From: Property Procurement

To: PSCP Procurement

Cc: Property Procurement; § 22

Subject: Property Procurement - PIC & Risk Register [SEC=OFFICIAL]

Date: Wednesday, 15 March 2023 11:00:16 AM

Attachments: <u>image001.jpg</u>

OFFICIAL

Good morning team,

I hope you all had a great long weekend.

Regarding the Public Interest Certificate (PIC), are you able to please advise where this is currently at and if you could please forward relating documents as we will take carriage of this now

Lastly, would you be able to please forward a copy of your current Risk Register, so we can ensure procurement related risks are being addressed with mitigation strategies implemented. Any questions please don't hesitate to ask.

Kind regards,



s 22

Strategic Procurement | Strategic Contracting Branch

Procurement and Insurance Division

Department of Finance

T:s 22

E: S 22 @finance.gov.au

A: One Canberra Avenue, Forrest ACT 2603

Classification: OFFICIAL

Classified by: propertyprocurement@finance.gov.au on: 15/03/2023 10:58:58

AΜ

From:

PscP Procurement

Property Procurement

Cc:
S 22 ; S 22 ; S 22 ; PSCP Procurement

RE: WoAGPS - Current Progress & Documents [SEC=OFFICIAL]

Priday, 17 March 2023 12:17:35 PM

Attachments:

DRAFT - Request Paper - PIC - PSCP (200123).docx

S22

OFFICIAL

Good Afternoon S 22

Please find attached the requested documents.

Kind regards



Future Arrangements Project Team

Property Services Coordinated Procurement

Property and Construction Division

Department of Finance

E: PSCPProcurement@finance.gov.au

A: One Canberra Avenue, FORREST ACT 2603

Please note: This inbox is monitored between 9:00am to 5:00pm Monday to Friday (Australian Eastern Daylight Savings Time)

Property_Email_Signature_FA_05

Classification: OFFICIAL

Classified by: propertyprocurement@finance.gov.au on: 17/03/2023 11:23:12

AΜ

From: Property Procurement < Property Procurement@finance.gov.au>

Sent: Friday, 17 March 2023 11:23 AM

To: \$22 finance.gov.au>

Cc: PSCP Procurement < PSCPProcurement@finance.gov.au>; Property Procurement

<PropertyProcurement@finance.gov.au>;
\$22
@finance.gov.au>

Subject: FW: WoAGPS - Current Progress & Documents [SEC=OFFICIAL]

OFFICIAL

Good morning \$ 22

Thank you for your time over the phone this morning.

As per our discussion, acknowledging we have receipted the November Design Principles document which has not been amended – attached for your refence.

As agreed and requested, are you able to also please forward the current Design Report.

Any questions please don't hesitate to ask.

Hope you have a great weekend!

Kind regards,



Strategic Procurement | Strategic Contracting Branch

Procurement and Insurance Division

Department of Finance

T:s 22

E: S 22 @finance.gov.au

A: One Canberra Avenue, Forrest ACT 2603

Classification: OFFICIAL

Classified by: propertyprocurement@finance.gov.au on: 17/03/2023 11:23:12

AΜ

From: Property Procurement < PropertyProcurement@finance.gov.au>

Sent: Thursday, 16 March 2023 11:07 AM

To: PSCP Procurement < PSCPProcurement@finance.gov.au; s22

@finance.gov.au>; \$22

Cc: Property Procurement < PropertyProcurement@finance.gov.au; \$22

@finance.gov.au>; \$22

@finance.gov.au>; \$22

@finance.gov.au>

Subject: WoAGPS - Current Progress & Documents

Good morning team,

Thank you for your time this morning to go over the current progress of the Property Procurement.

Following our meeting today, are you able to please forward the following documents:

- s 22
- •
- •
- •
- Copy of Maddocks reviewed **PIC application**, **S 22** will confirm with **S 22** tomorrow who will take carriage over this

s22

Furthermore, I have attached the **Privacy Impact Assessment** (**PIA**) from the Intranet for your information - https://intranet.mercury.network/privacy-impact-assessments.

Please complete the **Privacy Threshold Assessment Template** and forward to the Privacy Team and they will make the final determination if a full **PIA** is required.

Please do not hesitate to contact any of the team to discuss.

?

Kind regards,

Strategic Procurement | Strategic Contracting Branch

Procurement and Insurance Division

Department of Finance

T:s 22

s 22

E: S 22 @finance.gov.au

A: One Canberra Avenue, Forrest ACT 2603



Request Paper

File no.

[insert]

Date.

[insert]

To: [insert]

Through: [insert]

From: [insert]

Request for Delegate Approval to Issue a

Public Interest Certificate for Request for Tender for Property Services Providers
under Whole of Australian Government Property Services Coordinated
Arrangements [insert reference number]

PURPOSE

The purpose of this Request Paper is:

a. to seek your agreement that a Public Interest Certificate (PIC) will be issued under section 22 of the Government Procurement (Judicial Review) Act 2018 (Cth) (GPJR Act) for the Request for Tender (RFT) for the provision of property management services (leasing services, facility management services and general property services) (Services) under Whole of Australian Government Property Services Coordinated Arrangements (Arrangements).

