**Evaluation panel recommendation template**

**$100,000 and above**

Agency instructions

* This template is intended for procurements valued from NZ$100,000 upwards.
* Your agency may customise this template to reflect its practice and requirements – especially the approvals section.
* When customising, consider including user instructions like the example given below. Note that the yellow highlighted areas throughout this example and the remainder of the document specify where to customise.

Example of user instructions

* This template is intended for any procurement valued from NZ$100,000 upwards.
* The evaluation panel recommendation records the panel’s deliberations and is signed by all members of the panel. It:
* lists the bids received
* explains how bids were evaluated
* records scores and the panel’s critique of each bid
* records due diligence findings
* ranks bids in order of preference
* identifies the recommended supplier.
* Completing an evaluation panel recommendation is part of informed decision making. It also:
* provides assurance that the evaluation has been carried out as planned and to appropriate probity standards
* is essential in demonstrating sound decision making
* records important information that will be used in your supplier debriefs.
* An evaluation panel recommendation [choose: should / must] be completed and approved before initiating negotiations with the recommended supplier. You will need approvals from:
* E.g. procurement manager confirms the plan meets your agency’s requirements
* E.g. project sponsor gives authority to proceed to negotiations with a view to contract.
* If you would like assistance in preparing your plan, or a constructive peer review of your draft, please contact [enter contact details for the procurement team].

|  |
| --- |
| [Insert agency logo] |

[Name of agency]

Evaluation panel recommendation

[Name of procurement project]

|  |
| --- |
| Document development control |
| Prepared by: |  |
| Position / title: |  |
| Business unit: | [Insert: business division or group] |
| Document version: | 1.0 |
| Date of last revision: |  |
| Status: | [Choose: draft / final for peer review / final for approvals / final as approved] |

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**Acronyms**

The following acronyms are used in this document.

|  |  |
| --- | --- |
| Acronym | Term |
| [Insert: e.g. ROI | Registration of interest] |
| [Insert: e.g. RFP | Request for tender] |
|  |  |
|  |  |
|  |  |
|  |  |

**Approvals**

Recommendation endorsement

|  |
| --- |
| The voting members of the evaluation panel |
| Approval that all bids were evaluated as planned. Endorse the panel recommendation/s. |
| Name: | Position / title: | Signature: | Date: |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

Approval of the evaluation panel recommendation

|  |
| --- |
| Chair of the evaluation team |
| **Approval:** | The evaluation of bids has been carried out as planned and the ranking of suppliers accurately reflects the panel’s conclusions. |
| **Name:** |  |
| **Position/title:** |  |
| **Signature:** |  | **Date:** |

Acceptance of the recommendation and authority to negotiate

|  |
| --- |
| Project sponsor / business owner |
| **Approval to:** | Accept the panel recommendation/s and proceed to negotiate with the recommended supplier with a view to contract. ***OR*** Reject the panel’s recommendation/s. |
| **Name:** |  |
| **Position/title:** |  |
| **Signature:** |  | **Date:** |

**Summary**

|  |
| --- |
| Background |

This evaluation panel recommendation builds upon the business case [insert name] dated [insert date] with document reference [insert] and procurement plan dated [insert date] with document reference [insert].

|  |
| --- |
| What we are buying and why |

* This Recommendation relates to the purchase of [insert].
* The key objective of the procurement is [insert].
* The outcomes that the procurement aims to achieve are [insert].

**Requirements**

|  |
| --- |
| Our requirements |

* In summary we require to procure [insert].
* A detailed statement of our requirements is contained in *Appendix 1.*

|  |
| --- |
| Contract dates |

* We require the contract to start by [insert start date].
* The initial term will be [insert] years and the contract is due to expire on [insert date].
* There is an option to extend the contract term by [choose: one / two / three] years. This may be subject to negotiation.

**Evaluation panel**

A cross-functional team of participants was involved in the evaluation of bids and recommending the supplier.

