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**NSW Procurement – Contracting Services is a Business Unit of the NSW
Department of Services, Technology and Administration**

**NSW Procurement – Contracting Services invites this tender for and on behalf of the
NSW Government State Contracts Control Board**

Request for Tender : 0801674

Parts A & B

**Provision of Claims Management Services for
the NSW Self Insurance Corporation**

For the period 1 July 2010 to 30 June 2016

Tender Issue Date: Monday 2 November
2009

Closing Date: Wednesday 16 December
2009

Closing Time: 9:30 am Sydney Time

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For the purposes of this RFT, inquiries should be directed to the Contact Officer nominated in Part A of this RFT.

Other matters should be directed to:

Group General Manager
NSW Procurement – Contracting Services
NSW Department of Services, Technology & Administration
McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 7511
Fax: (02) 9372 7599

PROVISION OF CLAIMS MANAGEMENT SERVICES FOR THE NSW SELF INSURANCE CORPORATION

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PART A THE REQUIREMENT AND TENDER INFORMATION

1. OUTLINE DESCRIPTION OF THE REQUIREMENT

- 1.1** This Request for Tender seeks submissions from organisations interested in providing claims management services to the NSW Self Insurance Corporation (SICorp).
- 1.2** The specifications for the required services are set out in Attachment 3 (Claims Management Service Specifications) to the Contract Conditions at Part D. Tenderers are required to submit Annual Services Fees (ASF) which are intended to cover the costs associated with delivering a claims management service to the standard expected and required by SICorp. ASF are to be calculated for each Financial Year and will incorporate both the Base Service Fee (BSF) and the Service Performance Bonus (SPB).
- 1.3** SICorp is constituted under the *NSW Self Insurance Corporation Act 2004 (NSW)* and is a statutory body which holds and is responsible for all New South Wales Government insurance assets and liabilities.
- 1.4** SICorp will be the principal to the agreement and has the following functions with respect to Government managed fund schemes:
- a) to operate one or more Government managed fund schemes (including the function of establishing, reorganising, amalgamating, dividing or winding up such schemes),
 - b) to enter into agreements or arrangements with other persons to provide services (as agents or otherwise) in relation to the operation of any Government managed fund scheme,
 - c) to enter into insurance or other agreements or arrangements to cover the liabilities to which a Government managed fund scheme applies,
 - d) to act for the State or an authority of the State in dealing with claims under a Government managed fund scheme (including the recovery of amounts payable to the State or an authority of the State in connection with such claims).
- 1.5** The Treasury Managed Fund ("TMF") is a NSW Government managed fund scheme operated by SICorp which covers insurance liabilities for TMF member agencies. The Rail Scheme, Governmental Workers Compensation Account (Workers Fund) and Transport Accident Compensation Fund are run off schemes administered by SICorp.
- 1.6** The management of the TMF and other schemes was restructured from 1 July 2005 when a multi-provider model was introduced. For the 2010 claims management services contract there will be five separate contracts with respective defined roles and responsibilities. The five claims management roles will be:
- a) Workers Compensation Claims No.1
 - b) Workers Compensation Claims No. 2
 - c) Workers Compensation Claims No. 3
 - d) Health Liability Claims

- e) General Claims (including non-Health Liability, property, motor vehicle and miscellaneous classes)
- 1.7** The Claims Manager is being engaged to assist SICorp in fulfilling the following objectives ("SICorp Objectives") which are not expressed in any order of importance or precedence:
- a) minimise State exposures;
 - b) reduce claims costs and budget impacts;
 - c) optimise accountability for Agencies;
 - d) efficient and cost effective delivery of the Services; and
 - e) maintaining full funding of liabilities.
- 1.8** The Claims Manager will manage the Claims within its Portfolio to achieve the SICorp Objectives and without limitation will, together with its Personnel, demonstrate the highest possible ethical standards in its, or their, dealings and conduct in the provision of the Services under this Agreement and work and communicate effectively with and maintain the confidence of all stakeholders affected by this Agreement, including Agencies, at all times during the Term of this Agreement.
- 1.9** SICorp has a strong preference for three separate Workers Compensation Claims Managers. No tenderer will be awarded all three Workers Compensation Portfolios. There is no preference for the award of Workers Compensation and Health Liability and/or General Claims (other than tenderers capacity to undertake multiple portfolios and the overarching criteria).
- 1.10** The term of this Agreement will be six (years), which will allow Claims Managers to undertake all the necessary implementation and transition tasks to prepare for and enable the delivery of the Services to the specified standard under the Agreement. Claims Managers will be required to demonstrate they meet the specified Conditions for Authorisation to Commence Core Services prior to being given authorisation by SICorp to commence delivery of Core Services.
- 1.11** The specifications for the required services are set out at Attachment 3 to the Contract Conditions being Part D hereto.
- 1.12** The State Contracts Control Board is responsible for the conduct of the tender process, assisted by NSW Procurement – Contracting Services.

2. SUMMARY INFORMATION FOR TENDERERS

2.1 Interpretation

- 2.1.1 Definitions of terms used in Parts A-C are listed at the start of Part B.

2.2 Structure of Request for Tender

- 2.2.1 This RFT is made up of Parts A to D. If submitting a Tender, retain Parts A, B and D. The completed Part C forms the Tender Response.
- 2.2.2 Submit Part C in accordance with instructions in Part B. Part C contains the following:
- a) Part C1 – Price Schedule and Information supplied in response to Part B
 - b) Part C2 – Acknowledgment and confirmation of Tender.

2.3 Contact Officer

- 2.3.1 Refer requests for information or advice regarding this RFT to:

For Contractual Enquiries

Name: Matthew Chalder, NSW Procurement
 Phone: (02) 9372 8309
 Fax: (02) 9372 7799
 Email: matthew.chalder@services.nsw.gov.au

For Technical Enquiries

Name: Robert Lloyd, NSW Treasury
 Phone: (02) 9228 3885
 Fax: (02) 9228 3870
 Email: robert.lloyd@treasury.nsw.gov.au

- 2.3.2 An independent probity auditor has been appointed to oversee the evaluation process. The contact details of the probity auditor are:

Name: Paul Marsh, Oakton
 Phone: (02) 9923 9800
 Fax: (02) 9929 6731
 Email: paul.marsh@oakton.com.au

- 2.3.3 Any information given to a tenderer to clarify any aspect of this RFT will also be given to all other tenderers if in the Board's opinion the information would unfairly favour the inquiring tenderer.

2.4 Additional Information

- 2.4.1 Background information will be made available to tenderers subject to tenderers completing a confidentiality agreement. Please contact Robert Lloyd at the above email address if you wish to obtain the confidentiality agreement. Once a signed agreement is received the information will be forwarded to you.

2.5 Pre-Tender Briefing

- 2.5.1 A Pre-Tender Briefing will be held commencing at 10.00am, on Monday 9 November 2009 at the address nominated below. This briefing will discuss all aspects of this tender. It is highly desirable that all prospective tenderers attend the briefing in order that they fully acquaint themselves with the tender requirements. It is also expected that all Tenderers will have thoroughly read this document prior to the briefing.

Conference Room 1
Level 4, McKell Building
2 – 24 Rawson Place
SYDNEY NSW

- 2.5.2 Tenderers should notify by Email at isabelle.stooke@services.nsw.gov.au by no later than 5 November 2009 of their intention to attend the briefing. In your Email you should provide names of those people who shall be attending.
- 2.5.3 To enable questions to be answered to the fullest extent, potential tenderers may raise questions in writing at the above Email address, with the answers provided during the Briefing session.
- 2.5.4 For Tenderers who have attended the above briefing and have signed an appropriate confidentiality agreement, individual briefings will also be made available. Individual briefings will be held on Monday 16 November 2009 in the McKell Building.

2.6 Nature of agreement

- 2.6.1 The Requirement is to be met by an agreement between the Principal and the successful tenderer on the terms of Part D.

2.7 Legal Entity of Tenderer

- 2.7.1 Tenders must be submitted by a legal entity or, if a joint tender, by legal entities, with the capacity to contract. The Principal will only enter into an agreement with such legal entity or entities.
- 2.7.2 The Board may ask a tenderer to provide evidence of its legal status or capacity to contract. If tenders from entities propose to contract in their capacity as trustees, such evidence may include copies of the relevant trust deeds. Any evidence requested is to be provided within 3 working days of the request.

2.8 Financial Capability of Tenderer

- 2.8.1 The Board reserves the right to reject any Tender if the Board judges the tenderer not to have appropriate financial capability.
- 2.8.2 Where the Board forms the view that the tenderer does not have the appropriate financial capability, the Board reserves the right to make acceptance of any Tender conditional upon the tenderer entering into a bank, parent company or personal guarantee, or an unconditional performance bond in a form satisfactory to the Board.

2.9 ABN Requirements

- 2.9.1 The Principal will not enter into an agreement with a company that does not have an Australian Business Number (ABN) and is not registered for GST. Normally, tenderers must be registered for GST and state their ABN in their Tender.

- 2.9.2 Tenders from tenderers that do not have an ABN and/or are not registered for GST, such as tenderers commencing business in Australia, may be considered at the Board's discretion if the tenderer demonstrates that it will obtain an ABN and GST registration before entering into an agreement with the Principal. Such tenderers must state how and when they intend to obtain an ABN and register for GST in their Tender.

PART B THE TENDER PROCESS

3. DEFINITIONS OF TERMS USED IN PARTS A – C

- 3.1 Unless the context indicates otherwise, the following terms, where used in Parts A-C of this RFT, shall have the meanings set out below. Note that not all defined terms will appear in all RFTs.

“Addendum” means an addendum or addition to this RFT made by the Board before the Closing Date and Time.

“Alternative Tender” means a Non-Conforming Tender that is intended to offer a different method of meeting the object and intent of the Requirement.

“Board” means the State Contracts Control Board established under the *Public Sector Employment and Management Act 2002* whose responsibilities include:

- a) Inviting and accepting tenders;
- b) Determining the conditions under which tenders are invited or accepted;
- c) Entering into contracts on behalf of Departments and other public sector agencies; and
- d) On-going contract administration and management,

and includes the duly authorised delegates of the Board, including officers of NSW Procurement – Contracting Services.

“Closing Date and Time” means the Closing Date and Time for receipt of Tenders, specified on the cover sheet to this RFT or as extended by the Board in its absolute discretion.

“Code” means the NSW Government Code of Practice for Procurement as amended from time to time, together with any other codes of practice relating to procurement, including any amendments to such codes that may be applicable to the particular RFT. The code can be viewed and downloaded from:

http://www.treasury.nsw.gov.au/_data/assets/pdf_file/0015/1356/code_of_prac-curr.pdf

“Conforming Tender” means a Tender that:

- a) conforms to the Requirement;
- b) is in the prescribed form;
- c) conforms to the terms of Part D, and
- d) conforms to all of the other stated requirements of this RFT.

“Contractor” means the tenderer as a party to the proposed agreement.

“Deliverables” means the goods and/or services sought under this RFT, as detailed in the Specification.

“Government Businesses” means in general, entities which: a) have some form of public sector ownership; b) are engaged in trading goods and/or services; c) have a large measure of self sufficiency; and d) are subject to Executive control. In this context, the term Government business includes Public Trading Enterprises, State Owned Corporations and General Government Businesses.

“GST” is a goods and services tax and has the same meaning as in the GST Law.

“GST Free Supplies” and **“Input Taxed Supplies”** have the same meaning as in the GST Law.

“GST Law” means any law imposing a GST and includes *A New Tax System (Goods & Services Tax) Act 1999* (Cth) or if that Act does not exist, means any Act imposing, or relating, to a GST and any regulation made under those Acts.

“Late Tender” means a Tender received after the Closing Date and Time for tenders and includes a Tender which is only partly received by the Closing Date and Time.

“Non-Conforming Tender” means a Tender that:

- a) does not conform to the Requirement;
- b) is not in the prescribed form;
- c) does not conform to any one or more of the terms of Part D, including a Tender which seeks to qualify or amend these terms, or
- d) does not conform to any of the other stated requirements of this RFT.

“NSW Government Procurement Policy” means the policy package which can be viewed and downloaded from:

http://www.treasury.nsw.gov.au/_data/assets/pdf_file/0004/3955/tpp04-1.pdf

“NSW Procurement – Contracting Services” means a business unit of the NSW Department of Services, Technology & Administration representing the Board and authorised to arrange and administer contracts on behalf of the Board.

“OHS&R” means occupational health, safety and rehabilitation.

“Price” includes a price expressed as a lump sum or a rate per unit of quantity, calculated in accordance with this Part.

“Price Schedule” means the list of Deliverables offered by the tenderer, together with the corresponding pricing information.

“Principal” means the NSW Self Insurance Corporation as principal in the proposed agreement.

“Requirement” means the requirement for goods and/or services to be met by the tenderers and as detailed in the Specification.

“RFT” means the Request for Tender.

“Specification” means the specification of services being Attachment 3 to the Contract Conditions at Part D of this RFT.

“Tender” means the offer to supply the Deliverables submitted in response to the RFT.

“Tender Period” means the period from Tender issue to Tender Closing Date and Time.

“Tender Price” means, in respect to each Deliverable offered, the Price nominated in the Price Schedule for that Deliverable.