BACKGROUND

- The initial provision of Services is via current contracts which are due to expire in 2024. The Department will be conducting an open approach to the market RFT for the future provision of the Services.
- 3. The RFT will seek an amended model for delivery of the Services. Finance consulted extensively with stakeholders to determine the details of the amended delivery model, including discussing refinements to the governance structures, performance management mechanisms, scope of services, commercial/pricing structure and bundling/packaging of the Arrangements.
- 4. The RFT is a 'covered procurement' for the purposes of the GPJR Act.
- The Department has identified a number of risks associated with the RFT process (procurement)
 including timing related risks. The risks are documented in the risk register for this procurement.
- 6. The Department considers that any delay in this procurement may result in a number of other delays, including delays in realising the benefits associated with the amended contracting model. The Department is actively managing the procurement timeframes to minimise the potential for delays.
- 7. However, there remains a risk that if the Department receives a complaint from a supplier under the GPJR Act that the Department has contravened, is currently contravening, or may contravene the Commonwealth Procurement Rules (CPRs), then the procurement must be suspended while that complaint is investigated and resolved, unless a PIC has been issued for the procurement.

- 8. Under the GPJR Act, suppliers can also apply to the court for an injunction which will also result in the procurement being suspended unless a PIC is in place.
- 9. If a PIC is in force for this procurement and if a complaint under the GPJR Act is received, the procurement will still proceed while that complaint is investigated, or an application for an injunction is being considered. The Department would still treat any alleged contravention of the CPRs seriously and in accordance with its legislative and policy obligations (including investigating the allegation).
- 10. A PIC is issued by an accountable authority of a relevant Commonwealth entity. A PIC may only be issued where the accountable authority concludes that it is not in the public interest for a particular covered procurement process to be suspended while applications for injunctions are being considered or complaints are being investigated under the GPJR Act.
- 11. A PIC may be issued at any stage during the procurement process, including after a complaint is received. However, if the Department does not issue a PIC at this early stage, there is a timing risk given the procurement must be suspended immediately until a PIC can be issued (or the complaint is resolved).
- 12. Time taken to determine and issue the PIC will take time away from work that needs to be done to finalise this procurement. This would result in a longer than anticipated procurement and therefore could result in a delayed contractual outcome, delayed delivery of the planned benefits of the amended model (see paragraph 3) and have a number of cascading effects as outlined below.



- 14. The issue of a PIC is considered appropriate for this procurement due to the nature and scope of the Services, being the provision of property services (leasing services, facilities management services and property management services) on a whole of government arrangement for the Commonwealth estate.
- 15. The ongoing provision of these Services is considered essential to the continued and efficient operation of the Australian Government, ensuring the management of the facilities and properties of relevant Commonwealth agencies to support the critical business operations being delivered.

PURPOSE AND SUBJECT MATTER OF PROCUREMENT

- 16. The Arrangements were announced in the 2016-17 Budget, to provide a Whole-of-Australian-Government (WoAG) approach to the delivery of Leasing Services and Facilities Management Services for Commonwealth domestic office accommodation and shopfronts.
- 17. There are two parts to the Arrangements the Property Service Providers (PSPs) (who are contracted to provide core leasing services and facilities management services and additional services as negotiated) and the Strategic Property Adviser (SPA).
- 18. There are currently three contracted PSPs. PSPs have related subcontracts with third parties for a number of their contracted services such as in relation to cleaning, handyman services, fire and electrical, mechanical (air conditioning), plumbing, pest control, security and consumables.
- 19. The procurement involves the effective re-tender of the subject matter of the PSP contracts with the amended model.

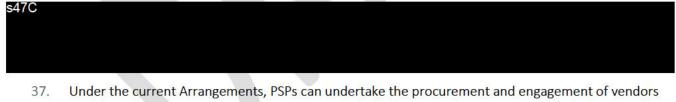
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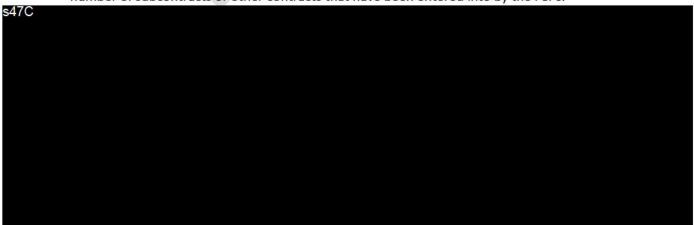
TECHNICAL COMPLEXITY OF PROCUREMENT

- 32. The procurement is of a high level of technical complexity since it covers domestic office and shopfront leasing by non-corporate Commonwealth entities, and accounts for the entities' respective business needs and unique arrangements.
- 33. The procurement also considers other property types managed by the Commonwealth, such as operational facilities and technical properties, and involves facilities management and for some entities, other services, such as spatial management software systems, management of specific capital works and heritage assessments.
- 34. To further illustrate the technical complexities, the diversity of the Services include sourcing accommodation for shopfronts for Parliamentarians including as a result of a by-election, surge requirements for the Australian Bureau of Statistics (census) and Australian Electoral Commission (elections or referendums), through to emergency repairs including as a result of natural disasters. The Arrangements cover properties in all states and territories, including remote and regional locations.
- 35. Further, as per Finance's definition, the Arrangements are defined as a complex procurement. As a WoAG Arrangement, the Arrangements are large scale in terms of complexity, large volume of expenditure and requirement for the assessment of value for money over the contract term.