**Non-voting members**

|  |  |  |
| --- | --- | --- |
| Role  | Name | Organisation |
| **Chair of evaluation panel:** |  |  |
| **Official liaison officer:** |  |  |
| **Financial analyst:** |  |  |
| **Legal advisor:** |  |  |
| **Probity auditor:** |  |  |

**Voting members**

|  |  |  |
| --- | --- | --- |
| Representative/s | Name | Organisation |
| **Business group/owner:** |  |  |
| **User group/beneficiary:** |  |  |
| **Subject matter expert:** |  |  |

**Evaluation methodology**

|  |
| --- |
| Evaluation method |

* The evaluation model that was used is [choose: lowest price conforming / simple score / weighted attribute (weighted score) / target price / Brook’s Law].
* Price was a weighted criterion. ***OR***
* Price was not a weighted criterion. Instead price was taken into account in determining overall value for money over the whole-of-life of the contract. A two-envelope process was used and suppliers’ pricing was only opened once a criterion scoring was completed.

|  |
| --- |
| Evaluation criteria and weightings |

Each supplier must meet the all of the following pre-conditions before its bid was considered for evaluation on its merits.

**Preconditions**

|  |  |
| --- | --- |
| 1. | E.g. Supplier must hold a current practicing certificate from the New Zealand Law Society. |
| 2. | E.g. Supplier must hold current professional indemnity insurance valued at $5m. |

Having met all of the preconditions, qualifying bids were evaluated on their merits using the following evaluation criteria and weightings.

Please note that this model includes price as a weighted criterion.

**Evaluation criteria**

|  |  |
| --- | --- |
| Criterion | Weighting |
| 1. **Technical merit (fit for purpose)**
 | 40% |
| e.g. Degree to which good/services meet or exceed requirements |  |
| e.g. Quality of goods/services |  |
| e.g. Degree of innovation |  |
| e.g. Level of risk |  |
| 1. **Capability of the supplier to deliver**
 | 30% |
| e.g. Supplier’s size, structure and annual turnover |  |
| e.g. Track record in delivering similar goods/services |  |
| e.g. Understanding of the requirements |  |
| e.g. Operational and financial systems to manage delivery |  |
| 1. **Value for money (based on whole-of-life cost)**
 | 30% |
| e.g. Total costs over whole-of-life |  |
| e.g. Other benefits |  |
| Total weightings | 100% |

In evaluating suppliers’ bids against the criteria, the panel used the following rating scale.

**Rating scale**

|  |  |  |
| --- | --- | --- |
| Description  | Definition  | Rating |
| **Excellent**  | Exceeds the requirement. Exceptional demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence. | **9-10** |
| **Good** | Satisfies the requirement with minor additional benefits. Above average demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence. | **7-8** |
| **Acceptable** | Satisfies the requirement. Demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with supporting evidence. | **5-6** |
| **Minor reservations** | Satisfies the requirement with minor reservations. Some minor reservations of the supplier’s relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence. | **3-4** |
| **Serious reservations**  | Satisfies the requirement with major reservations. Considerable reservations of the supplier’s relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence. | **1-2** |
| **Unacceptable** | Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the supplier has the ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence. | **0** |
| Innovation |

* The agency did not accept alternative proposals. ***OR***
* The agency did accept alternative proposals. Alternative proposals were received from the following suppliers:

1)

2)

|  |
| --- |
| Due diligence |

The following verification matrix was used as part of the evaluation and due diligence process. The table shows how elements of the criteria were verified by the panel.

**Verification table**

|  |  |
| --- | --- |
| Evaluation & due diligence options | Criteria |
| Fit for purpose | Ability to deliver | Value for money |
| Written offer / tender documents | ✓ | ✓ | ✓ |
| Buyer clarifications of offer | ✓ | ✓ | ✓ |
| Reference checks | ✓ | ✓ | ✓ |
| Interview | ✓ | ✓ |  |
| Presentation | ✓ | ✓ |  |
| Site visit | ✓ | ✓ | ✓ |
| Product testing | ✓ |  |  |
| Audited accounts |  | ✓ |  |
| Credit check |  | ✓ |  |
| Companies office check |  | ✓ |  |
| Accepts proposed conditions of contact |  | ✓ |  |
| Police / security check |  | ✓ |  |

**Bids from suppliers**

|  |
| --- |
| Bids received |

**Suppliers that have bid for this contract**

|  |  |  |
| --- | --- | --- |
| Name of supplier | Met procedural requirements | Met mandatory conditions |
|  | Yes / No | Yes / No |
|  | Yes / No | Yes / No |
|  | Yes / No | Yes / No |
|  | Yes / No | Yes / No |
|  | Yes / No | Yes / No |

