



Australian Government
Department of Defence
Estate and Infrastructure Group

NEGOTIATION PLAN

PROJECT [INSERT PROJECT NUMBER]
[INSERT PROJECT NAME]
CONSTRUCT ONLY/DESIGN AND CONSTRUCT

PROJECT SPONSOR:	DEWPO
PRETENDER ESTIMATE:	\$0,000,000
TENDERER PRICE:	\$0,000,000
PREFERRED TENDERER:	\$0,000,000

Executive Review and Approval

ENDORSED BY:

I have reviewed and endorse/do not endorse this Negotiation Plan in accordance with DEQMS.

Name:

Sign:

Position:

Date: Contact Details:

APPROVED BY:

I approve/do not approve this Negotiation Plan in accordance with DEQMS.

Name:

Sign:

Position:

Date:

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NEGOTIATION PLAN FOR PROJECT [INSERT PROJECT NUMBER]

REFERENCES

- A. Tender Evaluation Board Report (and associated approval)

PURPOSE

1. This negotiation plan details:
 - a. Objectives;
 - b. Proposed negotiation team and responsibilities;
 - c. Location and timings;
 - d. Rules of participation and conduct;
 - e. Conflict of Interest;
 - f. Negotiation Items, including minimum and desired positions;
 - g. Boundaries of negotiations;
 - h. Confidentiality of negotiations;
 - i. Reporting and capture of negotiation outcomes;
 - j. Approval of outcomes.

BACKGROUND

2. The Program Facilities Acquisition Strategy (PFAS) and Program Tender Plan (PTP) for this procurement was approved via version [insert version number and year], approved on [insert date]. The PFAS/PTP approved a procurement method via an [insert procurement method]. In accordance with this approval a Request for Tender (RFT) for [project number] was released via AusTender on [insert date] and closed on [insert date].

3. The Tender Evaluation Board (“Board”) was held on [insert date] after all Board Members had carried out an individual assessment of the registrations in accordance with the requirements of the approved PTP.

4. [Insert reasons why negotiations are occurring]

5. The price offered by [insert preferred tenderer], in comparison to the pre-tender estimate, including technical worth is summarised below:

Company	Lump Sum (ex PC Sum) (ex GST)	Technical Worth	Proposed Agreed Damages Rate (ex GST per day)
[Insert name]	\$000,000	0.0%	\$0
Pre-tender estimate	\$000,000		

6. [Insert commentary around pricing evaluation of the preferred tenderer. Notes could include;

- a. Comparison to pre-tender estimate
- b. Comments from Design Consultant
- c. Budget allocation]

TENDER RISK ASSESSMENT / CONFLICT AND MITIGATION STRATEGIES

7. After completing a risk assessment on St Hilliers their risk profile is outlined below;

Company	Technical Worth	Price (ex GST)	Risk Rating
[Insert name]	0.0%	\$000,000	[Insert rating]

8. Risks involved in the outcome or during negotiations include;
- [Insert risk/s]

OBJECTIVES

9. [Insert items to be negotiated]

PROPOSED NEGOTIATION TEAM

10. The proposed negotiation team is outlined below.

Responsibility	Title
Chair (as required)	[Insert Name]
Member	[Insert Name]
Member	[Insert Name]

LOCATION AND TIMINGS

11. The negotiations will either take place in person at [Address]; this meeting is expected to take approximately [insert duration].

12. If a face-to-face meeting is not feasible, a teleconference will be organised for key personnel to dial-in and discuss this project. A teleconference is also expected to last for [insert duration].

13. The exact time and date of the negotiations will be confirmed once the preferred tenderer has been advised of the opportunity to commence negotiations.

RULES OF PARTICIPATION AND CONDUCT

14. Upon approval of this negotiation plan, the Preferred Tenderer is to be advised of the approved dates and timings of the negotiations in writing. Once the timings for negotiations have been accepted by the Preferred Tenderer, an agenda for each session/day detailing the topics for negotiation must be provided to them to allow for sufficient preparation time.

15. The Chair is responsible for ensuring that the objectives of the negotiations are met and the rules for negotiation, as detailed in this plan, are followed.