LINKAGES AND INTERDEPENDENCIES WITH OTHER PROCUREMENTS



37. Under the current Arrangements, PSPs can undertake the procurement and engagement of vendors to deliver downstream contracted services on behalf of entities. These services include cleaning, lift maintenance, locksmiths, grounds maintenance and landscaping, plumbing, security services and waste management services. The Department estimates that there are approximately [insert] number of subcontracts or other contracts that have been entered into by the PSPs.



- 42. The commercial, legal and probity advisers all confirm their opinion regarding the requirement for this PIC in respect of delay to the program.
- 43. The Department has listed this procurement on the annual procurement plan, agency reference FIN-PSCP-23, as required under Commonwealth Procurement Rule 7.8-7.9.
- 44. The preparation of this Request Paper for the approval of the Delegate is compliant with:
 - a. the Department of Finance Government Procurement (Judicial Review) Act 2018 Resource Management Guide No. 422 (RMG422 – August 2019); and
 - b. the Department of Finance's internal guidance: Government Procurement (Judicial Review)

 Act 2018 public interest certificate checklist.

NATURE OF ALLEGED CONTRAVENTION

- 45. As at the date of this request paper, no complaint has been lodged with the Department relating to this procurement activity.
- 46. At this stage, it is difficult to estimate the scale and scope of any alleged contravention of the CPRs and the potential materiality of the contravention on the interests of the aggrieved supplier. Potentially, a contravention of the CPRs could result in a supplier losing the opportunity to tender for Commonwealth work, being unfairly treated in the tender process or being prevented from tendering for subsequent work for the Department.
- 47. However, while that outcome is considered undesirable, it is submitted that the outcome would not be greater than the adverse impact on the public interest if this procurement was not completed in a timely manner.

RECOMMENDATION

- 48. In light of the reasoning above, it is considered that the potential adverse impact upon the public interest through the suspension of this procurement process outweighs the private interest of a potentially aggrieved supplier, and it is appropriate to issue a PIC for this procurement process.
- 49. Where a PIC is issued prior to the release of the approach to market documentation, the Department is required to publish the PIC on its website promptly and notify affected suppliers in writing that a PIC is in force by including a copy of the PIC with the approach to market documentation.
- 50. Upon approval by the Delegate, the PIC will therefore be published on the Department's website and issued to all potential suppliers through the approach to market documentation published on the AusTender website.
- 51. It is recommended that you:
 - a. **agree** to issue a Public Interest Certificate under section 22 of the *Government Procurement* (Judicial Review) Act 2018 (Cth) for the RFT.

[insert name] [insert position]

Date: [January] 2023

From: Property Procurement

To: Property Procurement; \$22

Subject: PSCP - Public Interest Certificate - Approvals [SEC=OFFICIAL]

Date: Wednesday, 15 November 2023 10:42:54 AM

Attachments: image002.png

image003.png image001.jpg

OFFICIAL

Hi team.

Just FYI – I have updated our required PIC documents in line with the current stage of the procurement and to now reflect Anush as the approver.

– Happy to discuss at your convenience when we can look at sending these to Legal & Assurance for approval/review (and consult with PCD?).

Updated attachments are as follows:

- 1. PSCP PIC Application PSCP Public Interest Certificate Application.docx
- 2. PSCP PIC Checklist PSCP Public Interest Certificate Checklist.docx
- 3. PSCP PIC Certificate PSCP Public Interest Certificate.docx

Happy to discuss.

Kind regards,

s 22

Classification: OFFICIAL

Classified by: S 22 @finance.gov.au on: 11/04/2023 10:27:42 AM

From: \$22 @finance.gov.au>

Sent: Tuesday, April 11, 2023 11:18 AM

To: Property Procurement < Property Procurement@finance.gov.au > **Subject:** PSCP - Public Interest Certificate - Approvals [SEC=OFFICIAL]

OFFICIAL

Hi team.

Just a quick update following the below, I have discussed with and the approvals for the PIC are postponed until we are closer to ATM and the documents will be amended for 22 approval.

Cheers,

s 22

From: \$22

Sent: Tuesday, 11 April 2023 10:28 AM

To: \$22

Cc: \$22 @finance.gov.au>; \$22

@finance.gov.au>; Property Procurement

<PropertyProcurement@finance.gov.au>

Subject: PSCP - Public Interest Certificate - Approvals [SEC=OFFICIAL]

OFFICIAL

Good morning S 22

Thank you for reviewing the Public Interest Certificate (PIC) last week regarding the PSCP. Please be advised I have uploaded the PIC Checklist, Application and Certificate to SharePoint for your progression to A/g § 22 for her AS approval. Please also see below drafted email to § 22 The attachments are as follows:

1. PSCP PIC Application – PSCP - Public Interest Certificate Application.docx

- 2. PSCP PIC Checklist PSCP Public Interest Certificate Checklist.pdf
- 3. PSCP PIC Certificate Property Public Interest Certificate.docx (to be signed by AS Legal & Assurance Branch following S 22 approval of point 1. & 2.)

Please note we are unable to input an 'ATM close date' into the Certificate (3.) until closer to ATM, noting the recommendation is to have the PIC published shortly before the RFT is published. I have also left the Application and Certificate in Word format to allow for and the Legal AS to amend and input their signature and date as required.

Please also be advised all documents are developed using the *Arial* font. Happy to amend the requested return date as required as well.

Happy to discuss.

Kind regards,



Dear **S 22**

Please see below attachments for the application of obtaining a Public Interest Certificate (PIC) to support the ATM procurement process surrounding the Property Services Coordinated Future Arrangements.