4. PREPARATION OF TENDER – GENERAL

4.1 Conformity of Tenders

- 4.1.1 The Board seeks Conforming Tenders.
- 4.1.2 Non-Conforming Tenders that do not include a fully completed Part C, in particular those Tenders which do not contain sufficient information to permit a proper evaluation to be conducted, or, in the case of electronic tenders, which cannot be effectively evaluated because the file has become corrupt, may at the Board's discretion be excluded from the tender process without further consideration.
- 4.1.3 Tenderers may, if they choose, submit an Alternative Tender but only in conjunction with a Conforming Tender. Tenderers are encouraged to offer options or solutions that contribute to the Principal's ability to carry out its business in a more cost-effective manner.
- 4.1.4 The Board may assess an Alternative Tender against the selection criteria where submitted with a Conforming Tender.
- 4.1.5 An Alternative Tender must be clearly marked "Alternative Tender".
- 4.1.6 The Board expressly reserves the right to accept, in its discretion, either or both of the following:
 - a) Any Alternative Tender or part of an Alternative Tender, where submitted with a Conforming Tender; and
 - b) Any other Non-Conforming Tender or part of a Non-Conforming Tender that, in the Board's opinion, is substantially a Conforming Tender.

4.2 Prescribed form of Tender

- 4.2.1 The Tender, including any Alternative Tender, must comprise a completed Part C and any attachments to Part C, as may be necessary. Any attachments should be labelled to identify those clauses of the RFT to which they relate.
- 4.2.2 The Tender will be taken to be for the supply of the Requirement on the terms and conditions stated in Part D except to the extent that these are amended by the Tender.

4.3 General instructions for completion of Tenders

- 4.3.1 Prices, responses and other information provided in the Tender are to be in writing and in English.
- 4.3.2 Tenderers must initial and date any alterations to, and deletions from, a hard copy Tender.
- 4.3.3 Tenderers must complete ALL of Part C of this RFT, as directed.
- 4.3.4 Tenderers should notify the Contact Officer in writing on or before the Closing Date and Time if they find any discrepancy, error or omission in this RFT.

4.4 Addenda to this RFT before close of Tenders

- 4.4.1 If, for any reason the Board, at its sole discretion, requires the RFT to be amended before the Closing Date and Closing Time, an Addendum will be issued.

- 4.4.2 In each case, an Addendum becomes part of the RFT.
- 4.4.3 The Board, during the Tender Period may issue Addenda altering the RFT. In such cases, it is the obligation of the tenderer to verify if any Addenda were issued prior to the Closing Date and Time, even if a Tender has already been submitted.
- 4.4.4 Tenderers must check the web site address, <https://tenders.nsw.gov.au/services> and download the Addendum.

4.5 Tenderer's Costs

- 4.5.1 The tenderer acknowledges that the Board will not be liable to it for any expenses or costs incurred by it as a result of its participation in this RFT, including where the RFT has been discontinued.

4.6 Tenderers to inform themselves

- 4.6.1 Before submitting its Tender, a tenderer must:
- a) Examine all information relevant to the risks and contingencies and other circumstances having an effect on its Tender; and
 - b) Satisfy itself:
 - i that the Tender, including the Tender Price is correct; and
 - ii that it is financially and practically viable for it to enter into and perform the proposed agreement

5. PREPARATION OF TENDER – POLICY REQUIREMENTS

5.1 Procurement Policy – Introduction

5.1.1 Tenderers should read the NSW Government Procurement Policy:

http://www.treasury.nsw.gov.au/_data/assets/pdf_file/0004/3955/tpp04-1.pdf

Other relevant policies and particular policy objectives to be implemented through this procurement are drawn to tenderers' attention in this cl.6. The requirements of this policy are reflected in the selection criteria listed in cl.9.2 and in the responses required from tenderers in Part C.

5.2 NSW Government Code of Practice for Procurement

5.2.1 Tenderers must comply with the NSW Government Code of Practice for Procurement, which is available at:

http://www.treasury.nsw.gov.au/_data/assets/pdf_file/0015/1356/code_of_prac-curr.pdf

5.2.2 Lodgement of a Tender will itself be an acknowledgement and representation by the tenderer that it is aware of the requirements of the Code, that the tenderer will comply with the Code and that the tenderer agrees to provide periodic evidence of compliance with the Code and access to all relevant information to demonstrate compliance for the duration of any agreement that may be awarded.

5.2.3 If a tenderer has failed to comply with the Code, this failure will be taken into account by the Board when considering its Tender or any subsequent Tender and may result in this or any subsequent Tender being passed over without prejudice to any other rights or action or remedies available to the Board.

5.3 Occupational Health Safety & Rehabilitation

5.3.1 Tenderers must comply with the following OHS&R requirements in the performance of any agreement awarded:

- a) The *Occupational Health and Safety Act 2000* (NSW) and any regulation made under this Act, including the OHS Regulation 2001; and
- b) Codes of Practice, approved and issued pursuant to the above Act and or regulations made under the above Act.

5.3.2 Tenderers must ensure that the Tenderer's sub-contractors will comply with the OHS&R requirements listed in 6.3.1 in the performance of any agreement awarded.

5.3.3 Tenderers must indicate compliance with OHS&R obligations in Part C.

5.4 Australia and New Zealand (ANZ) Price Preference Margin

5.4.1 Under the [Local Jobs First Plan](#), the Australia and New Zealand (ANZ) Price Preference Margin is to be applied in the evaluation of tenders.

5.4.2 Since this procurement is a covered procurement under a relevant Free Trade Agreement, the ANZ Price Preference Margin will be a preference that is applied in the form of a 20% discount on the declared ANZ content originating from an SME.

5.4.3 For the purposes of the evaluation of tenders and to enable the application of the ANZ Price Preference Margin, tenderers are required to provide accurate details of the following in Part C:

- i the local (Australian and New Zealand) content; and/or
- ii Imported (non-Australian and non-New Zealand) content.

5.4.4 Tenderers also agree to make available records from time to time (as and when requested by the Board) to substantiate the information provided about the local and/or imported content of the tendered goods and services. Tenderers are responsible for ensuring that information provided in its tender also includes detailed information about the local and /or imported content of goods supplied by them and this may include statements from their sub-contractors on the local and/or imported content of the goods and related services included in the tender.

5.4.5 For the purposes of the ANZ Price Preference Margin, the price of imported content of goods and services includes the estimated duty paid value, inclusive of the value of any services (for example overseas freight and insurance, software in computer tenders, consultancy or engineering effort), or any charges of overseas origin, together with customs clearing charges.

5.4.6 Small to Medium Enterprises (SMEs) means an enterprise carrying on business in NSW, other States and Territories of Australia or New Zealand with up to 500 full time equivalent (FTE) employees as at the date of the submission of the tenderer's response.

In calculating the number of FTE employees, the tenderer must include:

- (a) All FTE employees of the tenderer; and
- (b) All FTE employees of any other person or persons within a group (as defined in s.175L of the Workers Compensation Act 1987 (NSW)) of which the tenderer is a member unless the tenderer has, as at the Key Date, been excluded under s.175E of the Workers Compensation Act 1987 (NSW); and

A person includes an individual, a firm, a body corporate, partnership, joint venture, unincorporated body or association."

5.5 SME Participation Plan

5.5.1 All tenderers are required to complete a SME Participation Plan (SMEPP) that includes quantitative information on employment, investment and other impacts and comments on local SME involvement in supply chains. The SMEPP submitted will, if the tender is accepted, be incorporated in the Agreement.

6. PREPARATION OF TENDER - PRICE SCHEDULE AND PROJECT PLAN

6.1 Price Schedule

6.1.1 Complete the Price Schedule at Part C1

6.2 Calculating the Tender Price

6.2.1 The Tender Price must:

- a) be in Australian dollars;
- b) cover all costs of performing the agreement, including packing and delivery (if applicable);
- c) include GST if it is payable and all other applicable taxes, duties and charges at the rates applicable at the Closing Date and Time for Tenders;
- d) include all costs associated with the preparation and submission of the Tender;

6.3 Price Variation

- 6.3.1 Tenderers are referred to Clause 23 of Part D – Contract Conditions. Tenderers should note that there will be no price variation in regards to factors such as CPI.

6.4 GST Free or Input Taxed Supplies

- 6.4.1 Tenderers must identify and state the value of any GST Free or Input Taxed Supplies to be made under the agreement.

6.5 Minimum Tender validity period

- 6.5.1 Tenders must remain open for acceptance for a period of at least twelve (12) months from the Closing Date and Time for Tenders. Tenderers must state in Part C if their Tenders will remain open for any longer period.

7. SUBMISSION OF TENDERS

7.1 General instructions for submission of Tenders

- 7.1.1 A Tender must be received by the Closing Date and Time.
- 7.1.2 A Tender may be submitted by any of the following methods:

- a) **by electronic lodgement through the NSW Department of Services, Technology & Administration, eTendering website at <https://tenders.nsw.gov.au/commerce>**

b) **Hard Copy or Facsimile Lodgement**

- (a) Delivery into the Physical Tender Box at:
Tender Box
NSW Department of **Services, Technology & Administration**
Level 3 Mckell Building (Ground floor west)
2-24 Rawson Place Sydney NSW
- (b) The tender must be able to be lodged into the physical tender box deposit slot of 400mm by 90mm, and must be lodged during normal McKell Building opening hours of 7:30am to 6:00pm Monday to Friday (excluding Public Holidays).
- (c) No receipt can be given however written acknowledgement of delivery of a container may be given by prior arrangement. Contact Tenders Office on (02) 9372 8900.
- (d) If the tender is larger in physical size and cannot be broken down into smaller multiple packets, or delivery personnel require a signature as evidence of delivery the tender must be delivered between 8:30am and 4:30pm Monday to Friday (excluding Public Holidays) and only by prior arrangement. Contact Tenders Office on (02) 9372 8900. Commerce personnel will not take delivery of containers that present an OH&S risk in terms of size or weight.
- (e) Tenders must be clearly marked with the RFT ID:- **"0801674"**.

Or Lodgement to the Facsimile Tender Box at Ph: (02) 9372 8974

Tenders which are sent by facsimile and which are not completely received at the specified location by the close of tenders may be excluded from consideration for acceptance even if transmission or receipt is delayed due to the receiving facsimile machine being engaged, faulty or otherwise inoperative.

If a tenderer intends to submit by facsimile it must consider the following:

The facsimile machine only allows one tender to be lodged at a time and is at its peak on the morning when tenders and tenders close. Due to the volume received on those closing dates, the State Contracts Control Board (SCCB) cannot guarantee the level or speed of access to these facilities at that time and tenderers should consider lodging in good time having regard to this

7.1.3 If a tenderer intends to submit electronically by facsimile or through the NSW Department of Services, Technology & Administration *eTendering* website, the following must be considered:

- a) The facsimile machine and NSW Department of Services, Technology & Administration *eTendering* website are at peak use on the morning when Tenders close.
 - i Due to the limitations of these means of communication it may take longer to lodge a Tender near Closing Date and Time than at other times.
 - ii When lodging by facsimile or through the NSW Department of Services, Technology & Administration *eTendering* website, it is recommended that a Tender be lodged well in advance of the Closing Date and Time.

- iii A tenderer must determine whether lodgement of a Tender by facsimile or through the NSW Department of Services, Technology & Administration *eTendering* website is appropriate.
 - b) The facsimile machine and NSW Department of Services, Technology & Administration *eTendering* website may experience difficulties in accepting a large Tender. A tender lodged via the NSW Department of Services, Technology & Administration *eTendering* website should ideally be below 7 megabytes (MB) in total file size. Responses totalling more than 7MB may experience difficulties in lodgement. A tenderer is referred to the cl. 8.2 “Electronic Tenders to the NSW Department of Services, Technology & Administration *eTendering* website” for instructions as to compressing electronically submitted Tenders.
 - i In order to comply with the above paragraph, an electronic Tender may be supported by documents in hard copy or on CD-ROM.
 - ii Supporting documents, to be submitted in hard copy or on CD-ROM, may be included throughout the RFT. Supporting documents may include, but are not limited to, statutory declarations, certificates and company brochures.
 - iii If submitting an electronic Tender with supporting documents:
 - The complete Tender, including the supporting documents, must be submitted by the Closing Date and Time, and
 - Supporting documents should be clearly labelled as “Supporting Documents to RFT 0801674”
- 7.1.4 If a tenderer provides multiple submissions, the tenderer should clearly state on the front page of the Tender whether it is:
- a) A “Copy.” A copy must be identical to an earlier or simultaneous submission in every respect.
 - b) A “Variation.” A variation of an earlier Tender will be deemed as superseding a prior submission.
 - c) An “Alternative Tender”.
- 7.1.5 In the event that a tenderer fails to indicate whether a submission is a Copy or a Variation, the latest Tender received in the NSW Department of Services, Technology & Administration Tender Box will be deemed as the definitive submission.
- 7.2 Electronic Tenders to the NSW Department of Services, Technology & Administration *eTendering* website**
- 7.2.1 Electronic Tenders. A Tender submitted electronically will be treated in accordance with the *Electronic Transactions Act 2000* (NSW), and given the appropriate level of confidentiality, probity and attention.
- 7.2.2 A tenderer, by electronically lodging a Tender, is taken to have accepted conditions shown in the “Rules of Tendering” on the NSW Department of Services, Technology & Administration *eTendering* website at <https://tenders.nsw.gov.au/commerce>
- 7.2.3 A tenderer must adhere to the following directions:
- a) A RFT for which electronic lodgement is available through the website, can be identified by the blue “Lodge a Response” link on the web pages for the RFT.