16. It is the responsibility of the nominated Secretary/Scribe to capture all negotiated outcomes in minute format and provide to all members of both teams (Defence and the Preferred Tenderer) for concurrence.

17. All team members are to be present at all negotiating sessions, unless they have been given an 'as required' status.

18. It is the Chair's responsibility to determine which advisers are required to attend each negotiating session and notify those advisers of the session's details.

19. Between negotiating sessions, members of the negotiating team are to consult sufficiently with their advisers to ensure that matters of concern are addressed quickly to allow them to discharge their responsibility in respect of the project.

20. The Chair will obtain prior to negotiations, appropriate delegate authority to allow the Commonwealth to commit to appropriate negotiated outcomes as they occur.

21. Negotiation team members and advisers are authorised to provide advice on behalf of the head of their functional area. It is the Chair's responsibility to ensure that the nominated adviser has been granted this authority.

22. An agenda covering each session/day will be promulgated to all parties prior to commencement of the session. This agenda should also be communicated to the Preferred Tenderer. Sufficient time should be allowed for preparation by all parties.

23. During negotiation sessions, the Chair must ensure that comments are confined to the particular agenda item/matter being addressed. Comments on other matters should be communicated privately to the Chair and added to the agenda, as appropriate.

24. The negotiating team and advisers must exercise the utmost discretion in accepting hospitality from the Preferred Tenderer or its representative. The negotiation team should guard against accepting hospitality that may later become the subject of criticism.

CONFLICT OF INTEREST

25. Negotiation team members/advisers must notify the Chair of any possible conflict of interest.

NEGOTIATION ITEMS

26. The item to be negotiated is detailed below:

Negotiation Point	Minimum and Desirable Outcome
[Insert Item]	[Insert minimum and desired outcome].

27. The negotiated team will ensure that the revised Contract price does not impact on scope or project quality.

28. Negotiation may impact on the timeframe however, outcomes require finalisation prior to the end of this financial year, with a proposed date no later than [insert date] to enable mobilisation to site.

29. Augility holds a strong position for negotiations with [Company Name]:

- [Insert reasons why the company is being negotiated with: e.g. They are historically successful in the delivery of EWP projects]

30. [Insert savings that will be made, if any]

BOUNDARIES OF NEGOTIATIONS

31. The negotiation team, including the Chair, does not have the authority to:

- a. Deviate from Commonwealth policies; and
- b. Override any of the standard Contract clauses.

CONFIDENTIALITY OF NEGOTIATIONS

32. The negotiations and associated papers are to be treated as Commercial-in-Confidence.

REPORTING AND CAPTURE OF NEGOTIATION OUTCOMES

33. At the conclusion of negotiations, the Chair will prepare, either:

- a. A Financial Submission recommending Contract Award; or

- b. A negotiation report with a recommendation to either approach the second preferred tenderer or reconsider the contracting strategy and re-tender the opportunity.

34. The submission/report will detail the negotiated outcomes and any significant differences with the minimum and maximum preferred positions highlighted above. Only where value for money and the minimum preferred positions have been achieved will the Chair recommend Contract Award. Where a minimum preferred position has been replaced with an appropriate 'trade-off', the value for money justification for this proposal must be adequately represented in the submission/report.

APPROVAL OF OUTCOMES

35. Where a financial submission recommending contract award has been approved, a Contract can be executed by the relevant delegate in accordance with the Capital Facilities and Infrastructure Branch Business Rule on Financial Delegations.

36. Alternatively, where contract award is not recommended due to negotiation outcomes being unsatisfactory, a negotiation report may be developed recommending and seeking executive review and approval of an appropriate way forward.

[Name of Chairperson]

[Title]

[Date]

ANNEXES

- A. Draft Negotiation Agenda

- B. Supporting Negotiation information
 - a) Approved PFAS/PTP
 - b) PWC Approval
 - c) Tender Clarification

**ANNEX A TO
NEGOTIATION PLAN**

DRAFT NEGOTIATION AGENDA

Date/Time	Agenda Item

**ANNEX B TO
NEGOTIATION PLAN**