Documents for your review and approval:

- 1. PSCP PIC Application PSCP Public Interest Certificate Application.docx
- 2. PSCP PIC Checklist PSCP Public Interest Certificate Checklist.pdf

 Document for AS Legal and Assurance Branch approval, following you're a/g AS approval of the above:
 - 3. (Review) PSCP PIC Certificate Property Public Interest Certificate.docx (to be signed by AS Legal & Assurance Branch following your approval of point 1. & 2.)

Could you please review the above documents and provide your AS approval at your convenience to the PIC Application and Checklist. Should you not approve, are you able to please advise of any discrepancies and any action required.

Would you be able to please return the documents AS approved by **5pm 31 May 2023**. If you have any questions please do not hesitate to ask.

Thank you and kind regards



Strategic Procurement | Strategic Contracting Branch

Procurement and Insurance Division

Department of Finance

T: S 22
E: S 22
@finance.gov.au

A: One Canberra Avenue, Forrest ACT 2603

Classification: OFFICIAL

 From: s47F s22 To:

Cc:

RE: Review of PIC [SEC=OFFICIAL] Subject: Date: Thursday, 21 March 2024 9:56:11 AM

image002.png image007.png Attachments:

Hjs22

Confirming we have reviewed and have no further comments. The PIC is cleared from a legal perspective.

Regards

s47F Special Counsel



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From: S22 @finance.gov.au> Sent: Thursday, March 21, 2024 9:50 AM To: \$22 @finance.gov.au>; \$47F @hwle.com.au>; s22 @finance.gov.au>; s22 @finance.gov.au>; s47F @hwle.com.au>

Cc: Property Procurement < Property Procurement@finance.gov.au>

Subject: RE: Review of PIC [HWLE-MATTER.CO71933.1141738] [SEC=OFFICIAL]

OFFICIAL

Thanks \$22

and s47F can I please follow up on your clearance.

Regards





s22 | Director

Strategic Procurement Branch

Procurement Division

Department of Finance

T: \$22 M: \$22

E: \$22 @finance.gov.au

A: One Canberra Avenue, Forrest ACT 2603



The Department of Finance acknowledges the traditional custodians of the land on which we work and we pay our respects to Elders past, present and future.



From: S22 @finance.gov.au>

Sent: Wednesday, March 20, 2024 10:53 AM

<u>@finance.gov.au</u>>; s47F <u>@hwle.com.au</u>>;

<u>@finance.gov.au</u>>; <mark>\$22 <u>@finance.gov.au</u>>; <mark>\$47F <u>@hwle.com.au</u>></mark></mark>

Cc: Property Procurement < <u>PropertyProcurement@finance.gov.au</u>>

Subject: RE: Review of PIC [HWLE-MATTER.C071933.1141738] [SEC=OFFICIAL]

OFFICIAL

Hi s22

This is cleared from PCD.

Kind regards

s22

s**22** | a/g Director

Property Frameworks & Services Branch Property and Construction Division

Department of Finance

A: One Canberra Avenue, Forrest, ACT 2603



Whole of Australian Government Property Services

| From: S22 | @finance.gov.au> | |
|------------------------|--|---------------------------------|
| Sent: Wednesday, Ma | rch 20, 2024 9:24 AM | |
| To: s47F | @hwle.com.au>; s22 | <pre>@finance.gov.au>;</pre> |
| s22 | <u>@finance.gov.au</u> >; s2 | 22 |
| <u>@</u> | finance.gov.au>;s47F | @hwle.com.au> |
| Cc: Property Procurem | nent < <u>PropertyProcurement@finance.</u> ¿ | gov.au> |
| Subject: RE: Review of | f PIC [HWLE-MATTER.C071933.114173 | 8] [SEC=OFFICIAL] |
| | | |
| | OFFICIAL | |
| Good morning | | |

The Delegate asked for some changes to the PIC. Please find attached the revised version for

Regards

your review and clearance.

s22







s47F @hwle.com.au>

Cc: Property Procurement < PropertyProcurement@finance.gov.au>

Subject: RE: Review of PIC [HWLE-MATTER.C071933.1141738][SEC=OFFICIAL]

Dear All

Please find draft PIC attached with some minor suggested amendments in mark up.

Regards

s47F Partner



Level 14, Australia Square 264-278 George Street | Sydney NSW 2000 Phone **\$47F** \$4**7**F (whyle com au Lywy, hylebsworth com au

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If you receive this communication by mistake we prohibit you from using it in any way and do not waive client legal privilege. Please notify us, delete the communication (and any attachments) and destroy all copies. We do not represent or warrant that this communication is free from computer viruses or other defects. You are responsible for all loss or damage caused directly or indirectly by the use of this communication. If you do not receive all of the email or attachments please notify us immediately by reply email. Please do not click on any links or open attachments unless you recognise the sender and have verified that the communication is genuine. This notice should not be deleted or altered.

From: \$22 @finance.gov.au>

Sent: Monday, March 18, 2024 12:31 PM

To: \$22 <u>@finance.gov.au</u>>; \$47F <u>@hwle.com.au</u>>;

s22 @finance.gov.au>; s22

<u>@finance.gov.au</u>>; s47F <u>@hwle.com.au</u>>

Cc: Property Procurement < PropertyProcurement@finance.gov.au>

Subject: RE: Review of PIC [SEC=OFFICIAL]

OFFICIAL

Please see our minor amendments to the PIC attached. Apologies, I had thought this had already come back.

