

# ICT Consulting Commercial Framework – FAQ v.1.4

## **Service Centre | NSW Procurement**

Level 11 McKell Building 2-24 Rawson Place

Sydney NSW 2000

T: 1800 679 289

E: [nswbuy@treasury.nsw.gov.au](mailto:nswbuy@treasury.nsw.gov.au) | [Treasury.nsw.gov.au](http://Treasury.nsw.gov.au)

# Contents

<b>Overview of the ICT Consulting Commercial Framework</b>	<b>3</b>
<b>Implementation Activities for Suppliers</b>	<b>4</b>
<b>Implementation Activities for Buyers</b>	<b>5</b>
<b>Vendor selection, Go to Market and Contract</b>	<b>5</b>
<b>Reporting</b>	<b>7</b>
<b>ICT Implementation Services</b>	<b>7</b>

# Overview of the ICT Consulting Commercial Framework

## 1. What does the ICT Consulting Framework apply to? Do Schemes require updates?

The ICT Consulting Commercial Framework applies to all ICT Consulting Services engagements contracted under the ICT Services Scheme (SCM0020).

The ICT Services Scheme (SCM0020) has been updated to reflect the changes.

The changes introduced for ICT Consulting services within the ICT Services Scheme (SCM0020) are consistent with the current terms of the Business and Advisory Services (BAS) within the PMS Scheme (SCM005).

## 2. What is the definition of ICT Consulting Services, what are the commercial elements of the ICT Consulting Commercial Framework?

The ICT Consulting Commercial Framework applies only to ICT Consulting Services.

The definition of ICT Consulting Services is where output is report, advice, strategic plan or audit. There are 7 Sub engagement types under ICT Consulting services, including:

1. ICT Strategy, Planning and Design
2. ICT Risk Management, Compliance and Security
3. ICT Policy
4. ICT Audits
5. ICT Change management
6. ICT Project management
7. ICT Training and Development

The commercial elements of the framework include:

- Capped Daily Rates for Consulting Fees
- Minimum Discounts based on Engagement Size and Secondments
- A standard policy on disbursements that are billable
- Recommended resource mix targets
- Monthly reporting by request

Detail of the ICT Consulting Commercial Framework is available on [Beta.buy.nsw.gov.au](https://beta.buy.nsw.gov.au) in the 'How to Buy' section for ICT Services Scheme (ICT Consulting Commercial Framework PDF).

## 3. What are the key changes expected for suppliers and buyers?

### For Buyers:

- For engagements up to \$250K ex GST, buyer agencies will be able to conduct direct negotiations and engage suppliers who accept the ICT Consulting Commercial Framework directly without having to obtain 3 quotes from the market.
- If buyer agencies wish to engage suppliers who 'do not accept' the ICT Consulting Commercial Framework, they will be required to follow a more stringent approval process, including:

- have the Secretary, Executive Agency Head or cluster Chief Financial Officer approve the engagement, but only once satisfied that work cannot be undertaken under the standard commercial framework
- ensure engagements are competitively bid with at least three bids to ensure value for money
- report information about the engagement upon approval through the Board's Major Supplier's Portal.
- Agencies must report any contract with a supplier that has not accepted the standard commercial framework, including contracts outside the PMS Scheme.

**For Suppliers:**

- Suppliers who accept the ICT Consulting Commercial Framework will be able to conduct direct negotiations and be engaged without buyer agencies having to obtain 3 quotes from the market.
- Suppliers who accept the ICT Consulting Commercial Framework may be requested to report their activities with NSW Government on a monthly basis.

**4. Who will oversee the ICT Consulting Commercial Framework?**

A Category Management team within ICT & Digital Sourcing will be in place to oversee the process moving forward.

The team will oversee compliance, manage breaches, review suppliers, collect feedback, among others.

## Implementation Activities for Suppliers

**5. How are suppliers made aware of the ICT Consulting Commercial Framework?**

Suppliers have been notified of the details of the ICT Consulting Commercial Framework with one month's notice via an eTendering alert:

- Suppliers who accept the ICT Consulting Commercial Framework are not required to make changes
- Suppliers who 'do not accept' the ICT Consulting Commercial Framework will not be required to complete a new application for the ICT Service Scheme (SCM00020)
- Suppliers who 'do not accept' the ICT Consulting Commercial Framework are required to update their status to 'I do not accept'

**6. If a supplier accepts the new framework, would the commercial elements apply to existing engagements from 15th March 2020, or only to future engagements signed after this date?**

The ICT Commercial Framework will not affect existing engagements, it will only be applied to future engagements signed after 15th March 2020

## Implementation Activities for Buyers

### **7. How are Buyer agencies made aware of the ICT Consulting Commercial framework?**

Details of the ICT Consulting Commercial Framework has been released to Buyer agencies with one month's notice via a Procure Alert.

