

4.12 DEFENCE UNSOLICITED PROPOSALS

INTRODUCTION

- 1 This chapter applies to all unsolicited promotional products offers (UPPO) and unsolicited innovative proposals (UIP) received by Defence and the Defence Materiel Organisation (DMO).
- 2 Further information on UPPOs and UIPs can be obtained from either the DMO Industry Division website <http://intranet.defence.gov.au/dmoweb/Sites/ID/comweb.asp?> or the Defence internet site <http://www.defence.gov.au/dmo/id/ic/dupg.cfm?media=print>.

MANDATORY POLICY

- **To be considered under the Unsolicited Innovative Proposal (UIP) Scheme, a proposal must:**
 - **use the UIP template;**
 - **present an innovative solution that has the potential to enhance Defence capability, business processes or utilisation of resources or assets;**
 - **not be covered by existing procurement or research activities being undertaken by Defence;**
 - **not consist of subject-matter that has been developed or otherwise brought into existence during the course of employment with the Commonwealth or under an existing contract with the Commonwealth unless the contract expressly grants the UIP proposers the right to deal with the subject matter in this way;**
 - **be signed by the proposer or, if the proposer is a company, a person with appropriate authority to represent the company;**
 - **be supported by sufficient information to permit a ‘proof of concept’ evaluation and an evaluation of all aspects in the proposal; and**
 - **be accompanied by a signed undertaking in the format of the Defence Unsolicited Innovative Proposals Undertaking.**
- **All UIPs that have been submitted through alternative channels within Defence must be redirected to the Capability and Technology Demonstrator (CTD) Program Office.**

OPERATIONAL GUIDANCE

BACKGROUND

- 3 Defence receives a large number of unsolicited proposals from industry and individuals each year. These proposals range from promotional offers of basic goods and services including Commercial-off-the-Shelf (COTS) products, through to innovative proposals offering capability, business processes or resource utilisation enhancements.

Benefits to Defence and Industry

- 4 The contribution from industry towards the development of leading-edge Defence technologies and a sustainable Defence industry base has been recognised as a vital component in our national security.
- 5 The UPPO and UIP schemes provide industry and potential suppliers with an avenue to submit

unsolicited proposals to Defence for assessment. These schemes provide Defence with enhanced opportunities to achieve value for money outcomes through better exploitation of industry capability and know how.

DEFINITION OF UPPO AND UIP

- 6 Unsolicited proposals received by Defence will be processed as either a UPPO or a UIP.
- 7 A UPPO is a submission made by industry, or an individual, to promote one or more of their products or services to Defence.
- 8 UIP are proposals that put forward an innovative solution that has the potential for Defence capability, business processes or resource utilisation enhancements. They offer an innovation to Defence and are not standard commercially available products or services.

SUBMITTING UNSOLICITED PROMOTIONAL PRODUCTS OFFERS (UPPO)

- 9 All UPPOs should be formally submitted by post to the DMO Business Access Office Network (DMO BAO Network) at the following address:

Administrative Officer
DMO Business Access Office Network
Defence Plaza – Level 25
270 Pitt Street
SYDNEY NSW 2000
- 10 Each UPPO submission requires either a detailed covering letter or completion of the UPPO Information template. The UPPO Information template can be downloaded from Defence internet site <http://www.defence.gov.au/dmo/id/ic/dupg.cfm?media=print>. The UPPO submission should contain a summary of the company including: details of the company's history and capabilities; any major clients (including any Defence work the company has undertaken); and identification of potential Defence end-users by describing how the company envisions their item/s would be used in a diverse organisation such as Defence.
- 11 The UPPO submission should also contain relevant promotional information (brochures, pamphlets, and reports), samples or pictures of the capability and detailed written information on the product's applications.
- 12 UPPO proposers may call 1800 621 783 (toll free) to speak to their local Business Access Office (BAO) for advice and guidance on the submission process.

PROCESSING UNSOLICITED PROMOTIONAL PRODUCTS OFFERS (UPPO)

- 13 UPPO submissions received by the DMO BAO Network will be processed according to the demand for the product or service within Defence. If there is a standing arrangement for a product or service similar to the one submitted in the UPPO, a letter to this effect will be forwarded to the UPPO proposer to inform them that Defence does not have a current requirement for their capability. If the UPPO is very general and no one point of contact can be located for the proposal, a letter to this effect will be forwarded to the UPPO proposer to inform them that there is no point of contact within the Defence Organisation for their capability.
- 14 If a need for the product or service specified in the UPPO submission is identified, the DMO BAO Network will identify the appropriate area(s) within Defence to forward the UPPO submission. The UPPO proposer will receive a letter to inform them that their submission has been forwarded.
- 15 Areas in Defence that receive UPPO submissions from the DMO BAO Network should contact the UPPO proposer in a timely manner to discuss the submission, regardless of their interest in the product. The receiving area should contact the DMO BAO Network by email or post within one calendar month of receiving the UPPO, to report on the action taken with the

submission. If the DMO BAO Network does not receive feedback it will follow up to prompt action.