- b) To lodge a Tender electronically, the files containing the tenderer's response must be up-loaded through the website to the NSW Government *eTendering* system. Access to the up-loading process is through the blue "Lodge a Response" link, then following the steps and instructions on the NSW Department of Services, Technology & Administration *eTendering* website and any instructions which may have been supplied with the RFT documents, advertisement or invitation.

7.2.4 A tenderer must observe the following format for lodgements:

- a) An electronically lodged Tender must be lodged in a file format required by the RFT.
- b) If a tenderer compresses files, it must be possible to decompress them using WinZip. A tenderer must not submit self-extracting (*.exe) zip files.
- c) A tenderer must not change pre-existing text in the RFT other than to insert the required information
- d) The file/s name/s must have an extension and not have invalid characters or file names/loading pathnames too long for the system, as detailed on the NSW Department of Services, Technology & Administration *eTendering* website.

7.2.5 Signatures are not required for an electronic tender. A tenderer must ensure that a Tender is authorised by the person or persons who may do so on behalf of the tenderer and appropriately identify the person and indicate the person's approval of the information communicated.

7.2.6 Electronically submitted Tenders may be made corrupt or incomplete, for example by computer viruses. The Board may decline to consider for acceptance a Tender that cannot be effectively evaluated because it is incomplete or corrupt. Tenderers must note that:

- a) To reduce the likelihood of viruses, a tenderer must not include any macros, applets, or executable code or files in a Tender.
- b) A tenderer should ensure that electronically submitted files are free from viruses by checking the files with an up to date virus-checking program before submission.

7.2.7 If a tenderer experiences any persistent difficulty with the NSW Department of Services, Technology & Administration *eTendering* website in submitting a tender or otherwise, it is encouraged to advise the Contact Officer promptly in writing.

- a) If there is an extended defect or failure of the NSW Department of Services, Technology & Administration *eTendering* website or *eTendering* system and the Board is advised, the tender Closing Date and Time may be extended provided that, in the view of the Board, the RFT process will not be compromised by such an extension.
- b) Tenders must be fully received by the Closing Date and Time.

7.2.8 Tenderers may break down the lodgement of large Tenders into smaller packages if clearly identified eg. package 1 of 3; 2 of 3; 3 of 3.

7.2.9 If a tenderer provides multiple lodgements, the latest Tender received will be the Tender to be evaluated unless the tenderer provides clear directions to whether the lodgement is:

- a) an Alternative Tender,
- b) supporting information
- c) a further part of a Tender that has had previous lodgement

7.3 Custody of Tenders after receipt

7.3.1 All hard copy Tenders submitted (and any accompanying CD-ROMS or floppy disks) are kept in the NSW Department of Services, Technology & Administration Tender Box, which is a locked tender box, until after the Closing Date and Time.

7.3.2 Tenders lodged electronically to the NSW Department of Services, Technology & Administration *eTendering* website will be treated in accordance with the *Electronic Transactions Act 2000* (NSW) and given no lesser level of confidentiality, probity and attention than Tenders lodged by other means.

- a) On receipt of Tenders lodged electronically to the NSW Department of Services, Technology & Administration *eTendering* website, Tenders are encrypted and stored in a secure “electronic tender box”.
- b) For reasons of probity and security, NSW Department of Services, Technology & Administration is prevented from interrogating the electronic tender box to ascertain whether tenders have been received or for any reason, until after the Closing Date and Time.
- c) The e-mail receipt that is sent to the Tenderer after successfully up-loading the Tender is the only evidence of Tender lodgement provided.

7.4 Late Tenders

7.4.1 In accordance with the requirements of the NSW Government Code of Tendering, Late Tenders will not be considered except when the Board is satisfied that the integrity and competitiveness of the tendering process will not be comprised.

7.4.2 Normally, Late Tenders will not be considered for acceptance if they are:

- a) hand delivered, including hand delivered by courier; or
- b) received by electronic communication (facsimile or through the NSW Department of Services, Technology & Administration *eTendering* website) and the despatch of the electronic communication of the Tender has occurred after the Closing Date and Time, including where delay may be due to the receiving facsimile or *eTendering* system being engaged, faulty or otherwise inoperative.

7.5 Extension of the Closing Date and Time

7.5.1 The Board may, in its discretion, extend the Closing Date and Time.

8. EVALUATION OF TENDERS

8.1 General

- 8.1.1 Tenders will be assessed against the selection criteria listed below, which are not necessarily exhaustive, in order of significance or to be given equal weight.
- 8.1.2 The total evaluation score will be determined using a value for money calculation which applies different weightings to selection criteria relating to cost, caseload and service quality for each portfolio:
 - a) Workers Compensation (No. 1, No. 2 and No. 3) – selection criteria not related to cost will account for 75% of the total evaluation score. The selection criteria that relate to cost will account for 25% of the total evaluation score.
 - b) Health Liability Claims – selection criteria not related to cost will account for 75% of the total evaluation score. The selection criteria that relate to cost will account for 25% of the total evaluation score.
 - c) General Claims – selection criteria not related to cost will account for 70% of the total evaluation score. The selection criteria that relate to cost will account for 30% of the total evaluation score.
- 8.1.3 Tenderers should note that criteria listed at 8.2.5, “basic criteria”, will not be scored but assessed as either meeting or not meeting the requirement.
- 8.1.4 For the overarching assessment at 8.2.7 the various permutations of allocation of portfolios between tenderers will be assessed as to the effect on achieving SICorps preferences as outlined in Part C Section 1 of this RFT.
- 8.1.5 Information supplied by the tenderer in response to Part C will contribute to the assessment against each criterion. Tenderers are advised to respond clearly to all the selection criteria listed in this RFT.
- 8.1.6 As part of the evaluation process, tenderers may be called upon at their own expense to make a presentation of their proposal to the evaluation committee.
- 8.1.7 Tenderers should note that their premises, facilities and operations may be inspected during the tender evaluation phase. Reasonable notice will be provided to tenderers of any proposed inspection. Inspections will be carried out between the hours of 9:00 a.m. to 5:00 p.m. Monday to Friday.
- 8.1.8 The evaluation committee may also review and take account of any independent performance assessments available from regulators or other clients.
- 8.1.9 At the Board's discretion any omitted detail or variation and/or qualification of any Requirement may be either evaluation and/or scored in accordance with the tenderers statement (or lack thereof) or clarified by the Board as to the intention of the tenderer.

8.2 Selection criteria

- 8.2.1 The selection criteria to be used in the evaluation of Tenders are outlined below. The criteria are not in any particular order and are not necessarily exhaustive or to be given equal weight. Tenderers should note that any terms used in the following selection criteria which are defined in Part B shall have the same meaning as in Part B.

8.2.2 Service Quality Criteria

- a) Demonstrated capability to deliver best practice claims management outcomes, agency relationship management and to provide policy services and risk management services in the Public Sector environment, including:
 - i Proven record of achieving best practice claims management outcomes in similar environments (proven by outcome based performance data)
 - ii Detailed claims management model including key strategies, processes and procedures.
 - iii Approach to meeting the specific needs of agencies and the identified individual needs of particular agencies.
 - iv Approach to delivery of client services to agencies and specifically to regionally based agencies (or units of agencies).
 - v Strategies for maintaining strong customer relationships with agencies, including maintenance of business portfolios and a current understanding of agency business needs.
 - vi Capability to manage external service providers to achieve best practice outcomes, including assessing and reporting on service provider performance.
 - vii Capability to maintain policy details, issue premium notices and to ensure premiums are paid.
 - viii Capability to provide effective risk management services.
 - ix Sites and examples where best practice (or near best practice) outcomes are currently being delivered (preferably in the same or similar environment).
 - x Continuity of tenderers staff that interface with agency staff.
 - xi Consistency of the proposed claims management model with the proposed budget and the model used in delivering the proven best practice outcomes.

- b) Demonstrated capability to provide information technology systems that support best practice claims management and support policy and premium operations and agency services in the SICorp environment, including:
 - i Proven record of information technology systems supporting best practice claims management outcomes in similar environments
 - ii Applications to be used for claims notification and lodgement, claims management, policy and premium management and financial and accounting management.
 - iii Business process management solutions for managing workflow.
 - iv Technical architecture and operating systems including integration and security.
 - v Management and operational reporting and performance monitoring solutions including decision support tools.
 - vi Capacity to meet (or be modified to meet) specific SICorp and agency requirements and to provide an efficient and effective interface with agencies and provide data to SICorp data warehouse.
 - vii Processes for verifying and ensuring the quality of data on systems
 - viii Flexibility of systems and capacity to meet the evolving needs of best practice claims management, SICorp, Agencies and regulators.

- c) Capacity to deliver appropriately trained and skilled staff to support best practice claims management for the Public Sector environment, including:
 - i Proven record in delivering staff that are capable in achieving best practice claims management outcomes in similar environments.
 - ii (Minimum) claims staff competency standards.

- iii Human resources and staff development plans.
 - iv Staff retention strategies
 - v Claims staff training programs.
 - vi Key staff to be allocated to deliver services to SICorp.
 - vii Consistency of the proposed staff levels and skills with the proposed budget, cost model projections and staffing arrangements used in delivering the proven best practice outcomes.
- d) Management systems established to ensure operational delivery of best practice claims management, including:
- i Proven record of management systems ensuring delivery of best practice claims management outcomes in similar environments
 - ii Systems to monitor and report on performance and delivery of objectives and targeted outcomes.
 - iii Quality assurance systems and processes.
 - iv Mechanisms for providing feedback to staff and for addressing under performance or delays.
 - v Capacity for management of finance and accounting functions including the management of the operating bank account and reporting to Treasury.
 - vi Appropriate established governance arrangements including mechanisms to detect and address fraud or other aberrant behaviour.
 - vii Mechanisms for integrating senior management, IT systems, HR systems and claims management to deliver an effective service to SICorp.
 - viii Consistency of the proposed management systems with the proposed budget, cost model projections and management system used in delivering the proven best practice outcomes.
- e) Effectiveness of transition plan to gear-up and deliver the service to SICorp and agencies, including:
- i Proven record of successfully transitioning in substantial portfolios of claims in similar environments
 - ii Understanding of agency business and strategies for building agency's business profiles.
 - iii Capacity to implement necessary system changes to meet SICorp requirements and capacity to convert TMF and other scheme claims and policy data into the claim manager's existing systems.
 - iv Capacity to build up staff and other resources to deliver service to standard and timetable.
 - v Capacity to comply with SICorp's transition manual and transition plan.

8.2.3 Case Load Criteria

- a) Maximum Average Case Load assigned to Claims Staff (by line of business if appropriate) and also:
- i Target average case loads (by type of claim).
 - ii Alignment of target case loads with claims management model (ie how case loads would vary by nature/severity/complexity of claim).

8.2.4 Cost Criteria

- a) Projected fees calculated using the submitted fixed fee and (if appropriate) the dollars per claim closed and transition fees.

8.2.5 Basic Criteria

- a) Acceptable level of compliance with the contract.
- b) Agreement to and compliance with critical service standards and service level agreements.
- c) Acceptable level of compliance with NSW Government procurement policies.
- d) Compliance with legislative obligations (including compliance with regulations, codes of practice or other subsidiary instruments) under the following Acts:
 - i Occupational Health and Safety Act 2000.
 - ii Workers Compensation Act 1987.
 - iii Workplace Injury Management and Workers Compensation Act 1998.
 - iv Industrial Relations Act 1996.
- e) Financial stability of the tenderer.
- f) Appropriate mechanisms for avoiding or dealing with conflicts of interest.

8.2.6 SME Participation Plan (SMEPP) under the *Local Jobs First Plan* policy.

8.2.7 Overarching Criteria

- a) Best overall combination of providers to achieve SICorp objectives after consideration of:
 - i Fee adjustments (discounts) for multiple roles.
 - ii Capacity of providers to accommodate multiple roles.
 - iii Synergies arising from allocating 2 (or more) roles to a single provider.
 - iv Diversity of providers (and their claims management models and systems).
 - v Capacity to benchmark performance between providers.
 - vi Management of the risks to SICorp's business, operations and service delivery to agencies.

8.3 Variation of Tenders

8.3.1 At any time before the Board accepts any Tender received in response to this RFT, a tenderer may vary its Tender:

- a) by providing the Board with further information by way of explanation or clarification ("provide an explanation");
- b) by correcting a mistake or anomaly ("correct a mistake"), or
- c) by documenting agreed changes to the Tender negotiated under this Part B.

8.3.2 Such a variation may be made either:

- a) at the request of the Board, or
- b) with the consent of the Board at the request of the tenderer, but only if,

- i in the case of variation requested by the tenderer to provide an explanation or correct a mistake, it appears to the Board reasonable in the circumstances to allow the tenderer to provide the explanation or correct the mistake or anomaly, or
- ii in the case of variation to document agreed changes, the Board has confirmed that the draft documented changes reflect what has been agreed.