Cheers

s22

From: \$22 <u>@finance.gov.au</u>>

Sent: Wednesday, March 6, 2024 1:17 PM

To: s47F @hwle.com.au>; s22

@finance.gov.au>; s22

s22 @finance.gov.au>; s22 @finance.gov.au>

Cc: Property Procurement < <u>PropertyProcurement@finance.gov.au</u>>

Subject: Review of PIC [SEC=OFFICIAL]

OFFICIAL

Hi all

I have started reviewing the PIC in preparation for sending to the PD delegate. I have made a couple of changes, however can you please review again for currency and accuracy.

Can you please return by COB Friday 15 March.

Regards

s22

s22 | Director

Strategic Procurement Branch

Procurement Division

Department of Finance

T: \$22 M: \$22

E: s22 <u>@finance.gov.au</u>

A: One Canberra Avenue, Forrest ACT 2603



The Department of Finance acknowledges the traditional custodians of the land on which we work and we pay our respects to Elders past, present and future.



Be careful with this message

External email. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Create a Public Interest Certificate

Whole of Australian Government Property Services Coordinated Procurement Arrangements – Property Service Providers FIN/PROP/23RFT

| Use the Covered procurement checklist to determine if the procurement you are undertaking is classified under the GPJR Act 2018 as a covered procurement. | |
|---|---------------------------------------|
| Is it a covered Procurement? | Yes |
| Procurement Title | Whole of Australian Government (WoAG) |
| | Property Services Coordinated |
| | Procurement Arrangements – Property |
| | Service Providers |
| AusTender Number (if available) | FIN/PROP/23RFT |
| Has a complaint been received? | No |

Purpose and Subject Matter of Procurement

The Department of Finance (Finance) is renewing Leasing and Facilities Property Management-Services Coordinated Procurement Arrangements for the Australian Government (the Arrangement) to improve the quality, consistency and efficiency of Leasing and Facilities Management services. This Arrangement will consolidate current arrangements across government delivering value for money for the Commonwealth.

For the purposes of the *Government Procurement (Judicial Review) Act 2018* (Cth), Divisions 1 and 2 of the Commonwealth Procurement Rules (CPRs) apply to this procurement process which is identified as a 'Covered Procurement'.

There are two parts to the Arrangements – the Property Service Providers (PSPs) (who are contracted to provide core leasing services and facilities management services and additional services as negotiated) and the Strategic Property Adviser (SPA).

There are currently three contracted PSPs. PSPs have related subcontracts with third parties for a number of their contracted services such as in relation to cleaning, handyman services, fire and electrical, mechanical (air conditioning), plumbing, pest control, security and consumables.

The procurement involves the effective re-tender of the subject matter of the PSP contracts with the amended model.

The new Arrangement will:

- a) Better manage commercial risk and improve quality, consistency and efficiency through standardised terms and conditions and active management of supplier performance.
- b) Increase transparency through improved data and reporting.
- c) Enable clearer differentiation and reporting consistency across Australian Government entities.

As a coordinated procurement, use of the Arrangement is:

- Mandatory for non-corporate Commonwealth entities (NCEs) that are subject to the Public Governance, Performance and Accountability Act 2013 (PGPA Act).
- Optional for corporate Commonwealth entities (CCEs) authorised by the Department of Finance to use the Arrangement.

Scope, Scale and of Procurement Risk

The Arrangements facilitate a large annual spend, with expenditure including \$59 million in core management fees and approximately \$448325 million in facilities management and \$1.97 billion in net leasing costs, managed by PSPs.

The Services covered under the Arrangements are an enabler for Government to function, including operational sites, public facing facilities, speciality buildings and office space for the broader Commonwealth.

Any lengthy delay that means that new contracts are not awarded before the current contracts (or any extended contracts) expire risk continuity of Services, which are necessary to enable Government to maintain the operation of owned and leased premises to an appropriate standard. This could have a real adverse impact on members of the public who access the affected premises.



s47C

Timing Requirements for Procurement

Are there any:

- pressing time constraints
- matters of urgency relevant to the conduct of the procurement?



Technical Complexity of Procurement

Is the procurement of a high level of technical complexity? Yes.

The procurement is of a high level of technical complexity since it covers domestic office and shopfront leasing by non-corporate Commonwealth entities, and accounts for the entities' respective business needs and unique arrangements.



As per Finance's definition, the Arrangements are defined as a complex procurement. As a WoAG Arrangement, the Arrangements are large scale in terms of complexity, large volume of expenditure and requirement for the assessment of value for money over the contract term.

Linkages and Interdependencies of Procurements

Are any other procurement or non-procurement processes reliant on or linked to the completion of the current procurement process? Yes

s47C

Nature of the Alleged Contravention

Prior to issuing the public interest certificate:

- has a complaint been lodged in relation to an alleged contravention of a relevant Commonwealth Procurement Rule
- is the complaint of a significant or material nature?

As at the date of this request paper, no complaint has been lodged with the Department relating to this procurement activity.

