



DRAFT REQUEST FOR QUOTE TEMPLATE AND SUBMISSION FORM

PROCUREMENT FROM THE MERGER BUSINESS CASE PANEL

Instructions for councils using the template and form:

1. Complete the Merger Business Case Request for Quote (RFQ) submission form (Attachment 1).
2. Amend the **GREEN** highlighted sections of the RFQ template (Attachment 2) to include relevant information, and remove the **YELLOW** highlighted sections of the template.
3. Submit the draft RFQ and the completed submission form to onestopshop@fitforthefuture.nsw.gov.au.
4. After written agreement to proceed has been received in writing from the OLG Relationship Manager, issue the RFQ to the nominated panel member and conduct the procurement process.
5. Once a successful contractor has been appointed:
 - a. Notify the OLG Relationship Manager of the successful contractor and agreed cost of the delivery of the project (see section 8 for further information re upper cost limits).
 - b. Manage the project in-line with the deliverables and timeframes set out in section 5 of the RFQ template.
6. At the completion of the merger business case:
 - a. Provide an invoice to the OLG for 50% of the agreed cost (as notified at step 5a), including any reasonable agreed travel and incidental costs incurred by the contractor (see section 8 of the draft RFQ for further information re incidental costs).
 - b. Provide a copy of the final merger business case document to the OLG.

Note: Payment will only be made by the OLG after this occurs

Attachment 1: Merger Business Case submission form

- The OLG will process submissions that are received on this form.
- **Note:** All councils party to the submission must agree, by resolution of each council, to investigate and fund the business case for the proposed merger option.
- The form can be submitted by any of the listed councils. However, councils are asked to ensure that only one copy of the form is submitted.
- Please send the completed form to: onestopshop@fitforthefuture.nsw.gov.au

| Details of submitting councils (provide details of all councils in potential merger) | | |
|--|------|---|
| | Name | Contribution to final cost (percentage) |
| Council #1 | | |
| Contact: | | |
| Council #2 | | |
| Contact: | | |
| Council #3 | | |
| Contact: | | |
| Council #4 | | |
| Contact: | | |
| Council #5 | | |
| Contact: | | |
| Council #6 | | |
| Contact: | | |
| Total council contributions | | 50% |
| Office of Local Government contribution | | 50% |
| TOTAL | | 100% |

| Merger Business Case Panel member to who the RFQ will be sent (1 required) | |
|--|--|
| 1 | |
| 2 (optional) | |
| 3 (optional) | |

Attachment 2: Merger Business Case Request for Quote template

1. Request for Quote

(INSERT COUNCIL NAMES) seek to engage a member of the Fit for the Future Merger Business Case Panel under the NSW Office of Finance and Services Performance and Management Services Prequalification Scheme to develop a business case in relation to a potential merger of the councils.

2. Background

The purpose of a merger business case is to:

- assist the group of councils to assess how a particular merger option may help them to address the issue of scale and capacity (as defined by the Independent Local Government Review Panel), and the benefits and costs of the option, and
- provide information to councils to inform their communities about the costs and benefits of the proposal and
- form the basis of each council's Fit for the Future proposal, should they agree to pursue the merger option.

Each of the councils interested in investigating this merger option must have the support of their elected body to develop a merger business case.

(Outline previous work undertaken by the individual councils in relation to the Fit for the Future process and level of readiness to proceed to a merger business case. For example, some councils have already commissioned high level strategic and financial assessment of options and others have yet to consider the range of circumstances, scale of change required and other issues relating to considering a merger aimed at producing positive outcomes).

3. The Merger Business Case

3.1 The deliverable is a business case, which addresses the issue of scale and capacity for the councils in question, and considers how the proposed merged entity could become fit for the future over time.

3.2 The business case must contain a sufficient level of information to enable the councils to complete the [Council Merger Proposal - Template 1](#) should they agree to pursue the merger option.

3.3 At a minimum, the business case must:

- a. Provide a high level strategic and economic appraisal of the proposed merger option to enable a group of councils to complete the [Council Merger Proposal - Template 1](#).
- b. Ensure the proposed merger option has regard to the factors set out in section 263 of the *Local Government Act 1993*.
- c. Include a high-level due diligence assessment of any risks or concerns identified by the councils which they require to be addressed to allow consideration of the merger option to be undertaken.