8.3.3 If a Tender is varied to provide an explanation or correct a mistake, the Board will provide all other tenderers whose Tenders have similar characteristics with the opportunity of varying their Tenders in a similar way.

8.3.4 A variation of a Tender will not be permitted if in the Board's view:

- a) it would substantially alter the original Tender; or
- b) in the case of variation to provide an explanation or correct a mistake, it would result in the revising or expanding of a Tender in a way which would give a tenderer an unfair advantage over other tenderers.

8.4 Exchange of information between government agencies

8.4.1 Lodgement of a Tender will itself be an authorisation by the tenderer to the Board to make available, on request, to any NSW government agency information, including but not limited to, information dealing with the tenderer's performance for any agreement that may be awarded. Such information may be used by the recipient NSW Government agency for assessment of suitability for pre-qualification, selective tender lists, expressions of interest or the award of a contract or termination of a contract.

8.4.2 The provision of the information by the Board to any other NSW Government agency is agreed by the tenderer to be a communication falling within section 22(1) of the *Defamation Act 2005* (NSW), and the tenderer shall have no claim against the Board and the State of New South Wales in respect of any matter arising out of the provision or receipt of such information, including any claim for loss to the tenderer arising out of the communication.

8.4.3 In the evaluation of Tenders, the Board may take into account any information about the tenderer that the Board receives from any source.

8.4.4 To avoid doubt, information which may be collected, exchanged and used in accordance with this provision includes "personal information" about the tenderer for the purposes of the *Privacy and Personal Information Protection Act 1998* (NSW). Lodgement of a Tender will be an authorisation by the tenderer to the Board to collect such information from third parties, and to use and exchange such information in accordance with this clause.

8.4.5 The tenderer's attention is drawn to the *Freedom of Information Act 1989* (NSW) which obliges disclosure of details of contracts awarded and may confer rights, subject to the terms of that Act, to access, and to require the correction of, information held by certain agencies.

8.4.6 The successful tenderer's performance of the agreement may be monitored and assessed. Performance assessment reports, including substantiated reports of unsatisfactory performance, can be taken into account by NSW government agencies and may result in future opportunities for NSW government work being restricted or lost.

8.5 Corrupt or unethical conduct

8.5.1 If a tenderer, or any of its officers, employees, agents or sub-contractors is found to have:

- a) offered any inducement or reward to any public servant or employee, agent or subcontractor of the Board, the Client Agency, or the NSW Government in connection with this RFT or the submitted Tender,
- b) engaged in corrupt conduct within the meaning of the *Independent Commission Against Corruption Act 1988* (NSW)
- c) a record or alleged record of unethical behaviour,
- d) not complied with the requirements of the Services, Technology & Administration Business Ethics Statement found in the link below:

<http://www.services.nsw.gov.au/About+Commerce/Business+ethics+statement/Business+ethics+statement.htm>

this may result in the Tender not receiving further consideration.

8.5.2 The Board is under no obligation to do so, but may, in its discretion, invite a relevant tenderer to provide written comments within a specified time before the Board excludes the tenderer on this basis.

9. OUTCOMES

9.1 Negotiations before determination of outcome

9.1.1 Before making any determination as to the acceptance or rejection of Tenders the Board may, at its discretion, elect to conduct limited negotiation with preferred tenderers or a preferred tenderer, including those who have submitted Alternative Tenders or who have submitted substantially Conforming Tenders, to mutually improve outcomes.

9.2 Acceptance or rejection of Tenders

9.2.1 The Board may accept all or any part or parts of any Tender or Tenders, including, in accordance with this Part B, any Alternative Tender or other Non-Conforming Tender.

9.2.2 The Board is not bound to accept the lowest or any Tender.

9.2.3 The Board may at its absolute discretion request short-listed tenderers to submit a best and final offer at any time prior to the entry into of an agreement by the Principal.

9.2.4 If the Board rejects all the Tenders received it may:

- a) invite fresh Tenders based on the same or different criteria (specifications and details contained in Alternative Tenders will not be used as the basis for the calling of new Tenders), or
- b) conduct post tender negotiations in accordance with this Part B.

9.3 Discontinuance of the Tender process

- 9.3.1 In addition to its rights in relation to acceptance and rejection of Tenders, the Board reserves the right to discontinue the tender process at any point, without making a determination regarding acceptance or rejection of Tenders.
- 9.3.2 The Board will not be liable for any losses suffered by a tenderer as a result of discontinuance of the tender process, including costs of tendering.

9.4 Notification of outcome

- 9.4.1 Following the Board's decision, all tenderers will be notified in writing of the outcome of their Tenders.

9.5 Entry into agreement

- 9.5.1 The Principal may enter into an agreement with a successful tenderer either by letter of acceptance or by execution of a formal agreement in terms of Part D. If the Principal chooses to proceed by way of formal agreement it will indicate in any notification of acceptance that such acceptance will be formalised by execution of a formal agreement.

9.6 Post Tender negotiations in the event all Tenders are rejected

- 9.6.1 If the Board rejects all Tenders on the basis that they are all Non-Conforming Tenders, but considers that conformity with the requirements of this RFT is achievable, it may enter into negotiations with any tenderer with a view to achieving a Conforming Tender and entering into an agreement. If such negotiations are unsuccessful the Board may then enter negotiations with the next most acceptable tenderer. This process may be repeated with each of the rejected Tenders in order of potential acceptability, however, the Board is not obliged to enter into negotiations with any tenderer.
- 9.6.2 The purpose of the negotiations will be advised by the Board and made clear to the participants before the commencement of negotiation. Negotiations will not seek to play off tenderers' prices against other tenderers' prices.

9.7 Complaints

- 9.7.1 It is the NSW Government's objective to ensure that industry is given every opportunity to win Government contracts. Should any entity feel that it has been unfairly excluded from tendering or unfairly disadvantaged by the conditions in Part D or the Requirement, it is invited to write to:

The Chairperson
 State Contracts Control Board
 Level 22, McKell Building
 2-24 Rawson Place
 Sydney NSW 2000

9.8 Disclosure of information concerning tenderers and outcome of the tender process

- 9.8.1 Details of tenderers and the outcome of the tender process (including any contract entered into) will be disclosed in accordance with the NSW Government Tendering Guidelines, available at:

<http://www.dpws.nsw.gov.au/Government+Procurement/Procurement+Policy+Framework/NSW+Government+Tendering+Guidelines.htm>

9.9 Ownership of Tenders

- 9.9.1 All Tenders become the property of the Board on submission.
- 9.9.2 The Board may make copies of the Tenders for any purpose related to this RFT.

9.10 Monitoring of Contractor Performance

- 9.10.1 During the course of the agreement the Contractor's performance will be monitored and assessed.
- 9.10.2 The terms and conditions of the proposed agreement, set out in Part D, detail the performance criteria to be applied in the monitoring of Contractor performance.



**NSW Procurement - Contracting Services is a Business Unit of the NSW
Department of Services, Technology and Administration**

NSW Procurement – Contracting Services invites this tender for and on behalf of
the NSW Government State Contracts Control Board

TENDER RESPONSE

REQUEST FOR TENDER CLAIMS MANAGEMENT SERVICES FOR THE NEW SOUTH WALES SELF INSURANCE CORPORATION

**CLOSING DATE: 9.30 AM (SYDNEY TIME)
Wednesday 16 December 2009**

Your Company's Legal Name: _____

Your Company's Trading Name: _____

Your Company's ABN number: _____

Contact Name: _____

Contact Phone: _____

Note: If a Tender is not submitted electronically, the tenderer must submit the original Tender, plus four (4) copies of the Tender. Tenders are to be marked "Original", "Copy 1", "Copy 2", "Copy 3" and "Copy 4" accordingly.

Claims Management Services For NSW Self Insurance Corporation

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PART C – RESPONSES TO BE PROVIDED BY TENDERERS

1. Introduction and Requirements

Tenderers are to read all documentation and information provided with the Request For Tender (RFT) carefully before preparing responses.

Unless a contrary intention appears words or terms which are not otherwise defined in this RFT have the same meaning given to them in the contract conditions forming Part D of the Request for Tender No. 0801674 and dated 2 November 2009 and herein referred to as “the Agreement”.

This Tender is for the provision of claims management services to the NSW Self Insurance Corporation (SICorp). SICorp is a statutory body which holds and is responsible for all NSW Government insurance assets and liabilities and is the Principal to the Agreement. Additional information regarding SICorp and its managed fund schemes are available from the RFT documents, from the package of information provided to tenderers and from the SICorp website: www.sicorp.nsw.gov.com.au.

This RFT covers five separate claims management contracts each responsible for a defined portfolio. The five claims management portfolios are:

- Workers Compensation Claims No. 1
- Workers Compensation Claims No. 2
- Workers Compensation Claims No. 3
- Health Liability Claims
- General Claims (including non-health liability, property, motor vehicle and miscellaneous)

These portfolios are defined in Attachment 2 of Part D (Portfolio Definition). The portfolio definitions have been based on the new Government agency structure announced by the Premier on 11 June 2009. The agency restructure announced may be subject to change following consultation. However, subject to any addendum, **tenderers must respond to the RFT based on the portfolio definitions specified**. Should a change to the announced structure occur this will be accommodated through the provisions for variations to the portfolio definitions. Please note any such changes are unlikely to impact either the health liability claims or the general claims portfolios.

Tenderers may bid for 1, 2, 3, 4 or 5 of the claims management portfolios that form part of this RFT. Tenderers may apply for all three workers compensation portfolios but a single tenderer will not be appointed to all three workers compensation portfolios. Tenderers will be eligible to be appointed to a maximum of two workers compensation portfolios but there is a strong preference for appointing three separate providers to the workers compensation portfolios.

Tenderers must respond separately in respect of each portfolio that they are bidding for. However where two or more responses are identical it is sufficient to include the detail once and subsequently refer to the previous answer (eg refer to response to question 2.1.1). Tenderers may also refer to another response and add specific additional information (eg refer to response to question 2.1.1 and in addition X, Y and Z).

There has been no specific allowance for room for responses made in this document. You may insert your responses into this document or you may create your own document.

However tenderers must respond to each specific request for information in this Part using the same numbering sequence for the request. Tenderers must quote both the question number and the question together with their response. Tenderers may attach additional pre-existing material in support of their response, for example claims model documents, financial statements and sample reports.

Tenderers are asked to limit their responses to a **maximum of 300 pages per portfolio** (not including any pre-existing attachments). Responses must be on A4 size paper, in an 11 point or larger font and have margins (top, bottom, left and right) of a minimum of 2 centimetres. **Tenderers that provide excessive responses will be marked down during the evaluation.**

2. Tenderer Details

2.1. Company Details

Company Name	_____
ABN	_____
Trading Name	_____
Registered Business Address	_____

Telephone	_____
Facsimile	_____
Website	_____
Key Contact Name	_____
Direct Telephone	_____
Direct Facsimile	_____
Email	_____

2.2. Ownership Details

Details of the ownership of the tenderer ie Australian, overseas, largest shareholder(s), paid up capital and other relevant details.

2.3. Client References

Tenderers must demonstrate experience in managing similar claims portfolios, preferably in NSW. Tenderers are to provide a list of names, addresses and contact details of referees for services comparable to that tendered. Tenderers must provide a minimum of three referees.

2.4. Authorisation to Access Information from Regulators

Tenderers agree to SICorp (or its agent) accessing information held by insurance industry regulators, including but not limited to APRA, NSW WorkCover and other regulators/managers of state based statutory schemes such as workers compensation and motor accident, relating to the tenderers performance, capacity to perform or any other information considered relevant to this Tender.

2.5. Validity

The Tender remains valid for acceptance for 12 months from the Closing Date and Time for Tenders.

2.6. Australian and New Zealand (ANZ) Price Preference Margin

The Local Jobs First Plan requires the application of the ANZ Price Preference Margin to the evaluation of the bids for all goods and services procurement actions. To enable proper evaluation of Tenders, tenderers must submit the percentage of the SME ANZ content of the goods or service being offered.

Tenderers must provide the percentage of SME ANZ content in the relevant fee schedules for each Portfolio tendered for. See sections 3.8, 4.8, 5.8, 6.8 and 7.8 of this Part C. Tenderers are also to provide details of all entities that will provide the services and the extent to which that entity is providing SME ANZ content. See sections 3.14/3.15, 4.14/4.15, 5.14/5.15, 6.14/6.15 and 7.14/7.15 of this Part C.

For the purpose of your Tender the following definitions apply:

ANZ content is the value added content sourced from Australia or New Zealand. ANZ content includes ANZ value added in supply chains where such value addition can be demonstrated easily. It excludes overseas-based value addition and/or imported content. Goods not manufactured in New Zealand but imported via New Zealand and offered in a tender are not considered New Zealand goods.

Imported content is the content in the goods or services that is not ANZ content.

SME ANZ Content means the proportion of the total content that is ANZ content that will be delivered by an SME.

Non-SME ANZ Content means the proportion of the total content that is ANZ content that will be delivered by a non-SME.

SME means a small to medium enterprise carrying on business in NSW, other States and Territories of Australia or New Zealand with up to 500 full time equivalent (FTE) employees as at the date of the submission of the Tender .