Supporting Material

Attach any supporting material to the submission

PSCP - Public Interest Certificate Checklist

Assistant Secretary (for approval)

Anush Avakian

Anush Avakian Assistant Secretary Strategic Procurement Branch DD March 2024 From: s <u>2</u>2 Legal Services Mailbox To:

Avakian, Anush; s22 Cc: **Property Procurement**

Subject: Public Interest Certificate Request - Property Services Provider Procurement [SEC=OFFICIAL]

Friday, 22 March 2024 9:24:11 AM Date:

image001.jpg image002.jpg **Attachments:**

PSCP - Public Interest Certificate Checklist.docx

Attachment A - PSCP - Public Interest Certificate Application Final.docx

EC24-000288.docx Clearance of PIC.pdf

OFFICIAL

Good morning Legal Services

Please find attached a PIC request approved by the SPB delegate. This PIC is supported by external legal providers assigned to the Property Services Provider Procurement. We are intending to release the request for tender to market in mid-April.

Please let me know if you need anything further.

Regards

| s 22 | |
|--|--|
| ? | |
| s 22 Director | |
| Strategic Procurement Branch | |
| Procurement Division | |
| Department of Finance | |
| T: s 22 | |
| M: \$ 22 | |
| E: S 22 @finance.gov.au | |
| A: One Canberra Avenue, Forrest ACT 2603 | |
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| | |
| | |



MINUTE

PDR Number: EC24-000288

Anush Avakian

Assistant Secretary, Procurement Division

Approval of Public Interest Certificate - Property Services

Due Date: Monday 25 March 2024

Recommendation:

That you:

Approve the Public Interest Certificate (PIC) for the Property Services Provider Procurement (PSP) (Attachment A).

APPROVED / NOT APPROVED



Assistant Secretary, Procurement Division 22 March 2024

Issue:

- 1. The Department of Finance (Finance) is renewing Property Services Coordinated Procurement Arrangements for the Australian Government (the Arrangement) to improve the quality, consistency and efficiency of Leasing and Facilities Management services. This Arrangement will consolidate current arrangements across government delivering value for money for the Commonwealth.
- 2. Due to the scale of the property portfolio covered by the current arrangements and necessary time to appropriately transition into any new arrangement, it is considered that the procurement cannot be significantly delayed due to the potential risk to Entity operations as outlined above. Transition is expected to take at least six to nine months from awarding of contracts depending on the complexity of the Entity.

Background:

- 3. For the purposes of the Government Procurement (Judicial Review) Act 2018 (Cth), Divisions 1 and 2 of the Commonwealth Procurement Rules (CPRs) apply to this procurement process which is identified as a 'Covered Procurement'.
- 4. Due to the scope and scale of Services, significant resources and time are required to complete the assessment of tender responses following any approach to market. Delays resulting from a suspension of the procurement could increase the duration of the tender assessment, which in turn could lead to risks with the continuity of Services as the current Arrangements are set to expire on 30 June 2025.
- 5. Finance considers that extending beyond the current expiry date of 30 June 2025 would pose significant impact to the operational efficiency of the Commonwealth property portfolio due to the current issues with the structure and

Consultation:

6. Consultation and agreement of the draft PIC wording has occurred internally with Property and Construction Division and cleared by external Legal advisors. (Attachment B)



Telephone:

S. 22 Director Strategic Procurement Branch 18 March 2024

PDR Number: EC24-000288
Contact Officer: S 22

Location: GN.21.08

e-mail: S 22 @finance.gov.au

OFFICIAL

Attachment A – Public Interest Certificate

Attachment B - Public Interest Checklist

Attachment C - Duplicate of Document 4, removed

OFFICIAL

Create a Public Interest Certificate

Whole of Australian Government Property Services Coordinated Procurement Arrangements – Property Service Providers FIN/PROP/23RFT

| Use the Covered procurement checklist to determine if the procurement you are undertaking is classified under the GPJR Act 2018 as a covered procurement. | |
|---|---------------------------------------|
| Is it a covered Procurement? | Yes |
| Procurement Title | Whole of Australian Government (WoAG) |
| | Property Services Coordinated |
| | Procurement Arrangements – Property |
| | Service Providers |
| AusTender Number (if available) | FIN/PROP/23RFT |
| Has a complaint been received? | No |

Purpose and Subject Matter of Procurement

The Department of Finance (Finance) is renewing Property Services Coordinated Procurement Arrangements for the Australian Government (the Arrangement) to improve the quality, consistency and efficiency of Leasing and Facilities Management services. This Arrangement will consolidate current arrangements across government delivering value for money for the Commonwealth.

For the purposes of the *Government Procurement (Judicial Review) Act 2018* (Cth), Divisions 1 and 2 of the Commonwealth Procurement Rules (CPRs) apply to this procurement process which is identified as a 'Covered Procurement'.

There are two parts to the Arrangements – the Property Service Providers (PSPs) (who are contracted to provide core leasing services and facilities management services and additional services as negotiated) and the Strategic Property Adviser (SPA).

There are currently three contracted PSPs. PSPs have related subcontracts with third parties for a number of their contracted services such as in relation to cleaning, handyman services, fire and electrical, mechanical (air conditioning), plumbing, pest control, security and consumables.

The procurement involves the effective re-tender of the subject matter of the PSP contracts with the amended model.

The new Arrangement will:

- a) better manage commercial risk and improve quality, consistency and efficiency through standardised terms and conditions and active management of supplier performance;
- b) increase transparency through improved data and reporting; and
- c) enable clearer differentiation and reporting consistency across Australian Government entities.