**Suppliers not shortlisted**

|  |  |
| --- | --- |
| Name of supplier | Reason for not shortlisting |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
| Summary of evaluation |

**Suppliers shortlisted for evaluation**

|  |  |  |  |
| --- | --- | --- | --- |
| Name of supplier | Overall score | Total price | Overall vfm ranking |
|  |  | $[amount] GST excl |  |
|  |  | $[amount] GST excl |  |
|  |  | $[amount] GST excl |  |
| Summary of strengths and weaknesses |

**Summary of each short-listed supplier’s relative strengths and weaknesses**

|  |  |  |
| --- | --- | --- |
| Name of supplier | Strengths | Weaknesses |
|  |  |  |
|  |  |  |
|  |  |  |

**Due diligence**

|  |
| --- |
| Summary of due diligence |

**Due diligence for shortlisted suppliers**

|  |  |
| --- | --- |
| Name of supplier | Nature of due diligence and results |
|  |  |
|  |  |
|  |  |
| Additional process |

Please explain what additional process was undertaken during the evaluation – if any. For example:

* following the evaluation of merits each short listed supplier was invited to attend an interview with the panel
* the panel also requested site visits to short listed suppliers’ premises.

**Panel recommendation**

|  |
| --- |
| Recommended supplier |

* The panel recommends [insert name of supplier] as representing the best value-for-money over the whole-of-life. The panel recommends that the agency enter into negotiations with the recommended supplier with a view to contract.
* This recommendation is subject to [list any outstanding due diligence].
* This decision is based on [summarise the reasons why the panel recommends this supplier. Include analysis of e.g. ability to meet the criteria, relative price, acceptance of conditions of contract and delivery time - where relevant.]
* *[Optional]* In the event that the agency is unsuccessful in negotiating a contract with the recommended supplier the panel recommends [insert name of second ranked supplier] as the second ranked supplier.

|  |
| --- |
| Recommended supplier’s contract price |

The recommended supplier has offered a contract price of $[insert] exclusive of GST.

**Breakdown of proposed contract price**

|  |  |  |  |
| --- | --- | --- | --- |
| Acquisition | Year 1 |  |  |
| Initial purchase price | $ |  |  |
| Delivery | $ |  |  |
| Installation | $ |  |  |
| Training | $ |  |  |
| Operating costs | Year 1 | Year 2 | Year 3 |
| Consumables | $ | $ | $ |
| Parts | $ | $ | $ |
| Labour | $ | $ | $ |
| Maintenance | $ | $ | $ |
|  | Year 1 | Year 2 | Year 3 |
| Totals | $ | $ | $ |
| Total price  | $ |
| Whole-of-life costs |

In addition to the contract price further costs have been incurred pre-acquisition and will be incurred on disposal of the asset. These costs are factored into the calculation of the whole-of-life costs.

**Whole-of-life calculation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Pre-acquisition | Pre-acquisition |  |  |  |
| Design & specification | $ |  |  |  |
| Expert advice | $ |  |  |  |
| Legal services | $ |  |  |  |
| Disposal |  | Disposal |  |  |
| Decommissioning |  | $ |  |  |
| Removal |  | $ |  |  |
| Disposal costs |  | $ |  |  |
|  | Pre-acquisition | Disposal | Contract price | Total costs |
| Totals | $ | $ | $ | $ |
| Less residual value on disposal | $ |
| Total costs over whole-of-life | $ |

**Whole-of-life capital and operational costs**

|  |  |  |
| --- | --- | --- |
| Financial year | Amount | Funding type |
| 2014/15 | $[amount] GST excl | opex / capex |
| 2015/16 | $[amount] GST excl | opex / capex |
| 2016/17 | $[amount] GST excl | opex / capex |
| Budget approval |

Budget approval for the total costs over whole-of-life has been given by [insert name of officer holding delegated authority who has approved the budget] on [insert date]. This approval is up to a maximum spend of [$insert] over [insert number of years].

**Negotiation recommendations**

The panel recommended addressing various points in the negotiations. These recommendations will be included in the negotiation plan to be developed. The negotiation plan will also address measures required to transition from the current delivery of services to the new supplier.

**Appendix 1: Specification of requirements**

**Appendix 2: Proposed contract terms and conditions**