- 16 In submitting products and services to Defence under the UPPO Scheme, companies need to recognise that the UPPO Scheme only ensures that Defence will consider, not necessarily purchase, the offered products or services.

SUBMITTING UNSOLICITED INNOVATIVE PROPOSALS (UIP)

- 17 UIP proposers should read *The Defence Unsolicited Innovative Proposals Scheme - Guidelines for Proposers* (the Guidelines) in conjunction with the Defence Unsolicited Proposals Policy, which can be accessed from the Industry Resources area of the Defence Materiel Organisation website at <http://www.defence.gov.au/dmo/id/ic/dupg.cfm>.
- 18 Part A of the Guidelines provides detailed advice to UIP proposers in relation to the preparation and submission of UIPs to Defence. Part B of the Guidelines describes the Code of Practice that will be applied by Defence for the handling of the submission during the evaluation of UIPs.
- 19 To be considered under the UIP Scheme, a proposal must:
- use the UIP template;
 - present an innovative solution that has the potential to enhance Defence capability, business processes or utilisation of resources or assets;
 - not be covered by existing procurement or research activities being undertaken by Defence;
 - not consist of subject-matter that has been developed or otherwise brought into existence:
 - (a) during the course of a proposer's employment with the Commonwealth; or
 - (b) under an existing contract with the Commonwealth unless that contract expressly grants the proposer rights to deal with the subject-matter in this way;
 - signed by the proposer or, if the proposer is a company, a person with appropriate authority to represent the company;
 - supported by sufficient information to permit a 'proof of concept' evaluation and an evaluation of all aspects in the proposal; and
 - accompanied by a signed undertaking in the format of the Defence UIP Undertaking.
- 20 The UIP Scheme operates within the Capability and Technology Demonstrator (CTD) Program Office of the Defence Science and Technology Organisation (DSTO). Proposals should be directed to:
- Manager UIPs
 Capability and Technology Demonstrator Program Office
 Defence Science & Technology Organisation
 Department of Defence
 F2-1-099
 24 Fairbairn Ave
 FAIRBAIRN ACT 2600
- 21 All UIPs that have been submitted through alternative channels within Defence must be redirected to the CTD Program Office.
- 22 UIP proposers should submit one signed original, two paper copies and one electronic copy of the proposal. Proposers may submit additional material, a revised edition, or withdraw a UIP proposal by sending a request to the Manager UIPs. The request should clearly identify the

original proposal by title, date of submission and the reference number assigned in the letter of acknowledgment sent out by the Manager UIPs.

- 23 Since the submission of proposals under the UIP Scheme is voluntary, UIP proposers are responsible for any costs incurred in the preparation and submission of proposals. UIP proposers are also responsible for any subsequent costs incurred when submitting additional information that may be requested to clarify issues during the evaluation process.

EVALUATING AN UNSOLICITED INNOVATIVE PROPOSAL (UIP)

- 24 Defence personnel with appropriate skills and expertise will evaluate proposals against the relevant criteria under a three-stage process: Preliminary, Intermediate and Final Evaluation.

Preliminary Evaluation Stage

- 25 A preliminary evaluation will be conducted by the Manager UIP, in consultation with other relevant Defence personnel, to verify that the proposal meets the requirements for consideration under the UIP Scheme.
- 26 The proposer will be advised of the outcome of the Preliminary Evaluation Stage as soon as reasonably practicable. Where a proposal is declined, the proposer will be advised in writing of the reasons for that assessment. Proposals may be forwarded to another appropriate scheme or program within Defence, such as the UPPO Scheme. Proposals that are declined can be amended and resubmitted.

Intermediate Evaluation Stage

- 27 An intermediate evaluation will be conducted to determine whether the proposal is sufficiently innovative to justify further consideration under the Final Evaluation Stage. Where a Proposal is declined, the proposer will be advised of the reasons for that assessment.