In calculating the number of FTE employees for an enterprise, the tenderer must include for each enterprise:

- (a) All FTE employees of the enterprise; and
- (b) All FTE employees of any other person or persons within a group (as defined in s.175L of the Workers Compensation Act 1987 (NSW)) of which the enterprise is a member unless the enterprise has, as at the date of submission of the Tender, been excluded under s.175E of the Workers Compensation Act 1987 (NSW).

2.7. Small to Medium Enterprises

Tenderers must supply responses to the following:

- 2.7.1. Is the entity tendering under this RFT, as at the date of submission of the Tender, a member of a group (as defined in s.175L of the Workers Compensation Act 1987 (NSW)) **Yes/No**

If "Yes", has the entity tendering under this RFT, as the date of submission of the Tender, been excluded under s.175E of the Workers Compensation Act 1987 (NSW)?

If "Yes" please provide a copy of the exemption.

If "No" provide details of the members of the group – legal entity name and ABN.

- 2.7.2. Is the entity tendering under this RFT a SME? **Yes/No**

- 2.7.3. Provide the number of FTE employees engaged by the tenderer (if not part of a group) or by the group that the tenderer is a member of (if part of a group) in the table below and please divide the total FTE employees between those that are ANZ based and the remainder:

Table 2.1: FTE Employees

Category	FTE Employees (number)
ANZ FTE Employees	
Other FTE Employees	
Total FTE Employees	

2.8. Portfolios Selected

Tenderers are to select which portfolios they are bidding for:

Table 2.2: Selected Portfolios

Workers Compensation Claims No. 1	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes please complete Section 3</i>
Workers Compensation Claims No. 2	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes please complete Section 4</i>
Workers Compensation Claims No. 3	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes please complete Section 5</i>
Health Liability Claims	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes please complete Section 6</i>
General Claims	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes please complete Section 7</i>

Please tick appropriate box for each portfolio. Tenderers **must** respond to all questions in the relevant section(s) below for all portfolios where “yes” has been indicated.

All tenderers must also to respond to the questions related to the overarching criteria in Section 8.

3. Workers Compensation Claims No. 1

The definition of the Workers Compensation Claims No. 1 portfolio is set out in Attachment 2 of the Agreement (Portfolio Definition). The specification of requirements for this portfolio is detailed in the Agreement and the attachments to the Agreement including Attachment 3 to the Agreement (Claims Management Service Specification).

3.1. Claims, Policy and Risk Management

- 3.1.1. Provide details of the proposed claims management model to be used for the management of SICorp claims including a description of key strategies, processes and procedures. Tenderers are to describe and, preferably, demonstrate how your proposed model will deliver best practice claims management outcomes – see the Claims Management Service Specification. Describe how you propose to case manage claims according to their nature and complexity
- 3.1.2. Detail how the proposed claims management model will meet the specific needs of SICorp and government agencies, refer to Attachment 3 to the Agreement (Claims Management Service Specification) and its Appendices and also the specific needs of individual agencies – refer to Appendix C (Agency Specific Requirements) to the Claims Management Service Specification and to existing business profiles and agency specific service level agreements provided with the information provided to tenderers. Detail any adjustments that have been made to your standard claims management model to cater for those needs.
- 3.1.3. Detail the proposed approach to delivery of client services to government agencies, including the structure of the services function, proposed complaints handling systems and specifically how you propose to meet the needs of regionally based agencies (or units of agencies). Refer to existing agency business profiles, agency specific service level agreements and other material relating to agency requirements and expectations provided in the additional information provided to tenderers.
- 3.1.4. Provide details of mechanisms in place to manage service providers to ensure delivery of timely services to the required standard, including details of any systems for monitoring and reporting on service provider performance.
- 3.1.5. Provide details of your capability to issue premium notices and to collect premium.
- 3.1.6. Detail your capacity and capability to provide risk management services to government agencies. What resources, tools and systems will you provide to agencies, including details of dedicated risk management personnel, how you will deliver the services to agencies and how the delivery will be measured?
- 3.1.7. Provide details of sites and examples where best practice (or near best practice) claims management outcomes are currently being delivered by you (preferably in the same or similar environment to SICorp). If it is proposed that the service to be provided to SICorp is different from existing sites please indicate those differences.

3.2. Systems

- 3.2.1. Provide details of proposed systems to support delivery of best practice claims management and to support policy, premium, risk management and other operations to meet SICorp requirements. Details should include information regarding the:
- Applications to be utilised, including those providing functionality for:
 - Claim notification
 - Claims management, including the capacity to process reimbursement schedules electronically
 - Policy and premium management
 - Financial and accounting management
 - Business process management solution(s) for facilitating workflow within and across applications
 - Management and operational reporting and performance monitoring solution(s) including decision support tools and other relevant information management solution(s)
 - Application integration architecture with external and internal systems
 - Technical infrastructure architecture and how it will provide a robust, reliable platform to meet required service levels.

- 3.2.2. It is State Government policy that all government agencies comply with information security standards – the relevant standards are set out in section 3.1.7.13 of the Claims Management Service Specification. Tenderers will be required to meet these standards on behalf of SICorp. Provide details of your current status with respect to standards listed and specifically whether you have been certified under AS/NZS ISO/IEC 27001:2006. SICorp requires all claims managers to be certified within 12 months of the commencement date of the Agreement. If the tenderer is not certified, the tenderer must provide a detailed plan for achieving certification within 12 months of the commencement date.

- 3.2.3. Detail the capacity of your systems to interface with the SICorp data warehouse and to provide data to the data warehouse in accordance with the relevant SICorp claims interface specifications and data governance requirements – see Appendices F (SICorp Claims Interface Specification) and G (SICorp Data Governance Requirements) to the Claims Management Service Specification.

Please note that the SICorp workers compensation claims interface specification will be updated to align with the WorkCover Claims Manual version 5.2 and concordance requirements and in practice the workers compensation claims managers will be required to meet these requirements from commencement of core services.

- 3.2.4. Detail the capacity of your systems to meet (or be modified to meet) TMF specific data requirements - refer section 3.1.7.5 of the Claims Management Service Specification and to be modified to integrate all historical claims and policy data for the portfolio. This should include detail on the expected complexity, implementation effort, timeframes and risks to successful completion

of any modifications required as well as the level of involvement required from SICorp and agency representatives.

- 3.2.5. Detail your capacity to provide agencies with access to your claims management system (in respect of the agency's claims), including update access and read only access – refer section 3.1.7.3 of the Claims Management Service Specification. Specifically this should address the capability for electronic notification and submission of claims direct to the claims manager's system, including the correction of errors, and the capacity for relevant agency personnel to have read only to all claims data (for their agency). This should include detail on the expected complexity, implementation effort, timeframes and risks to successful completion of any modifications required as well as the level of involvement required from SICorp and agency representatives.
- 3.2.6. Detail the flexibility of your current IT environment to meet evolving needs of SICorp and government agencies as well as external regulator and statutory requirements.
- 3.2.7. Provide a statement and metrics on the stability and reliability of the current operating system(s) that will be used to service SICorp requirements.
- 3.2.8. Provide details of any significant planned or proposed information technology (IT) environment initiatives anticipated from the time of your Tender response and during the life of the contract that may impact on or vary service delivery to SICorp (other than those changes required to meet SICorp requirements as requested above). Please note that the contract will require that the claims manager obtain SICorp approval for any system changes that impact the claims manager's systems set out in the Tender.
- 3.2.9. SICorp may require you to provide reporting services to agencies – refer section 3.1.12.5 of the Claims Management Services Specification. Please detail the capacity of your systems to support this requirement (if SICorp exercises its right to require it). Detail the capacity to provide the standard reports and extracts, agency reports and extracts, the flexibility to provide an adhoc reporting and the capacity to provide an adhoc reporting tool for use by agencies.

3.3. Personnel

- 3.3.1. SICorp requires the claims manager to provide sufficient competent claims personnel to deliver best practice case loads and claims management outcomes. Detail your capacity to deliver the required numbers of appropriately trained and skilled personnel to provide services to SICorp to the required standard and specifically to support best practice claims management outcomes and client service needs within SICorp environment. Specifically you should address how you propose to contend with the scarcity of claims resources.
- 3.3.2. SICorp requires a strong commitment to delivering client service to agencies. Detail your capacity to deliver the required numbers of appropriately trained and skilled personnel to deliver client service functions to agencies to the required

standard and to support the maintenance of effective working relationships with agencies and to maintain and deliver on what is agreed in business profiles.

- 3.3.3. Provide the proposed personnel structure for delivery of the services including an organisation chart, personnel numbers, personnel levels or grades and any assumptions underlying the proposed structure.
- 3.3.4. Specify proposed competency standards for key functional groups of personnel under the SICorp contract, including the account manager, client service managers, claims team leaders, claims officers, and other claims management personnel. Please indicate the source of the standards and how individual personnel are assessed against those competency standards currently within your organisation and how the results can be independently verified. Specifically please provide details of the minimum standard and qualifications required for a claims officer (as defined in the Agreement) in terms of experience and competencies.
- 3.3.5. Provide details (ie a brief resume) of any senior personnel (where known) to be allocated to SICorp work and their proposed role, including those to be allocated to implementation and transition and comment on their suitability for their roles.
- 3.3.6. Provide human resource, recruitment, training and personnel development plans (in respect of SICorp work) proposed to ensure sufficient competent personnel are on hand at all times to meet SICorp requirements. Specifically provide details of proposed training programs for claims management personnel to ensure they meet the required competencies of a claims officer and have sufficient knowledge of their client agency (or agencies).

3.4. Management

- 3.4.1. Detail management systems and processes established to ensure operational delivery of objectives and targets and specifically delivery on best practice claims management outcomes, including:
 - Systems to monitor and report on performance
 - Quality assurance systems and processes
- 3.4.2. Describe management arrangements for assessing personnel performance, for providing feedback to personnel and for ensuring underperformance is addressed.
- 3.4.3. Describe your finance and accounting processes and financial reporting arrangements and how these will be adapted to meet SICorp requirements as detailed in the Agreement and the Claims Management Service Specification.
- 3.4.4. Provide details of the governance arrangements for your organisation, including systems for ensuring adherence to appropriate procedures and practices and for detecting and addressing fraud and other aberrant behaviour.
- 3.4.5. The successful delivery of service to SICorp will require effective claims management services supported by senior management, IT, human resources and

other support systems. Provide details of how you will ensure support functions will integrate with claims management and client service functions and provide an integrated service to SICorp to deliver best practice outcomes.

3.5. Implementation and Transition

3.5.1. Provide a detailed plan (a draft “Transition-In Project Plan”) for the transition and implementation to gear up and deliver the services to SICorp including a draft project plan and timetable details relating to transition in arrangements are included in Appendix A (Transition Manual) and Appendix B (Transition Plan - 2010) to the Claims Management Service Specification, and specifically to:

- Plans to implement necessary system changes to meet SICorp requirements (including any specific agency requirements) and capacity to integrate all historical SICorp claims and policy data into your existing system(s)
- Plans to build the capacity to make successful weekly data submissions to the SICorp data warehouse
- Plans to recruit and build up personnel and other resources to deliver the required service to standard and timetable
- Plans for the implementation of your claims management model
- Plans for the development and delivery of a training program for agencies to ensure relevant agency personnel are trained in the operation of your systems and processes.

Please note that these plans are to be structured to ensure the conditions for authorisation to commence core services are met – refer to clause 4 of the Agreement and Appendix D to Attachment 1 (Agreement Details) to the Agreement.

3.5.2. Describe your proposed implementation team and the skills and experience of the key members of the team including the implementation manager.

3.5.3. Describe how you intend to establish relationships and operational interactions with agencies and to document and agree business profiles for each agency in the portfolio - refer to the Claims Management Service Specification and to existing business profiles, agency specific service level agreements and other material included in the information packs provided to tenderers.

3.5.4. Provide details of strategies you intend to implement to ensure the management of existing claims transitioned from the outgoing claims manager is smooth and transparent to agencies and claimants.

3.5.5. Provide details of any specific tail management strategies you intend to apply to these existing claims to achieve a reduction in their associated liabilities and including any evidence of the success of those strategies in your existing operations.

3.5.6. SICorp (or its delegate) will inspect your systems, processes and personnel to verify that the conditions for authorisation to commence core services have been satisfied. You will be required upon execution of the Agreement to provide

security in the amount of \$1,800,000 to SICorp to ensure performance of the various transition-in services. The security will be returned if you satisfy the conditions for authorisation to commence core services within the required timeframe. Please acknowledge your agreement to SICorp undertaking the verification and to providing the security.

- 3.5.7. Provide a high level plan (a draft “Transition-Out Project Plan”) for the transition out of the core service at the core services termination date. Transition-out services will need to be provided in accordance with Appendix A (Transition Manual) and the transition plan – 2015 (once developed by SICorp).

Please note that this plan is to be structured to ensure the conditions for authorisation for transition-out are met – refer to clause 35 of the Agreement and Appendix E to Attachment 1 (Agreement Details) to the Agreement.