As a coordinated procurement, use of the Arrangement is:

- a) mandatory for non-corporate Commonwealth entities (NCEs) that are subject to the Public Governance, Performance and Accountability Act 2013 (PGPA Act); and
- b) optional for corporate Commonwealth entities (CCEs) authorised by the Department of Finance to use the Arrangement.

Scope, Scale and of Procurement Risk

The Arrangements facilitate a large annual spend, with expenditure including \$59 million in core management fees and approximately \$448 million in facilities management and \$1.9 billion in net leasing costs, managed by PSPs.

The Services covered under the Arrangements are an essential enabler for Government to function, including operational sites, public facing facilities, speciality buildings and office space for the broader Commonwealth.

Any lengthy delay that means that new contracts are not awarded before the current contracts (or any extended contracts) expire risk continuity of Services, which are necessary to enable Government to maintain the operation of owned and leased premises to an appropriate standard including security. This could have a real adverse impact on members of the public who access the affected premises and the services provided to government and the public from them.





Timing Requirements for Procurement

Are there any:

- · pressing time constraints
- matters of urgency relevant to the conduct of the procurement?



Technical Complexity of Procurement

Is the procurement of a high level of technical complexity? Yes.

The procurement is of a high level of technical complexity since it covers domestic office and shopfront leasing by non-corporate Commonwealth entities, and accounts for the entities' respective business needs and unique arrangements.



As per Finance's definition, the Arrangements are defined as a complex procurement. As a WoAG Arrangement, the Arrangements are large scale in terms of complexity, large volume of expenditure and requirement for the assessment of value for money over the contract term.

Linkages and Interdependencies of Procurements

Are any other procurement or non-procurement processes reliant on or linked to the completion of the current procurement process? Yes



Nature of the Alleged Contravention

Prior to issuing the public interest certificate:

- has a complaint been lodged in relation to an alleged contravention of a relevant Commonwealth Procurement Rule
- is the complaint of a significant or material nature?

As at the date of this request paper, no complaint has been lodged with the Department relating to this procurement activity.

Supporting Material

Attach any supporting material to the submission

PSCP - Public Interest Certificate Checklist

Assistant Secretary (for approval)

Anush Avakian



Anush Avakian Assistant Secretary Strategic Procurement Branch 22 March 2024



Government Procurement (Judicial Review) Act 2018 – Public Interest Certificate Checklist

Whole of Australian Government Property Services Coordinated Procurement Arrangements – Property Service Providers FIN/PROP/23RFT

| Item | Issue | Question | Consequences |
|------|-------|----------|--------------|
| No. | | | |

Preliminary Statement - Inappropriate Reasons

Attention:

Please be aware that a public interest certificate will not be issued by the delegate if the reason for seeking this, is motivated by any of the following inappropriate reasons:

- · the avoidance of embarrassment or loss of confidence in the Department of Finance;
- the avoidance of the administrative burden and inconvenience of having to suspend a process;
- · personal bias against any of the Respondents or potential Respondents; or
- to undermine or otherwise prejudice the purpose of the Government Procurement (Judicial Review) Act 2018 (Cth) or the Commonwealth Procurement Rules.

| Releva | Relevant Considerations (Business Area to consider) | | | | |
|--------|---|--|-----|---|--|
| 1 | Purpose and Subject Matter of Procurement | Is the procurement process for the purpose of acquiring an item: of high public importance or sensitivity; or which is critical to the functioning of the Department? For example does this relate to a procurement which is critical to the functioning of the Department or an essential program? | Yes | Answer: Yes If the answer is "Yes", the criticality of the purpose and subject matter of the procurement is more likely to support the issuing of a public interest certificate. | |

| Item No. | Issue | Question | | Consequences |
|-------------|--|--|-----|--|
| 2 | Scope, Scale and Risk of Procurement | Is the procurement of a significant scale and scope that it may result in significant risks and financial costs if it is delayed? If the answer is "Yes", please provide further details. | Yes | Answer: Yes If the answer is "Yes", the greater level of risks and financial costs associated with a potential delay are more likely to support the issuing of a public interest certificate. |
| 3 | Timing Requirements for Procurement | Are there any: • pressing time constraints; or • matters of urgency relevant to the conduct of the procurement? | Yes | Answer: Yes If the answer is "Yes", and the procurement is occurring in the context of limited time constraints or other reasons of urgency, this is more likely to support the issuing of a public interest certificate. |
| 4 | Linkages and Interdependencies of Procurements | Are any other procurement or non-procurement processes reliant on or linked to the completion of the current procurement process? | No | Answer: Yes If the answer is "Yes", and there are subsequent processes reliant on the completion of the current procurement, any delay in the current process is likely to have flow-on implications for later processes. Consequently, it is more likely that the issue of a public interest certificate may be warranted. |
| 5 | Technical Complexity of Procurement | Is the procurement of a high level of technical complexity? | Yes | Answer: Yes If the answer is "Yes", this is more likely to warrant the issuing of a public interest certificate if a delay in the process could adversely impact the timely or effective development of the final product. |