(Councils may insert relevant items for consideration by OLG, after reviewing the exclusions referred to in section 6 of this template).

4. Request for Quote (RFQ) criteria

4.1 In responding to the RFQ, the applicant must provide:

- a. A draft project plan specifying:
 - i. Methodology/project plan for preparing the Merger Business Case
 - ii. Anticipated timeframes and milestones for completion.
 - iii. Final pricing (not including reasonable incidentals, which may be charged separately at the end of the engagement period, subject to the approval of the councils party to the agreement).
- b. Details of the project team members and structure, including:
 - i. The names and role of each person, including whether they will be involved in the field or in a support capacity.
 - ii. CVs for each team member.

5. Deliverables

The contractor will deliver the following:

- 5.1 **By the end of the first week following appointment by the councils**, the contractor will commission a meeting of representatives of the participating councils to agree to the final scope of the engagement and fundamental principles of the business case, including any necessary financial and operating model assumptions.
- 5.2 **By the end of the second week following engagement, the contractor will provide the councils with a Final Project Plan** which reflects the Draft Project Plan (see section 4.1 a, above) and outcomes of the abovementioned workshop, including agreed dates for each step of the process.

- 5.3 **At the end of each subsequent week (AMEND TIMING AS NECESSARY)** over the course of the project, the contractor will advise the councils on the progress of the project.
- 5.4 By **INSERT DATE**, the contractor must provide the final merger business case, as described in section 3 of this document.

6 Exclusions

6.1 The Merger Business Case will not consider the following matter:

- a. **Community consultation (eg: conduct or examination of surveys, polling regarding community attitudes to the proposed merger etc).** It is intended that the business case will provide sufficient technical information to allow each council to undertake appropriate community consultation to inform the council's decision in relation to its Fit for the Future proposal.
- b. **Detailed assessments of issues to be addressed by Local Transition Committees** (ie: to be undertaken after a proposal to merge has been approved by the Minister) - including detailed examinations of possible governance structures, ward arrangements etc.

However, the OLG will consider the requests of councils to include high-level or summary examination of such issues, if the councils require it to inform their final decision about the appropriateness of the possible merger.

- c. **Examination of alternate structural reform strategies** (eg: use of shared services, adjustments to the boundaries of existing local government areas etc). Councils may wish to undertake their own assessments of such arrangements to inform their Fit for the Future proposal.

6.2 Where an independent, high level strategic and financial assessment related to the preferred merger option has already been undertaken, it is not necessary for that work to be duplicated. If appropriate and valid, this assessment is to be used in the development of the Merger Business Case.

6.3 (Councils may specify any other matters they wish to be excluded).

7 Timetable

7.1 The anticipated project timetable is outlined in section 5.

7.2 Successful contractors must be available to commence work on the project by no later than **(INSERT DATE)** where required.

7.3 All work on the project must be completed by **(INSERT DATE)**.

8 Indicative pricing

8.1 An indicative upper limit for this project is set out in the following table. The upper limit has been determined by the Office of Local Government based on the information provided by Merger Business Case Panel members through the Panel appointment process: **(councils remove rows that do not apply).**

| Potential merger type | Upper limit* |
|-----------------------|--------------|
| 2 councils | \$60,000 |
| 3 councils | \$80,000 |
| 4 councils | \$100,000 |
| 5 or more councils | \$150,000 |

*Including Office of Local Government contribution (up to 50%).

8.2 Pricing should take into consideration that potential Merger Business Case packages may need to be undertaken in regional, remote and metropolitan areas of NSW.

8.3 Travel and incidentals must be invoiced separately. The group of councils will reimburse contractors for expenses that are reasonably incurred as required to successfully deliver the project. These expenses will be agreed between the group of councils and the contractor prior to being incurred and reimbursed at cost.

NOTE: 50% of the agreed travel and incidental costs will be met by the Office of Local Government. The group of councils should itemise this in the final invoice.

