and objective performance by me of my duties in relation to this project.

I undertake to notify the Project Manager immediately in writing if prior to, or during the evaluation process, a conflict of interest arises or appears likely to arise.

I have read the Evaluation Plan and agree to abide by it.

Clause 6 (1)

Name

Title:

Date:

Name

Title:

Date:

Name

Title:

Date:



11. APPROVAL

Procurement Approval of Evaluation Plan:

Approved

Conditions related to approval:

.....
.....

Not approved

Clause 6 (1) [Redacted]

Clause 6 (1) [Redacted]

Signed:

Name:

Date: 07/06/2017



APPENDIX 1 - EVALUATION CRITERIA

| Criterion | Sub-Criteria | Reference | Evaluation Criteria | Evaluation Guidance | Type | Evaluator | Advisor |
|-----------------------|--|---|--------------------------------|---|-------------|--------------|---------|
| Project Risk | Company Details | Schedule 1 | See Scoring Methodology | | Risk | Clause 6 (1) | |
| | Statement of Compliance | Schedule 2 | | | Risk | | |
| | Terms and Conditions | Schedule 3 | | | Risk | | |
| | Litigation and legal | 5.7 (a), (b), (c) and (d) - 4 questions | | | Risk | | |
| | Conflict of interest | 5.8 (a), (b) and (c) - 3 questions | | | Risk | | |
| | Insurance | 5.9 (a) and (b) - 2 questions | | | Risk | | |
| | Corporate structure | 5.3 (a) and (b) - 2 questions | | | Risk | | |
| Respondent Capability | Consortium Arrangements | 5.1 (a) and (b) - 2 questions | See Scoring Methodology | <ul style="list-style-type: none"> Project team with appropriate skills / experience to deliver project Articulated roles, responsibilities and backup measures for project team | Comparative | | |
| | Sub-contractors | 5.2 (a) and (b) - 2 questions | | | Comparative | | |
| | Organisational Capacity | 5.4 (a) and (b) - 2 questions | | <ul style="list-style-type: none"> Established presence in SA / AUS Capacity to provide relevant services and skill sets to deliver the project | Comparative | | |
| | Organisational Experience | 5.5 (a), (b) and (c) - 3 questions | | <ul style="list-style-type: none"> Track record of delivering comparable projects in SA, AUS and overseas Established business presence, and known brand Reference checks for relevant, comparable projects | Comparative | | |
| | Financial Capability, Viability and Security | 5.6 (a), (b), (c) and (d) - 4 questions | | <ul style="list-style-type: none"> Sound financial position / equity backing Cash flows and capacity to fund the project No significant risks (legal, bankruptcy, M&A) that may impact capacity to deliver the project | Comparative | | |
| | Work Health and Safety | 6.1 (a), (b), (c) and (d) - 4 questions | | <ul style="list-style-type: none"> Appropriate management systems are established and applicable to the project | Comparative | | |
| | Quality System | 6.2 - 2 questions | | <ul style="list-style-type: none"> Appropriate management systems are established and applicable to the project | Comparative | | |
| | Risk Management | 6.3 (a) and (b) - 2 questions | | <ul style="list-style-type: none"> Appropriate management systems are established and applicable to the project Key project risks identified, and appropriate mitigations strategies | Comparative | | |



| | | | | | |
|-----------------------|--|---|--------------------------------|--|-------------|
| | | | | identified, actioned or implemented as appropriate | |
| | Management Information Systems | 6.4 - 1 question | | <ul style="list-style-type: none"> Appropriate management systems are established and applicable to the project | Comparative |
| | Contract and Account Management | 8.1 (a), (b), (c), (d), (e) and (f) - 6 questions | | <ul style="list-style-type: none"> Appropriately skilled and qualified contract manager, with track record in delivering comparable projects Broader project team / support staff capable of filling any short-comings and / or supporting CM to deliver project Understanding of project milestones, requirements etc. required to meet project timeframes (December 1) Project operational in accordance with State objectives Identification of opportunities to fast-track process to meet State's objectives | Comparative |
| | Environmental Management | 8.2 - 2 questions | | <ul style="list-style-type: none"> Appropriate management systems are established and applicable to the project | Comparative |
| Project Specification | Compliance with the minimum requirements of ITS Part B | 7.1 and 7.3 | See Scoring Methodology | <ul style="list-style-type: none"> Required power and energy storage capacities Demonstrated capability to implement required Facility functionalities Significance of any technical departures | Comparative |
| | Licensing and land access | 7.1 | | <ul style="list-style-type: none"> Ownership of land and status of access agreements Status of licencing, registrations and planning approvals identified | Comparative |
| | Siting | 7.1 and 7.3 | | <ul style="list-style-type: none"> Any constraints on charging / discharging Proximity to load centre(s) and Marginal Loss Factor (MLF) Other differentiating technical or non-technical risks or benefits with proposed site | Comparative |
| | Performance guarantees | 7.2 and 7.3.3 | | <ul style="list-style-type: none"> Adequacy of performance guarantees Any significant differentiations in Facility performance | Comparative |
| | Equipment adequacy and quality | 7.4 | | <ul style="list-style-type: none"> Adequacy of offered equipment to meet functional and performance requirements Quality of offered equipment Any significant differentiations in quality and performance of offered equipment | Comparative |
| | Operations and maintenance proposal | 7.3, 7.4.14 | | <ul style="list-style-type: none"> Adequacy of O&M proposal | Comparative |
| Commercial Offer | Maximum Monthly Amount | 10 | See Scoring Methodology | | Comparative |
| | Profit Share Factor | 10 | | | Comparative |
| | Operating Revenue and Expenditure | 10 (a, b, c and d) | | | Comparative |
| | Capital Expenditure | 10 (a and b) | | | Comparative |
| | Financing | 10 (a, b and c) | | | Comparative |
| | Knowledge Sharing | 10 (3 questions) | | | Comparative |



| | | | | |
|--|----------------------|-----------------|--|-------------|
| | Value Added Services | 10 (1 question) | | Comparative |
|--|----------------------|-----------------|--|-------------|