Final Evaluation Stage

- 28 The final evaluation will be conducted by Defence personnel with the expertise to assess if the proposal is of sufficient merit to be included in future Defence capability planning.
- 29 If a proposal is successful under the UIP Scheme, responsibility for progressing it will be transferred to a relevant area within Defence. Once transferred the proposal enters Defence capability planning and must compete against other proposed solutions to receive portfolio approval and funding. Proposers should note that the success of a proposal under the UIP Scheme does not represent a commitment by Defence to enter into contract or a sole source procurement process.
- 30 Where a proposal is declined, the proposer will be advised of the reasons for that assessment. If requested, Defence will provide a debrief to the proposer where a proposal is found to be unsuccessful after the Final Evaluation Stage. The maximum evaluation time from receiving a proposal to notifying the proposer of the outcome is six months.

REASONS FOR DECLINING AN UNSOLICITED INNOVATIVE PROPOSAL (UIP)

- 31 A UIP may be declined at any stage of the evaluation process for reasons, including but not limited to, the following:
- if the proposal includes broad concepts or ideas with insufficient detail to allow proper evaluation;
 - if the proposal is only an inquiry regarding Defence's interest into research areas;
 - if the proposal is pre-proposal exploration;
 - if the proposal is only an inquiry regarding general technical issues;
 - if the proposal is only research descriptions or suggestions;

- if the proposal is for known Defence requirements that are currently being acquired or approved under Defence capability planning;
- if the proposal is for commercially available items that can be obtained by the general public;
- if the proposal is advertising material primarily designed to inform Defence of a proposer's present or potential products and services;
- if the proposal contains concepts, suggestions or ideas presented to Defence by a proposer who is not prepared to pursue a future contractual arrangement with Defence;
- if the proposal is for inventions or discoveries that have been formally registered and the owner is not willing to provide a licence to Defence;
- if the proposal seeks grants or awards from Defence for independent development by the proposer whether inside or outside the scope of future Defence capability planning;
- if the proposal is provided as an alternative tender, i.e. an imaginative, novel or alternative solution offered in response to recent, current or imminent advertised invitations to tender;
- if there is no Defence need for the equipment or service;
- if the proposal is a related procurement or research activity with Defence that is already in progress;
- if the proposal is not competitive or affordable against solutions in future Defence capability planning;
- if the proposal is not new, because the suggestions or ideas are already in the public domain or are already known to Defence; and
- if there is insufficient information to properly assess the proposal after reasonable steps have been taken to obtain clarification from the proposer.

PROTECTION OF CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY

- 32 All information provided in an unsolicited proposal will be treated as confidential unless the information:
- is already in the public domain;
 - is already known to Defence and is not restricted in use; or
 - is required to be disclosed by law, or statutory or portfolio duties, including disclosure to Parliament and its committees.
- 33 Defence should liaise with the proposer prior to disclosing any confidential information in a proposal to a party outside of Defence. In order to ensure information within a proposal is appropriately protected, proposers are encouraged to clearly mark all confidential elements of their proposals.
- 34 Dependent on the nature of the information contained in a proposal, Defence may accord a national security classification to the proposal. Proposals that are assigned a national security classification will be handled in accordance with relevant Defence security policies.

PROCUREMENT OF AN UNSOLICITED PROPOSAL

- 35 Where a decision is made, following the evaluation process, to procure the goods and/or services proposed by an unsolicited proposal, consideration must be given to the most appropriate method of procurement to be adopted in accordance with the requirements of the *Commonwealth Procurement Guidelines* (CPGs) and the policy contained in the DPPM. For further guidance on the requirements for sole source procurement, refer to chapter 4.7.

- 36 The Procurement Approver delegate is responsible for ensuring that the selected method of procurement accords with existing Commonwealth and Defence policy (see chapter 1.4 for further information).

AUDIT REQUIREMENTS

- 37 Those areas in Defence which have been allocated responsibility for a proposal must maintain a central record of all UPPOs and UIPs received. Additionally, Defence will publish an annual report on the DMO website listing the numbers of UIPs received and how they have been dealt with.

UNSOLICITED PROPOSALS HELP DESK

- 38 For all enquiries relating to unsolicited proposals, please contact the Business Access Office toll free on 1800 621 783.

KEY REFERENCES:

- *Commonwealth Procurement Guidelines, December 2008*
- *Defence Unsolicited Innovative Proposal Scheme: Guideline for Proposers* is available at: <http://www.defence.gov.au/dmo/id/ic/dupg.cfm>
- *DMO Industry Division website:* <http://intranet.defence.gov.au/dmoweb/Sites/ID/comweb.asp>