About DFAT

• One of the Australian Government’s major purchasers

• Help make Australia stronger, safer and more prosperous by promoting and protecting Australia’s interests internationally and contributing to global stability and economic growth.
Who Australia partners with

Figure 7: DFAT administered ODA by delivery partner type, 2015-16

- Multilateral organisations: 41%
- Commercial suppliers: 20%
- Non-Government Organisations: 11%
- Australian public sector organisations: 11%
- Universities and academic institutions: 8%
- Developing country governments: 4%
- Other partners: 4%
Where Australia gives aid
How to work with DFAT

Business opportunities

- Commercial opportunities
  - Annual Procurement Plan
  - Business notifications
  - Status of current tenders
  - Standing offers
  - DFAT Procurement Policy
  - DFAT Procurement Framework

- Grant opportunities
Welcome to the Australian Government's procurement information system

AusTender provides centralised publication of Australian Government business opportunities, annual procurement plans, multi-use lists and contracts awarded.
What does DFAT purchase?

Business notifications

DFAT’s lists its significant planned procurement opportunities in the [Annual Procurement Plan](#) on AusTender.

### 2017

- [4 October 2017 — (UPDATED) Investment concept and design documentation for Australia-Cambodia Cooperation for Equitable Sustainable Services (ACCESS)](#)
- [28 September 2017 — (UPDATED) Water for Women Fund - Request for proposals](#)
- [21 September 2017 — Emerging Markets Impact Investment Fund (EMIIF) - Draft design for likely procurement](#)
- [20 September 2017 — (UPDATED) New tender: Australia Indonesia Economic Cooperation Partnership](#)
- [20 September 2017 — Investment Design – Australia Pacific Training Coalition (APTC3)](#)
- [11 September 2017 - Australia’s commitment to countering human trafficking in ASEAN update - Update on Design of Future Investment](#)
- [8 September 2017 — Update on DFAT’s aid procurement pipeline 2017-18](#)
- [1 September 2017 — Doing business with DFAT free information session - 30 October 2017](#)
- [21 August 2017 — 2018 Aid Supplier Conference](#)
- [9 August — Australia’s Ongoing Commitment to Combatting Human Trafficking in ASEAN](#)
- [21 July — Industry Briefing – Australia Cambodia Cooperation for Sustainable Equitable Services (ACCESS)](#)
- [20 July — AIP-Rural Phase II: Seeking industry feedback and comments](#)
Tendering for DFAT Procurements

• Prior to 2015/2016 typically tenders were;
  • One step – straight to request for tender
  • Little information disseminated ahead of the tender
  • Short space for tenderer’s to respond to evaluation criteria, however with numerous supporting annexes
  • Prescriptive designs so little flexibility to propose alternate technical, resourcing or commercial approaches
  • 80/20 technical/price basis for value for money
Tendering for DFAT Procurements

• Through 2015 to 2017 DFAT has instigated reforms to:
  • Make it ‘easier’ for organisations to tender
  • Make it more attractive for organisations to tender
  • Make it easier for DFAT to differentiate which tenderer offers the best value for money
  • Enable contracts (including linking payment to performance) to focus on outcomes
• To support these reforms, DFAT undertook surveys and workshops with industry members through 2015 and 2016 including a market review, sub market review, and cost benchmarking exercise
Survey and Workshop Findings

**Improving RFT flexibility**

- Stronger focus on demonstrating outcomes/results rather than inputs
- More emphasis on tenderer’s proposed approach and method
- Limiting number of specified personnel & allow contractors to specify more positions in response/after contract is signed
- Increase the size of the narrative component
- More industry input during design phase of RFT
- Increase arbitrary page limits
Survey and Workshop ctd

Milestone Payments are very much a performance payment already with Contractors required to produce all outputs covered by milestone reports for a certain period in order to receive payment. Therefore, the balance between fixed and performance payment (milestone and PPA-aligned) needs to be fair.

PPA’s tend to report on Communications/Reporting/Recruitment/Financial Mgt etc. Whilst these things are of course important, the challenge for payment by performance is to incentivise the implementing team to achieve outcomes, not to focus solely on DFAT relationships and implementing the contract as it is written.

The first year criteria’s should differ from other years considering the difficulties in starting programs that can be outside of the contractors control.

On larger activities independent reviews are preferred as this takes out subjectivity.

Contracts linking performance and payment are reasonable, however what is measured for performance payments is not always clear. Clarity should be driven by DFAT and the contractor so there is an agreed performance framework.

The approach used in 3i which included incentives rather than a punitive approach was positive.

We would support a move to more performance based contracting. The trick is to define performance by linking it to the achievement of outcomes, or at least intermediate outcomes, rather than to a PPA. A PPA is often a very personal thing that reflects the relationship between the DFAT Program Officer and the Contractors team. If the relationship is bad then the PPA is likely to also be bad, and vice versa.

Performance payments need to be in proportion and balanced with other payment methods/approaches so as not to unnecessarily penalise the Contractor, but still act as a strong incentive to perform to a high standard of accountability.

Performance payments need to be in proportion and balanced with other payment methods/approaches so as not to unnecessarily penalise the Contractor, but still act as a strong incentive to perform to a high standard of accountability.

Welcome the opportunity to undertake contracts that link payment with clearly described and achievable performance outcomes, where there are processes in place to minimise subjectivity in the performance assessment process.

As DFAT moves in the direction of ‘payment for results’, the % of fees put at risk needs to consider the level of control that contractors have over achieving performance.

The approach used in 3i which included incentives rather than a punitive approach was positive.

Linking performance and payment
What changed

Market info

• Much earlier release of project docs before tenders
• Numerous project docs out for consultation prior to tender
• Country industry days (Philippines 2016, PNG 2015)
• Tender status page added to internet
• End of calendar year procurement guides released on internet

The RFT structure

• Shorter document
• Times, evaluation criteria and the like ‘up the front’
• More flexibility on response page length, flow, and less annexes
• More dynamic interview structures
What changed

The RFT content

• Pithier evaluation criteria
• Tenderers nominate how they would achieve outcomes, and cost that accordingly, and propose payment linked to performance
• Tenderers responsible for nominating 2 to 4 personnel for project leadership positions; and resourcing for all other positions
• Preferred tenderer offers the best value for money based on technical, commercial, and risk analysis

Miscellaneous

• Verbal debriefs
Further information

Commercial opportunities

2018 Aid Supplier Conference

The Department of Foreign Affairs and Trade (DFAT) is pleased to announce its Aid Supplier Conference will be held on Thursday 15 February 2018, once again in partnership with Australian National University. As in the previous year, the aim of the conference is to bring together government, commercial suppliers, non-government organisations, SMEs, academics and individuals engaged in or have an interest in international aid development.
Doing Business with DFAT

Simon Cann-Evans
Director Aid Operations and Procurement (October 2017 IABOS)

simon.cann-evans@dfat.gov.au