APPENDIX 2 – SOUTH AUSTRALIAN INDUSTRY PARTICIPATION POLICY PLAN ASSESSMENT TEMPLATE

PART 1: – ECONOMIC DEVELOPMENT

The purpose of this section is to provide a general question to help identify the overall potential economic benefit to South Australia of your tender

| | |
|------------------------------------|--|
| Clause 7 (1) (b), Clause 7 (1) (c) | Delivers overall excellent outcomes to support employment and economic development in South Australia. Strong demonstration of how the proposals support the implementation of the outcomes. |
| | Delivers overall very good outcomes to support employment and economic development in South Australia. Above average demonstration of how the proposals support the implementation of the outcomes. |
| | Delivers overall good outcomes to support employment and economic development in South Australia. Average demonstration of how the proposals support the implementation of the outcomes. |
| | Delivers overall acceptable outcome to support employment and economic development in South Australia Lower confidence rating for delivery. |
| | Delivers less than acceptable outcome to support employment and economic development in South Australia Some minor reservations of how the proposals support the implementation of the outcomes. |
| | No acceptable outcomes. Considerable reservations of how the proposals support the implementation of the outcomes. |
| | Clause 7 (1) (b), Clause 7 (1) (c) |



PART 2: – INVESTMENT – Clause 7 (1) (b),
Clause 7 (1) (c)

The purpose of this section is to assess how you will invest in South Australia

| | |
|------------------------------------|--|
| Clause 7 (1) (b), Clause 7 (1) (c) | <i>Demonstrates very large new investment in the State High alignment with State’s economic priorities. High confidence rating for delivery.</i> |
| | <i>Demonstrates significant new investment in the State. High confidence rating for delivery.</i> |
| | <i>Demonstrates new investment in the State Reasonable confidence rating for delivery.</i> |
| | <i>Demonstrates new investment in the State. Lower confidence rating for delivery.</i> |
| | <i>Demonstrates limited new investment in the State. Lower confidence rating for delivery.</i> |
| | <i>Little or no investment.</i> |
| | Clause 7 (1) (b), Clause 7 (1) (c) |

PART 3: WORK PACKAGES – Clause 7 (1) (b),
Clause 7 (1) (c)

The purpose of this section is to measure the potential economic benefit to South Australia through the build phase from sub-contracting

| | |
|------------------------------------|--|
| Clause 7 (1) (b), Clause 7 (1) (c) | Excellent opportunities for South Australia and SA SMEs from work packages providing |
| | Very good opportunities for South Australia and SA SMEs from work packages providing |
| | Good opportunities for South Australia and SA SMEs from work packages providing |
| | General but significant opportunities for South Australia and SA SMEs from work packages providing |
| | Inadequate opportunities |
| | Clause 7 (1) (b), Clause 7 (1) (c) |



APPENDIX 3 – KEY PROCUREMENT STAKEHOLDERS

The Project Governance Committee consists of the following individuals:

| Name | Agency |
|--------------|--------|
| Clause 6 (1) | |

The Evaluation Team consists of the following individuals:

| Name | Position and Agency | Responsibility |
|--------------|---------------------|----------------|
| Clause 6 (1) | | |

The following individuals are approved as Probity Advisors:

| Name | Position and Agency | Responsibility |
|--------------|---------------------|----------------|
| Clause 6 (1) | | |



APPENDIX 4 – ROLES AND RESPONSIBILITIES

The following are the key roles and responsibilities of the various stakeholders in this evaluation, noting these are not exhaustive lists.

The Evaluation Team and Project Manager will:

- maintain probity;
- evaluate the Respondent's Responses;
- Seek and evaluate clarification;
- assess the risk and determine risk management strategies;
- identify issues for further review;
- maintain appropriate administrative arrangements and procedures;
- ensure the appropriate management of records;
- maintain an appropriate audit trail;
- obtain the required approvals; and
- debrief unsuccessful Respondent(s) if necessary.

The Project Manager, In addition to the responsibilities outlined above, will also:

- manage the conduct of the evaluation;
- resolve differences;
- maintain momentum and ensure timeframes are met;
- report on matters associated with the evaluation;
- coordinate preparation of the Evaluation Report and Purchase Recommendation;
- assemble the Evaluation Team;
- ensure compliance with the State Procurement Board's Probity and Ethical Procurement Guideline;
- coordinate specialist advice (e.g. Financial, Transition, Legal, Probity, Security, etc);
- coordinate clarification or validation correspondence;
- Prepare Evaluation Report(s);
- draft other reports as required;
- arrange administrative support to the Evaluation Team;
- hold responsibility for managing the procurement process to time and budget;and
- hold responsibility for all document management and security.

The Project Governance Committee is responsible for the review of the Evaluation Report/s to:

- ensure that the evaluation of Responses, (including any divergence in the opinion of Evaluation Team members regarding the assessment), is consistent with the methodology set out in this Evaluation Plan;

- ensure the conduct of evaluations has been consistent with the requirements of the Probity Plan; and
- advise the Evaluation Team, where necessary, to undertake further work in relation to the assessment of Responses or other aspects of the evaluation process, where the Project Governance Committee believes the Evaluation Team has deviated from the required process.
- endorse the Evaluation Report;

The Probity Advisor/s will:

- review this Evaluation Plan and Evaluation Report(s);
- observe, in the Evaluation Team meetings (as required);
- notify the Project Manager of any probity risks or issues; and
- provide specific probity advice to the Project Manager on request.