8.4 Applicants should also provide costing for any out of scope but related activity.

9 Responsibilities of participating councils

9.1 Each council party to the contract will:

a. Provide access to all relevant information, documentation and data to assist the contractor to undertake the engagement, including but not limited to:

- Annual financial reports and long-term financial plans
- Organisational review and/or improvement plans
- The suite of Integrated Planning and Reporting documents and any necessary supporting information
- Any other previous documentation identified by the contractor as essential to the completion of the business case.

Note: Individual councils may seek to enter into arrangements with the contractor restricting the publication of certain information deemed to be of a confidential nature. However, any arrangement must not restrict the contractor from using such information in the final business case in a cumulative and de-identified manner.

- Participating in a commissioning workshop to establish the final scope and fundamental principles of the review by the end of the first week of engagement (see section 5.1).

- b. Appointing a person to be the day to day contact during the engagement. This person will provide ongoing assistance by coordinating the flow of information and logistics to support the contractor in completing the business case.
 - c. Commit to providing advice and feedback quickly and expediently.
- 9.2 The participating councils will negotiate a suitable contract management arrangement with the contractor, to ensure efficient information sharing and decision-making processes.

10 Assessment of submissions

- 10.1 The relevant councils reserve the right to determine the assessment process. A weighting system will be used to evaluate submissions. The criteria which will be used to assess submissions are as follows:
- a. Submissions lodged on time to (INSERT EMAIL ADDRESS). The submissions should be marked "Attention: (INSERT CONTACT NAME)" (also see section 11 below regarding lodgement requirements).
 - b. The extent to which the submission addresses the RFQ requirements.
 - c. Qualifications held by the individuals in the project team
 - d. Relevant experience, proven capability and successful outcomes in other projects by both the applicant and the personnel who will be involved in the project
 - e. Demonstrated competency and experience to project manage the engagement
 - f. Value for money.
- 10.2 It is also required that CV's of all personnel working on the project be provided.

11 Post-submission contact

- 11.1 The relevant councils may require additional information or wish to personally discuss submissions before any submission is accepted. A submission may not be further considered should an applicant fail to:
- a. Submit the additional information required by the required date; or
 - b. Attend personally to discuss its submission at the date and time stipulated by the relevant councils.

12 Lodgement of submissions

- 12.1 Submissions must be lodged by (INSERT TIME AND DATE) at (INSERT EMAIL ADDRESS) marked "Attention: (INSERT CONTACT OFFICER NAME/POSITION/COUNCIL(S))".
- 12.2 Submissions received after the closing time will be considered on a case by case basis at the discretion of the relevant councils.

13. Terms of engagement

- 13.1 Terms and conditions of the *NSW Office of Finance and Services, Prequalification Scheme: Performance and Management Services* apply. The terms and conditions of the standard form of agreement apply to the engagement as detailed in the Standard Form of Agreement at Schedule 2 of the Scheme Conditions. Modifications to the terms of the agreement will not be considered.
- 13.2 The details of scope of work, fees and other requirements for the engagement will be set out within the Standard Form Agreement Schedule between the parties.
- 13.3 The Principal is (INSERT CONTACT OFFICER NAME/POSITION/COUNCIL(S)).
- 13.4 Any change request or variation must be submitted in writing to the Principal and be approved in writing by the Principal before work is started.
- 13.5 The day-to-day management and contact point for the engagement will be the responsibility of (INSERT CONTACT OFFICER NAME/POSITION/COUNCIL(S)).

14 Early termination/variation of contract

- 14.1 A decision may be made by the participating councils to cease the business case process prior to the end of the timeframe set out in section 5 above but only with the agreement of **all** councils in the group.
- 14.2 In the event of early termination of the contract, the councils may negotiate an appropriate termination payment with the contractor of no more than the quoted price. However, in the event that early contract termination occurs due to poor contractor performance, payment will be reviewed in line with the conditions of the *Office of Finance and Services: Performance and Management Services Prequalification Scheme* standard contract.
- 14.4 In the circumstance of a business case where 3 or more councils are party to the agreement, in the event that one council withdraws from the agreement the other parties to the agreement may agree to continue with the business case, subject to a re-negotiated scope developed in consultation with the contractor.

15 Further information

- 15.1 Further enquiries about the project can be directed to (INSERT NAME AND CONTACT DETAILS OF THE RELEVANT OFFICER).