3.6. Small to Medium Enterprises Participation Plan (SMEPP)

- 3.6.1. Provide a SMEPP. The participation plan must in the form of the SMEPP template at Attachment “A”

3.7. Case Loads

- 3.7.1. Provide details of proposed target case loads for the management of SICorp claims to achieve best practice outcomes (see the definitions of case loads, claims officers and claims handled included in the Agreement). Note that you must use the case load definitions provided – tenderers are not able to vary these definitions. SICorp considers a target case load for the portfolio (using the case load definition in the Agreement) of around 80 claims is necessary for best practice outcomes. Describe why your proposed target case load is appropriate and how it will support delivery of best practice outcomes.

Provide the respective target case load(s) per claims officer by the claim groupings in the table below. Common practice is to group claims into fast track/minor claims (generally those that have incapacity of less than 7 days), front end claims (generally claims with incapacity of over 7 days but not [yet] long term) and tail claims (long term [eg 24 months plus] claims). To enable comparison provide details according to the specified claims groups in the table. If these groups vary significantly from the grouping used in your claims management model also provide a separate table with details for these groups together with a definition of each of your groupings.

Table 3.1: Target Case Loads

Claims Group	Target Case Load
Fast track/minor claims	
Front end claims	
Tail claims	
Other (<i>please detail</i>)	
Portfolio - target	

- 3.7.2. Provide a maximum case load for the portfolio that is to be specified in the Agreement and will form part of the critical service standards requirements under the Agreement - see the Agreement Details. The maximum case load is not to exceed the target case load for the portfolio by more than 15%.

Table 3.2: Maximum Case Load

Maximum case load for the portfolio:

3.8. Fees and Costs

- 3.8.1. Fees for the provision of core services will be made up of an annual service fee component (incorporating base service fees and service performance bonus payable for meeting the critical service standards) plus an incentive fee component - refer the fee arrangements in the Agreement and Attachment 4 to the Agreement (Claims Management Fee Arrangements).

Tenderers are to submit prices for annual service fees (exclusive of GST) for the provision of the core services. The annual service fee prices submitted are to apply to the 2011 calendar year. Annual service fees are determined by the sum of an annual fixed fee plus a dollar figure per claims closed (that is net non-zero claims closed) – see the definitions of claims closed included in the Agreement. Fees are to be submitted on the assumption that the claims manager takes on responsibility for the management of all claims (that is, both new and existing) on the core services commencement date. These fees are not to include any allowance for the optional agency reporting services (see section 3.8.4).

Table 3.3: Annual Service Fees

Annual Service Fee Component	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Annual fixed fee	\$ _____	_____ %	_____ %	_____ %
Dollar amount per claim closed	\$ _____	_____ %	_____ %	_____ %

The annual fixed fee must be greater than zero and the dollar amount per claim closed must be greater than \$500.

The annual fixed fee and the dollar amount per claim closed will be indexed for each calendar year after 2011 based on the Labour Price Index issued by the Australian Bureau of Statistics (catalogue number 6345.0).

- 3.8.2. It is SICorp's preference to stagger the transfer of responsibility for new and existing claims to reduce the risks of transition. Should SICorp decide, in its absolute discretion, to stagger the transition of existing claims in accordance with the Transition Plan – 2010, the claims manager will have a reduced workload until they assume full responsibility for all existing claims. Please note where the claims manager is also the outgoing claims manager under the 2005 agreement for the portfolio or part of the portfolio then the existing claims for that the portfolio or that part of the portfolio will transfer on the core services commencement date.

Provide a discount to the annual fixed fee (in Table 3.3) to apply for the 2011 calendar year if SICorp delays the transfer of existing claims in accordance with the Transition Plan – 2010 in Table 3.4. The discount must be greater than or equal to zero.

Table 3.4: Discounts for Staggered Transition
Discount (%)

Discount to annual fixed fee for year 1
(to apply if staggered claims handover occurs)

Also provide any preference you have for a staggered handover or for a single handover of all claims on the core services commencement date. Include an explanation of the reasons for your preference. Please note there will be no variation to the fee per claim closed.

- 3.8.3. Fees for the provision of transition-in services and transition-out services are separate from fees for the provision of the core services. The transition-in and transition-out fees are a fixed dollar amount - refer the fee arrangements in the Agreement and the Claims Management Fee Arrangements. These fees are not to include any allowance for the optional agency reporting services (see section 3.8.4).

Table 3.5: Transition Fees				
Service	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Transition-in services	\$ _____	_____ %	_____ %	_____ %
Transition-out services	\$ _____	_____ %	_____ %	_____ %

Please note that the transition-out fee is not subject to indexation but may be subject to fee adjustment if the services required are varied. Also note that the Fee Arrangements specify the fee for run-off services if required (so no allowance needs be made for run-off services in the above fees).

- 3.8.4. The Claims Manager may be required to provide the agency reporting services (at SICorp's sole discretion). The additional fees for the provision of these reporting agency services are to be specified in this section – see section 3.1.12.5 of Attachment 3 of the Agreement (Claims Management Services Specification) for details of the agency reporting services that may be required by SICorp. These fees are to be additional to the fees in Table 3.3 and in Table 3.5.

**Table 3.6: Additional Fees for Agency Reporting Services
(if required by SICorp)**

Service	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Additional annual fixed fee for agency reporting services	\$ _____	_____ %	_____ %	_____ %
Additional transition-in fee for agency reporting services	\$ _____	_____ %	_____ %	_____ %

Should SICorp exercise its right to require agency reporting services, then the above amount will be added to the annual fixed fee (in Table 3.3) and the transition-in fee (in Table 3.5). Please note there will be no variation to the fee per claim closed. If SICorp do not require the Claims Manager to provide agency reporting services then the above additional fees will not be payable.

- 3.8.5. Please provide an estimated expense breakdown of your recurrent operations for the first year of core services (ie excluding any transition costs) and assuming the claims manager takes on responsibility for the management of all claims (that is,

both new and existing) on the core services commencement date ie on the same basis as the pricing in 3.8.1.

Include details of any workload assumptions and the agency statistics used as a basis for your estimates. The cost breakdown is to show direct expense (expenses for resources allocated to the provision of services under the Agreement) and allocated expenses (expenses incurred corporately and allocated to business units).

The breakdown at a minimum is to include the following heads of expense: personnel; personnel related on-costs; information systems; rent; other office expenses; capital costs and corporate overheads. Where expenses are allocated describe the basis for allocation.

Tenderers are also to provide a separate breakdown of expenses relating to the provision of transition-in services and transition-out services including any related capital expenses.

The above expenses are to be on the basis that agency reporting services are not required by SICorp. In addition tenderers are also to separately provide the estimate costs associated with providing the specified agency reporting services in relation to both the recurrent operations for the first year of core services and transition-in services.

- 3.8.6. Tenderers are required to submit fees per section 3.8.1 above in accordance with the fee arrangements as defined in the Agreement and the Claims Management Fee Arrangements. Fees submitted on this basis will form the basis of cost comparisons between tenders. Because the fees have been submitted on a consistent basis, true cost comparisons will be possible. This will form the basis of evaluation of the cost of tenderer's bids.

SICorp is prepared to consider alternative fee arrangements which, for example, incorporate reduced annual service fees and corresponding increase or/and variation in incentive fees to create additional incentive for improved outcomes. Any tenderer who considers an alternative fee arrangement will better assist in achieving SICorp objectives may submit that alternative arrangement as part of your Tender.

SICorp reserves the right to proceed with the fees bid on the fee arrangement specified in the Agreement and the Claims Management Fee Arrangements, accept the alternative fee structure, and/or to negotiate a suitable variation to any alternative structure proposed at SICorp's absolute discretion.

Tenderers must provide full details of any proposed alternative fee arrangements. Details of alternative fee arrangements must include specific proposals, all relevant formulas, targets and links to fee levels (ie not just a concept) and as well as reasons why the alternative will assist in delivering better outcomes and is beneficial to SICorp.

3.9. Compliance with the Contract and Claims Management Service Specification

The proposed contract (the “Agreement”) is included as Part D of the RFT.

- 3.9.1. Tenderers are to agree to the Agreement unamended or agree to the Agreement subject to one or more specific proposed amendments. Tenderers are required to detail all amendments proposed in Table 3.7 below.

Please rule a line through the response not required.

I agree to the Agreement unamended.

OR

I agree to the Agreement subject to the following proposed amendments.

Table 3.7: Proposed Amendments to the Agreement

Clause Number	Original Clause	Proposed Amendment	Comments or Reasons

Please note, where amendments are proposed, the tenderer is required to set out the actual wording of the proposed amendment or variation together with a statement as to the reasons for the proposed amendment or variation. SICorp will consider all proposed amendments and accept the amendment, reject the amendment or propose an alternative amendment. A tenderer who has proposed amendments will be required to agree to an Agreement acceptable to SICorp prior to further consideration of their Tender.

SICorp will not negotiate contract terms following the announcement of preferred tenderers. Tenderers must raise all contract issues in their response and agree to terms during the evaluation phase.

- 3.9.2. Tenderers are to complete a statement of compliance confirming that they will comply with Attachment 3 of the Agreement (Claims Management Service Specification) as specified (including provision of the service specified on and from the required date) or to confirm compliance subject to one or more specific proposed variations. Tenderers are required to detail all proposed variations in Table 3.8 below.

Please rule a line through the response not required.

I agree to provide all the services as specified in Attachment 3 of the Agreement (Claims Management Service Specification) without amendment or variation.

OR

I agree to provide all the services as specified in Attachment 3 of the Agreement (Claims Management Service Specification) subject to the following proposed variations.

Table 3.8: Proposed Amendments to the Agreement

Section Number	Original Requirement	Proposed Variation	Comments or Reasons

Please note, where amendments or variations are proposed, the tenderer is required to set out the actual wording of the proposed amendment or variation together with a statement as to the reasons for the proposed amendment or variation. SICorp will consider all proposed variations and accept the variation, reject the variation or propose an alternative variation. A tenderer who has proposed variations will be required to agree to deliver the services in a form and to a standard acceptable to SICorp prior to further consideration of their Tender.

SICorp will not negotiate amendments or variations to the services following the announcement of preferred tenderers. Tenderers must raise all issues in their response and agree to scope of the services to be provided during the evaluation phase.

3.10. Service Levels

- 3.10.1. Tenderers are to agree to meet the critical service standards as set out in the Agreement Details. Please note failure to meet the critical service standards may result in a reduction in the service performance bonus payable.
- 3.10.2. Tenderers are to agree to the SLAs relevant (if any) to this portfolio and to demonstrate a capacity to meet and to report against the standards specified in the relevant SLAs - refer Appendix D (TMF Service Level Agreement) to the Claims Management Service Specification.

Agency specific service level requirements are to be incorporated into agency business profiles – see sections 3.1.3 and 3.5.3.

3.11. NSW Government Procurement Policies

- 3.11.1. Tenderers are to demonstrate compliance with NSW Government procurement policies. Details of the relevant policies and codes are included in Section 5 of Part B of the RFT (The Tender Process).

3.12. Compliance with Legislative Obligations

3.12.1. Tenderers are to demonstrate a commitment to and capacity to comply with their obligations under the following Acts (including compliance with regulations, codes of practice or other subsidiary instruments):

- Occupational Health and Safety Act 2000 (NSW)
- Workers Compensation Act 1987 (NSW)
- Workplace Injury Management and Workers Compensation Act 1998 (NSW)
- Industrial Relations Act 1996 (NSW)
- Privacy and Personal Information Protection Act 1998 (NSW)
- Financial Sector (Collection of Data) Act 2001 (Commonwealth)
- Privacy Act 1988 (Commonwealth).

3.13. Financial Stability

Responses to this section must relate to the legal entity that has submitted the Tender and is proposed to enter into the contract. If the tenderer wishes to cite financial information relating to a parent company or group of companies, the parent or group will be required to be a party to the contract and/or provide a cross guarantee.

3.13.1. Tenderers are to provide a copy of the most recent available set of audited financial statements for the tendering entity.

3.13.2. Tenderers are to provide the net tangible assets of the tendering entity for the past 5 financial years.

3.13.3. Demonstrate the financial stability and capacity for the tenderer to satisfactorily fulfil the Agreement over the full term of the Agreement.

3.14. Proposed Subcontract Arrangements

Any subcontract arrangements proposed to be used to deliver the services or any part of the services under the Agreement must be satisfactory to SICorp. Tenderers are to provide details of all proposed subcontract arrangements in this section. If agreed by SICorp these subcontract arrangements will be incorporated into the Agreement. Once agreed, any variations to the subcontract arrangements are subject to the prior approval of SICorp in accordance with clause 39.6 of the Agreement.

Subcontract arrangements include any arrangement (formal and informal) for the provision of the services by a legal entity other than the entity specified in section 2.1 of this response. For clarity arrangements with related entities are to be treated as subcontract arrangements.

3.14.1. The tenderer is to certify whether or not the tenderer proposes to use any third party to deliver the services through a subcontract or agency arrangement but not including any employees of the tenderer ("Subcontractors"):

Please rule a line through the response not required.