### **8. How much time do Buyer agencies have to implement the ICT Consulting Commercial Framework?**

It is expected that implementation in Buyer agencies can take up to 3-4 months. Buyer agencies have until 30th Jun 2020 to adapt their internal processes to reflect the framework.

### **9. How do Buyer agencies find out about the list of non-compliant suppliers?**

The list of suppliers who 'do not accept' the ICT Commercial Framework will be updated in the next Procurement Board Direction.

### **10. How will DCS help Buyer agencies with the 'Go live' of ICT Consulting Commercial Framework?**

To assist Buyer agencies DCS will provide:

- FAQ, Templates and tools including Sourcing guide, Process flow, Compliance check tool, Negotiation and Feedback template etc. These documents are available on [Beta.buy.nsw.gov.au](https://beta.buy.nsw.gov.au) in the 'How to Buy' section for ICT Services Scheme
- Ongoing briefing and training sessions

## Vendor selection, Go to Market and Contract

### **11. Does the ICT Commercial framework apply to tenders released on the NSW Government eTendering portal or any ICT Consulting project /bid open or received directly from NSW Government agencies?**

The ICT Consulting Commercial Framework applies to all ICT Consulting projects regardless of which platform the SOW / RFx is released.

### **12. What is the Total Contract Value? How is it calculated?**

Please see ICT Sourcing Handbook for Buyers 'How do I Select Suppliers section'.

**13. Which should be the threshold to use the ICT Commercial framework threshold or Buyer agencies' own thresholds?**

For engagements up to \$250K ex GST, Buyer agencies will be able to conduct direct negotiations and engage suppliers who accept the ICT Consulting Commercial Framework directly without having to obtain 3 quotes from the market.

The ICT Commercial framework threshold does not overwrite the existing Buyer agencies thresholds.

**14. Which should be the threshold to use for Vendor selection?**

The ICT Commercial framework applies to tender (resource rates, disbursements, discount structure and resource mix) and supplier reporting.

From time to time changes are updated in Scheme rule clauses.

The ICT Commercial framework threshold does not currently impact Vendor selection threshold

- For engagement costs below \$150K Basic supplier list
- For engagement costs over \$150K Advanced supplier list

For detail please see ICT Sourcing Handbook for Buyers 'How do I Select Suppliers section'.

**15. If the SOW includes a mix of ICT Consulting and other services such as application development, do the framework rates apply to all components of the project, or just the parts related to what is defined as ICT Consulting tasks?**

The framework capped rates apply only to ICT Consulting components.

**16. How should discounts be applied?**

The minimum commercial framework discounts apply to the all the resource rates excl. GST.

**17. Will the ICT Contracts be updated to reflect the changes of ICT Commercial framework?**

The ICT Commercial framework applies to tender (resource rates, disbursements, discount structure and resource mix) and supplier reporting.

From time to time changes are updated in Scheme rule clauses.

The ICT Commercial framework does not impact contracts currently in place:

- For low risk contract below \$500K Core& should be used
- For high risk contract regardless of contract value Procure IT3.2 should be used

- A separate initiative will take place to conduct a contractual review to assess the feasibility of “Replacement of Procure IT 3.2 with High Risk Contract based on Core and for Consultancy & Professional Services”

**18. Will Core& still be used for ICT Consulting engagements value under \$500k under the new framework?**

The ICT Commercial framework does not impact contracts currently in place.

A separate initiative is looking into Contractual Framework Review.

Core & Professional Services will continue to be used until the result from the Contractual Framework Review is confirmed.

## Reporting

**19. How will supplier reporting work?**

Strategic Suppliers will be identified to participate in reporting. Reporting will utilise the Business and Advisory Services (BAS) templates.

The data collected will be used to drive continuous category improvements, to conduct category management activities and provide market insights to buyer agencies and suppliers.

**20. How will this engagement work around reporting requirements for GIPA?**

The ICT Consulting Commercial Framework does not affect the GIPA reporting requirements. Current reporting requirements are still applicable.

**21. How will the compression of engagement types to create the cap for ICT Consulting affect Financial reporting?**

Supplier reporting templates will continue to contain sub-engagement types for reporting purposes.

## ICT Implementation Services

**22. Will the ICT Contracts be updated to reflect a rename of ICT Professional Services & Implementation to ICT Implementation?**

The rename and contract changes will be postponed to the Contractual Framework Review phase.