| Item No. | Issue | Question | | Consequences |
|-------------|---|---|-----|--|
| 6 | Nature of the Alleged Contravention | Prior to issuing the public interest certificate: • has a complaint been lodged in relation to an alleged contravention of a relevant Commonwealth Procurement Rules; and • is the complaint of a significant or material nature? | No | Answer: Yes If the answer is "Yes", the issue of a public interest certificate should not occur unless there are overriding public interest grounds that warrant this. If the alleged contravention is of a significant or material nature, this should in most instances warrant suspension of the procurement process until the matter is resolved. |
| | | | | |
| 7 | Conflict of Interest | Does the proposed delegate who will issue the public interest certificate have any connection to or interest in the relevant procurement process? | No | Answer: Yes If the answer is "Yes", the request for the issue of the public interest certificate should be provided to a different delegate to avoid any potential conflict of interest arising. This is necessary to ensure the decision to issue the public interest certificate is impartial, independent and based on valid public interest grounds. |
| 8 | Public Interest Grounds | Having considered the answers to the questions listed in items 1 to 6, would the suspension of the procurement process while a complaint is being investigated adversely impact the public interest? | Yes | Answer: Yes If the answer is "Yes", proceed to question 9. |

| Item No. | Issue | Question | | Consequences |
|-------------|----------------------------|---|-----|---|
| 9 | Weighing Considerations | Would the adverse impact on the public interest resulting from a suspension of the procurement process outweigh the right of the complainant (or if the public interest certificate is being issued in the procurement planning stage, right of any potential complainant) to have the procurement process suspended? | Yes | Answer: Yes If the answer is "Yes", a public interest certificate should be issued in relation to the procurement process. |

Hinchcliffe, Suzanne

From:

To: ; Property Procurement Avakian, Anush; s22 Cc: Subject: RE: Property Services Provider procurement - Public Interest Certificate approval [SEC=OFFICIAL] Date: Friday, 3 May 2024 8:57:13 AM image003.jpg Attachments: image004.jpg image005.jpg image006.jpg **OFFICIAL** Great news – thanks S 22 From: S22 @finance.gov.au> **Sent:** Friday, May 3, 2024 8:56 AM **To:** Hinchcliffe, Suzanne < Suzanne. Hinchcliffe@finance.gov.au>; \$22 @finance.gov.au> Cc: Avakian, Anush <Anush.Avakian@finance.gov.au>; \$22 @finance.gov.au>; Property Procurement <PropertyProcurement@finance.gov.au> Subject: FW: Property Services Provider procurement - Public Interest Certificate approval [SEC=OFFICIAL] **OFFICIAL** Hi Suzanne and S 22 We finally got good news regarding the Public Interest Certificate. It has been approved! We will be releasing an Addendum later today to amend the RFT to reflect this. There is no action you or your teams need to undertake but just for information that this is now in place. Regards s 22 s 22 | Director Strategic Procurement Branch **Procurement Division** Department of Finance T:s 22 M:s 22 E: s 22 @finance.gov.au A: One Canberra Avenue, Forrest ACT 2603 From: S22 @finance.gov.au> **Sent:** Friday, May 3, 2024 8:42 AM To: \$22 @finance.gov.au>; \$22 @finance.gov.au> Cc: \$22 @finance.gov.au>; s22 @finance.gov.au>; Legal Services Mailbox < LegalServices@finance.gov.au >; Avakian, Anush

<<u>Anush.Avakian@finance.gov.au</u>>

Subject: Property Services Provider procurement - Public Interest Certificate approval [SEC=OFFICIAL]

OFFICIAL

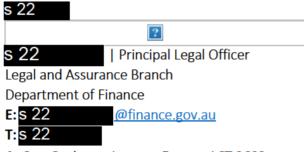
Good afternoon

Please find attached the briefing pack relating to the issue of a Public Interest Certificate for the Whole of Australian Government Property Services Coordinated Procurement Arrangements – Property Services Providers procurement. Kelly Hoffmeister, AS, Legal & Assurance Branch has approved the PIC.

s 22 – attached is Kelly's approval for the PIC to be upload to the Finance website.

Please contact me if you have any questions.

Kind regards



A: One Canberra Avenue, Forrest ACT 2603

CONFIDENTIAL LEGAL ADVICE FOR INTERNAL USE

This document and any attachments may contain legally privileged information. Please consult Legal and Assurance Branch before sending or referring to this advice outside of Finance. Otherwise, privilege could be lost and Finance's legal position could be damaged.

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Create a Public Interest Certificate

Whole of Australian Government Property Services Coordinated Procurement Arrangements – Property Service Providers FIN/PROP/23RFT

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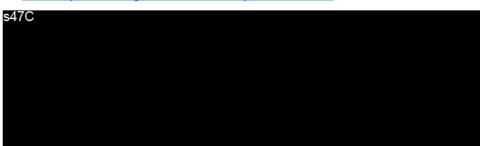
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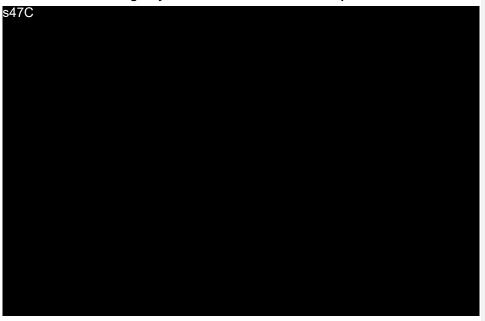
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- · is the complaint of a significant or material nature?

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Supporting Material

Attach any supporting material to the submission

PSCP - Public Interest Certificate Checklist

Assistant Secretary (for approval)

Anush Avakian

Anush Avakian Assistant Secretary Strategic Procurement Branch DD March 2024

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