I certify that I **will not be** utilising any Subcontractors to deliver the services under the Agreement

OR

I certify that I **will be** utilising one or more Subcontractors to deliver all or any part of the services under the Agreement and that details have been provided in relation to all such Subcontractors in section 3.14.2 below

3.14.2. Tenderers must list any and all Subcontractors proposed to be used for the delivery of the services under the Agreement. For each proposed Subcontractor, tenderers are to provide the following details:

- Legal entity of the Subcontractor
- Trading name of the Subcontractor
- Address of the Subcontractor
- ABN of the Subcontractor
- The number of FTE employees engaged by the Subcontractor (as at the date of submission of the Tender)
- The nature of the relationship between the tenderer and the Subcontractor
- Whether the tenderer and the Subcontractor form part of a group (as defined in s.175L of the Workers Compensation Act 1987 (NSW))
- Is the Subcontractor part of any other group (as defined in s.175L of the Workers Compensation Act 1987 (NSW) and if yes, provide details of the legal entities that form the group and their ABNs and the total number of FTE employees employed by the group (as at the date of submission of the Tender)
- Is the Subcontractor a SME?
- The nature of the services under the Agreement to be delivered by the Subcontractor
- The estimated number of FTE employees expected to be engaged by the Subcontractor in providing service under the Agreement and the estimated proportion of their time spent providing services under the Agreement
- The estimated percentage of the total content of the services to be provided under the Agreement to be delivered by the Subcontractor
- Details of the contractual arrangements between the tenderer and the Subcontractor – please attach a copy of the written agreement
- Details of any arrangements the tenderer proposes to ensure that SICorp's rights under the Agreement are maintained, including but not limited to:
 - Intellectual property rights
 - Access to premises and information systems
 - Key personnel
- Details of any proposed changes to the Agreement consequential on the subcontracting arrangements and to ensure SICorp's rights are maintained – noting that the actual changes are to be included in the section(s) titled "Compliance with the Contract" (section 3.9.1)
- Details of what steps the tenderer would take if SICorp resolved not to approve the subcontract arrangement.

3.15. SME ANZ Content

- 3.15.1. Provide details of the SME ANZ Content estimated to be provided by the tenderer and each Subcontractor who it is proposed to provide the core services under the Agreement.

Table 3.9: SME ANZ Content of Core Services

Entity Providing the Services	Estimated Annual Cost of Core Services \$	Imported Content %	SME ANZ Content %	Non-SME ANZ Content %
<i>[Tenderer name]</i>				
<i>[Subcontractor #1]</i>				
<i>[Subcontractor #2]</i>				
<i>etc</i>				
Total				

- 3.15.2. Provide details of the SME ANZ Content estimated to be provided by the tenderer and each Subcontractor who it is proposed to provide the transition service under the Agreement.

Table 3.10: SME ANZ Content of Transition Services

Entity Providing the Services	Estimated Cost of Transition Services \$	Imported Content %	SME ANZ Content %	Non-SME ANZ Content %
<i>[Tenderer name]</i>				
<i>[Subcontractor #1]</i>				
<i>[Subcontractor #2]</i>				
<i>etc</i>				
Total				

Where

Estimated Annual Cost of Core Services means estimated annual cost of the provision of core services by the tenderer and each Subcontractor and the total estimated cost must equal the total of estimated expense breakdown of your recurrent operation for the first year of core services provided in response to 3.8.5. Details are to be provided for the tenderer and each Subcontractor listed in 3.14.2.

Estimated Cost of Transition Services means estimated cost of the provision of transition services, including transition-in and transition-out services by the tenderer and each Subcontractor and the total estimated cost must equal the total

of estimated expense breakdown of transition services provided in response to 3.8.5. Details are to be provided for the tenderer and each Subcontractor listed in 3.14.2.

3.16. Conflict of Interest

- 3.16.1. Detail the proposed mechanisms you intend to establish to avoid and to manage real or perceived conflicts of interest. Specifically this mechanism is to cover situations where SICorp's commercial interests are in conflict with those of the claims manager, for example where SICorp may have an entitlement to recover against a commercial insurance policy issued by the claims manager or a related entity (and vice versa).

3.17. Risks and Sustainability

- 3.17.1. Detail the risks to SICorp in appointing you as the Claims Manager for this portfolio and strategies you propose to adopt to mitigate and minimise those risks. Risks are to be considered in the context of risks to SICorp achieving its objectives of improving outcomes and service delivery to agencies. Tenderers are to include in their response the following risks – but should not limit their response to these risk:
- Sustainability – including the risk that you are not able to sustainably deliver the services to the required standard for the term of the Agreement
 - Transition risks – including the risk that you are not able to meet all transition requirements
 - Information system risks – including the risk that your systems do not have the capacity or flexibility to meet SICorp's emerging needs
 - Subcontractor risks - including the risk that any subcontractor (whether through insolvency or business decision) fails to deliver on requirements

For each strategy to mitigate or minimise a risk indicate status of the strategy whether the strategy is current in operation or not, and if it is not detail how and when you propose to implement the strategy.

Responses are to be provided in the following table:

Table 3.8 Risk Management Strategies

Risk Description <i>(Provide a detailed description of the risk)</i>	Mitigation Strategies <i>(Outline the proposed strategies to mitigate the risk)</i>	Status of Strategy <i>(Indicate whether in place and if not how and when it will be established)</i>

- 3.17.2. The term of this Agreement is six years. The economic climate and financial circumstances of individual firms can change markedly over such period. What assurance can you, or are you prepared to provide, that you have the capacity to

deliver and continue to deliver over the entire term of the Agreement the service required to the standard required in a sustainable way. Note that SICorp is seeking some form of guarantee which is as concrete and enforceable as you are able to make it (as opposed to a statement of intent or details of past performance).

4. Workers Compensation Claims No. 2

The definition of the Workers Compensation Claims No. 2 portfolio is set out in Attachment 2 of the Agreement (Portfolio Definition). The specification of requirements for this portfolio is detailed in the Agreement and the attachments to the Agreement including Attachment 3 to the Agreement (Claims Management Service Specification).

4.1. Claims, Policy and Risk Management

- 4.1.1. Provide details of the proposed claims management model to be used for the management of SICorp claims including a description of key strategies, processes and procedures. Tenderers are to describe and, preferably, demonstrate how your proposed model will deliver best practice claims management outcomes – see the Claims Management Service Specification. Describe how you propose to case manage claims according to their nature and complexity.
- 4.1.2. Detail how the proposed claims management model will meet the specific needs of SICorp and government agencies, refer to Attachment 3 to the Agreement (Claims Management Service Specification) and its Appendices and also the specific needs of individual agencies – refer to Appendix C (Agency Specific Requirements) of the Claims Management Service Specification and to existing business profiles and agency specific service level agreements provided with the information provided to tenderers. Detail any adjustments that have been made to your standard claims management model to cater for those needs.
- 4.1.3. Detail the proposed approach to delivery of client services to government agencies, including the structure of the services function, proposed complaints handling systems and specifically how you propose to meet the needs of regionally based agencies (or units of agencies). Refer to existing agency business profiles, agency specific service level agreements and other material relating to agency requirements and expectations provided in the additional information provided to tenderers.
- 4.1.4. Provide details of mechanisms in place to manage service providers to ensure delivery of timely services to the required standard, including details of any systems for monitoring and reporting on service provider performance.
- 4.1.5. Provide details of your capability to issue premium notices and to collect premium.
- 4.1.6. Detail your capacity and capability to provide risk management services to government agencies. What resources, tools and systems will you provide to agencies, including details of dedicated risk management personnel, how you will deliver the services to agencies and how the delivery will be measured?
- 4.1.7. Provide details of sites and examples where best practice (or near best practice) claims management outcomes are currently being delivered by you (preferably in the same or similar environment to SICorp). If it is proposed that the service to be provided to SICorp is different from existing sites please indicate those differences.

4.2. Systems

- 4.2.1. Provide details of proposed systems to support delivery of best practice claims management and to support policy, premium, risk management and other operations to meet SICorp requirements. Details should include information regarding the:
- Applications to be utilised, including those providing functionality for:
 - Claim notification
 - Claims management, including the capacity to process reimbursement schedules electronically
 - Policy and premium management
 - Financial and accounting management
 - Business process management solution(s) for facilitating workflow within and across applications
 - Management and operational reporting and performance monitoring solution(s) including decision support tools and other relevant information management solution(s)
 - Application integration architecture with external and internal systems
 - Technical infrastructure architecture and how it will provide a robust, reliable platform to meet required service levels.

- 4.2.2. It is State Government policy that all government agencies comply with information security standards – the relevant standards are set out in section 3.1.7.13 of the Claims Management Service Specification. Tenderers will be required to meet these standards on behalf of SICorp. Provide details of your current status with respect to standards listed and specifically whether you have been certified under AS/NZS ISO/IEC 27001:2006. SICorp requires all Claims Managers to be certified within 12 months of the Commencement Date of the Agreement. If the tenderer is not certified, the tenderer must provide a detailed plan for achieving certification within 12 months of the Commencement Date.

- 4.2.3. Detail the capacity of your systems to interface with the SICorp data warehouse and to provide data to the data warehouse in accordance with the relevant SICorp claims interface specifications and data governance requirements – see Appendices F (SICorp Claims Interface Specifications) and G (SICorp Data Governance Requirements) to the Claims Management Service Specification.

Please note that the SICorp workers compensation claims interface specification will be updated to align with the WorkCover Claims Manual version 5.2 and concordance requirements and in practice the workers compensation claims managers will be required to meet these requirements from commencement of core services.

- 4.2.4. Detail the capacity of your systems to meet (or be modified to meet) TMF specific data requirements - refer section 3.1.7.5 the Claims Management Service Specification and to be modified to integrate all historical claims and policy data for the portfolio. This should include detail on the expected complexity, implementation effort, timeframes and risks to successful completion of any

modifications required as well as the level of involvement required from SICorp and agency representatives.

- 4.2.5. Detail your capacity to provide agencies with access to your claims management system (in respect of the agency's claims), including update access and read only access – refer section 3.1.7.3 of the Claims Management Service Specification. Specifically this should address the capability for electronic notification and submission of claims direct to the claims manager's system, including the correction of errors, and the capacity for relevant agency personnel to have read only to all claims data (for their agency). This should include detail on the expected complexity, implementation effort, timeframes and risks to successful completion of any modifications required as well as the level of involvement required from SICorp and agency representatives.
- 4.2.6. Detail the flexibility of your current IT environment to meet evolving needs of SICorp and government agencies as well as external regulator and statutory requirements.
- 4.2.7. Provide a statement and metrics on the stability and reliability of the current operating system(s) that will be used to service SICorp requirements.
- 4.2.8. Provide details of any significant planned or proposed information technology (IT) environment initiatives anticipated from the time of your Tender and during the life of the contract that may impact on or vary service delivery to SICorp (other than those changes required to meet SICorp requirements as requested above). Please note that the contract will require that the claims manager's obtains SICorp approval for any system changes that impact the claims manager's systems set out in the Tender.

4.3. Personnel

- 4.3.1. SICorp requires the claims manager to provide sufficient competent claims personnel to deliver best practice case loads and claims management outcomes. Detail your capacity to deliver the required numbers of appropriately trained and skilled personnel to provide services to SICorp to the required standard and specifically to support best practice claims management outcomes and client service needs within SICorp environment. Specifically you should address how you propose to contend with the scarcity of claims resources.
- 4.3.2. SICorp requires a strong commitment to delivering client service to agencies. Detail your capacity to deliver the required numbers of appropriately trained and skilled personnel to deliver client service functions to agencies to the required standard and to support the maintenance of effective working relationships with agencies and to maintain and deliver on what is agreed in Business Profiles.
- 4.3.3. Provide the proposed personnel structure for delivery of the services including an organisation chart, personnel numbers, personnel levels or grades and any assumptions underlying the proposed structure.

- 4.3.4. Specify proposed competency standards for key functional groups of personnel under the SICorp contract, including the account manager, client service managers, claims team leaders, claims officers, and other claims management personnel. Please indicate the source of the standards and how individual personnel are assessed against those competency standards currently within your organisation and how the results can be independently verified. Specifically please provide details of the minimum standard and qualifications required for a claims officer (as defined in the Agreement) in terms of experience and competencies.
- 4.3.5. Provide details (ie a brief resume) of any senior personnel (where known) to be allocated to SICorp work and their proposed role, including those to be allocated to implementation and transition and comment on their suitability for their roles.
- 4.3.6. Provide human resource, recruitment, training and personnel development plans (in respect of SICorp work) proposed to ensure sufficient competent personnel are on hand at all times to meet SICorp requirements. Specifically provide details of proposed training programs for claims management personnel to ensure they meet the required competencies of a claims officer and have sufficient knowledge of their client agency (or agencies).

4.4. Management

- 4.4.1. Detail management systems and processes established to ensure operational delivery of objectives and targets and specifically delivery on best practice claims management outcomes, including:
- Systems to monitor and report on performance
 - Quality assurance systems and processes
- 4.4.2. Describe management arrangements for assessing personnel performance, for providing feedback to personnel and for ensuring underperformance is addressed.
- 4.4.3. Describe your finance and accounting processes and financial reporting arrangements and how these will be adapted to meet SICorp requirements as detailed in the Agreement and the Claims Management Service Specification.
- 4.4.4. Provide details of the governance arrangements for your organisation, including systems for ensuring adherence to appropriate procedures and practices and for detecting and addressing fraud and other aberrant behaviour.
- 4.4.5. The successful delivery of service to SICorp will require effective claims management services supported by senior management, IT, human resources and other support systems. Provide details of how you will ensure support functions will integrate with claims management and client service functions and provide an integrated service to SICorp to deliver best practice outcomes.

4.5. Implementation and Transition

4.5.1. Provide a detailed plan (a draft “Transition Project Plan”) for the transition and implementation to gear up and deliver the services to SICorp including a draft project plan and timetable (details relating to transition in arrangements are included in Appendix A (Transition Manual) and Appendix B (Transition Plan - 2010)) to the Claims Management Service Specification, and specifically to:

- Plans to implement necessary system changes to meet SICorp requirements (including any specific agency requirements) and capacity to integrate all historical SICorp claims and policy data into your existing system(s)
- Plans to build the capacity to make successful weekly data submissions to the SICorp data warehouse
- Plans to recruit and build up personnel and other resources to deliver the required service to standard and timetable
- Plans for the implementation of your claims management model
- Plans for the development and delivery of a training program for agencies to ensure relevant agency personnel are trained in the operation of your systems and processes.

Please note that these plans are to be structured to ensure the conditions for authorisation to commence core services are met – refer to clause 4 of the Agreement and Appendix D to Attachment 1 (Agreement Details) to the Agreement.

4.5.2. Describe your proposed implementation team and the skills and experience of the key members of the team including the implementation manager.

4.5.3. Describe how you intend to establish relationships and operational interactions with agencies and to document and agree business profiles for each agency in the portfolio - refer to the Claims Management Service Specification and to existing business profiles, agency specific service level agreements and other material included in the information packs provided to tenderers.

4.5.4. Provide details of strategies you intend to implement to ensure the management of existing claims transitioned from the outgoing claims manager is smooth and transparent to agencies and claimants.

4.5.5. Provide details of any specific tail management strategies you intend to apply to these existing claims to achieve a reduction in their associated liabilities and including any evidence of the success of those strategies in your existing operations.

4.5.6. SICorp (or its delegate) will inspect your systems, processes and personnel to verify that the conditions for authorisation to commence core services have been satisfied. You will be required upon execution of the Agreement to provide security in the amount of \$1,600,000 to SICorp to ensure performance of the various transition-in services. The security will be returned if you satisfy the conditions for authorisation to commence core services within the required

timeframe. Please acknowledge your agreement to SICorp undertaking the verification and to providing the security.

- 4.5.7. Provide a high level plan (a draft “Transition-Out Project Plan”) for the transition out of the core service at the core services termination date. Transition-out services will need to be provided in accordance with Appendix A (Transition Manual) and the transition plan – 2015 (once developed by SICorp).

Please note that this plan is to be structured to ensure the conditions for authorisation for transition-out are met – refer to clause 35 of the Agreement and Appendix E to Attachment 1 (Agreement Details) to the Agreement.

4.6. Small to Medium Enterprises Participation Plan (SMEPP)

- 4.6.1. Provide a SMEPP. The participation plan must in the form of the SMEPP template at Attachment “A”

4.7. Case Loads

- 4.7.1. Provide details of proposed target case loads for the management of SICorp claims to achieve best practice outcomes (see the definitions of case loads, claims officers and claims handled included in the Agreement). Note that you must use the case load definitions provided – tenderers are not able to vary these definitions. SICorp considers a target case load for the portfolio (using the case load definition in the Agreement) of around 80 claims is necessary for best practice outcomes. Describe why your proposed target case load is appropriate and how it will support delivery of best practice outcomes.

Provide the respective target case load(s) per claims officer by the claim groupings in the table below. Common practice is to group claims into fast track/minor claims (generally those that have incapacity of less than 7 days), front end claims (generally claims with incapacity of over 7 days but not [yet] long term) and tail claims (long term [eg 24 months plus] claims). To enable comparison provide details according to the specified claims groups in the table. If these groups vary significantly from the grouping used in your claims management model also provide a separate table with details for these groups together with a definition of each of your groupings.

Table 4.1: Target Case Loads

Claims Group	Target Case Load
Fast track/minor claims	
Front end claims	
Tail claims	
Other (<i>please detail</i>)	
Portfolio - target	

- 4.7.2. Provide a maximum case load for the portfolio that is to be specified in the Agreement and will form part of the critical service standards requirements under the Agreement - see Agreement Details. The maximum case load is not to exceed the target Case Load for the portfolio by more than 15%.

Table 4.2: Maximum Case Load

Maximum case load for the portfolio:

4.8. Fees and Costs

- 4.8.1. Fees for the provision of core services will be made up of an annual service Fee component (incorporating base service fees and service performance bonus payable for meeting the critical service standards) plus an incentive fee component - refer the fee arrangements in the Agreement and Attachment 4 to the Agreement (Claims Management Fee Arrangements).

Tenderers are to submit prices for annual service fees (exclusive of GST) for the provision of the core services. The annual service fee prices submitted are to apply to the 2011 calendar year. Annual service fees are determined by the sum of an annual fixed fee plus a dollar figure per claims closed (that is net non-zero claims closed) – see the definitions of claims closed included in the Agreement. Fees are to be submitted on the assumption that the claims manager takes on responsibility for the management of all claims (that is, both new and existing) on the core services commencement date. These fees are not to include any allowance for the optional agency reporting services (see section 4.8.4).

Table 4.3: Annual Service Fees

Annual Service Fee Component	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Annual fixed fee	\$ _____	_____ %	_____ %	_____ %
Dollar amount per claim closed	\$ _____	_____ %	_____ %	_____ %

The annual fixed fee must be greater than zero and the dollar amount per claim closed must be greater than \$500.

The annual fixed fee and the dollar amount per claim closed will be indexed for each calendar year after 2011 based on the Labour Price Index issued by the Australian Bureau of Statistics (catalogue number 6345.0).

- 4.8.2. It is SICorp's preference to stagger the transfer of responsibility for new and existing claims to reduce the risks of transition. Should SICorp decide, in its absolute discretion, to stagger the transition of existing claims in accordance with the Transition Plan – 2010, the claims manager will have a reduced workload until they assume full responsibility for all existing claims. Please note where the claims manager is also the outgoing claims manager under the 2005 agreement for the portfolio or part of the portfolio then the existing claims for that the portfolio or that part of the portfolio will transfer on the core services commencement date.

Provide a discount to the annual fixed fee (in Table 4.3) to apply for the 2011 calendar year if SICorp delays the transfer of existing claims in accordance with the Transition Plan – 2010 in Table 4.4. The discount must be greater than or equal to zero.

Table 4.4: Discounts for Staggered Transition
Discount (%)

Discount to annual fixed fee for year 1
(to apply if staggered claims handover occurs)

Also provide any preference you have for a stagger handover or for a single handover of all claims on the core services commencement date. Include an explanation of the reasons for your preference. Please note there will be no variation to the fee per claim closed.

- 4.8.3. Fees for the provision of transition-in services and transition-out services are separate from fees for the provision of core service. The transition-in and transition-out fees are a fixed dollar amount - refer the fee arrangements in the Agreement and the Claims Management Fee Arrangements. These fees are not to include any allowance for the optional agency reporting services (see section 4.8.4).

Table 4.5: Transition Fees

Service	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Transition-in services	\$ _____	_____ %	_____ %	_____ %
Transition-out services	\$ _____	_____ %	_____ %	_____ %

Please note that the transition-out fee is not subject to indexation but may be subject to fee adjustment if the services required are varied. Also note that the fee arrangements specify the fee for run-off services if required (so no allowance need be made for run-off services in the above fees).

- 4.8.4. The Claims Manager may be required to provide the agency reporting services (at SICorp's sole discretion). The additional fees for the provision of these reporting agency services are to be specified in this section – see section 4.1.12.5 of Attachment 3 of the Agreement (Claims Management Services Specification) for details of the agency reporting services that may be required by SICorp. These fees are to be additional to the fees in Table 4.3 and in Table 4.5.

**Table 4.6: Additional Fees for Agency Reporting Services
(if required by SICorp)**

Service	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Additional annual fixed fee for agency reporting services	\$ _____	_____ %	_____ %	_____ %
Additional transition-in fee for agency reporting services	\$ _____	_____ %	_____ %	_____ %

Should SICorp exercise its right to require agency reporting services, then the above amount will be added to the annual fixed fee (in Table 4.3) and the transition-in fee (in Table 4.5). Please note there will be no variation to the fee per claim closed. If SICorp do not require the Claims Manager to provide agency reporting services then the above additional fees will not be payable.

- 4.8.5. Please provide an estimated expense breakdown of your recurrent operations for the first year of core services (ie excluding any transition costs) and assuming the claims manager takes on responsibility for the management of all claims (that is, both new and existing) on the core services commencement date ie on the same basis as the pricing in 4.8.1.

Include details of any workload assumptions and the agency statistics used as a basis for your estimates. The cost breakdown is to show direct expense (expenses for resources allocated to the provision of services under the Agreement) and allocated expenses (expenses incurred corporately and allocated to business units).

The breakdown at a minimum is to include the following heads of expense: personnel; personnel related on-costs; information systems; rent; other office expenses; capital costs and corporate overheads. Where expenses are allocated describe the basis for allocation.

Tenderers are also to provide a separate breakdown of expenses relating to the provision of transition-in services and transition-out services including any related capital expenses.

- 4.8.6. Tenderers are required to submit fees per section 4.8.1 above in accordance with the fee arrangements as defined in the Agreement and the Claims Management Fee Arrangements. Fees submitted on this basis will form the basis of cost comparisons between tenders. Because the fees have been submitted on a consistent basis, true cost comparisons will be possible. This will form the basis of evaluation of the cost of tenderer's bids.

SICorp is prepared to consider alternative fee arrangements which, for example, incorporate reduced annual service fees and corresponding increase or/and variation in incentive fees to create additional incentive for improved outcomes. Any tenderer who considers an alternative fee arrangement will better assist in achieving SICorp objectives may submit that alternative arrangement as part of your Tender.

SICorp reserves the right to proceed with the fees bid on the fee arrangement specified in the Agreement and the Claims Management Fee Arrangements), accept the alternative fee structure, and/or to negotiate a suitable variation to any alternative structure proposed at SICorp's absolute discretion.

Tenderers must provide full details of any proposed alternative fee arrangements. Details of alternative fee arrangements must include specific proposals, all relevant formulas, targets and links to fee levels (ie not just a concept) and as well as reasons why the alternative will assist in delivering better outcomes and is beneficial to SICorp.

4.9. Compliance with the Contract and Claims Management Service Specification

The proposed contract (the “Agreement”) is included as Part D of the RFT.

- 4.9.1. Tenderers are to agree to the Agreement unamended or agree to the Agreement subject to one or more specific proposed amendments. Tenderers are required to detail all amendments proposed in Table 4.7 below.

Please rule a line through the response not required.

I agree to the Agreement unamended.

OR

I agree to the Agreement subject to the following proposed amendments.

Table 4.7: Proposed Amendments to the Agreement

Clause Number	Original Clause	Proposed Amendment	Comments or Reasons

Please note, where amendments are proposed, the tenderer is required to set out the actual wording of the proposed amendment or variation together with a statement as to the reasons for the proposed amendment or variation. SICorp will consider all proposed amendments and accept the amendment, reject the amendment or propose an alternative amendment. A tenderer who has proposed amendments will be required to agree to an Agreement acceptable to SICorp prior to further consideration of their Tender.

SICorp will not negotiate contract terms following the announcement of preferred tenderers. Tenderers must raise all contract issues in their response and agree to terms during the evaluation phase.

- 4.9.2. Tenderers are to complete a statement of compliance confirming that they will comply with Attachment 3 of the Agreement (Claims Management Service Specification) as specified (including provision of the service specified on and from the required date) or to confirm compliance subject to one or more specific proposed variations. Tenderers are required to detail all proposed variations in Table 4.8 below.

Please rule a line through the response not required.

I agree to provide all the services as specified in Attachment 3 of the Agreement (Claims Management Service Specification) without amendment or variation.

OR

I agree to provide all the services as specified in Attachment 3 of the Agreement (Claims Management Service Specification) subject to the following proposed variations.

Table 4.8: Proposed Amendments to the Agreement

Section Number	Original Requirement	Proposed Variation	Comments or Reasons

Please note, where amendments or variations are proposed, the tenderer is required to set out the actual wording of the proposed amendment or variation together with a statement as to the reasons for the proposed amendment or variation. SICorp will consider all proposed variations and accept the variation, reject the variation or propose an alternative variation. A tenderer who has proposed variations will be required to agree to deliver the services in a form and to a standard acceptable to SICorp prior to further consideration of their Tender.

SICorp will not negotiate amendments or variations to the services following the announcement of preferred tenderers. Tenderers must raise all issues in their response and agree to scope of the services to be provided during the evaluation phase.

4.10. Service Levels

- 4.10.1. Tenderers are to agree to meet the critical service standards as set out in the Agreement Details. Please note failure to meet the critical service standards may result in a reduction in the service performance bonus payable.
- 4.10.2. Tenderers are to agree to the SLAs relevant (if any) to this portfolio and to demonstrate a capacity to meet and to report against the standards specified in the relevant SLAs - refer Appendix D (TMF Service Level Agreement) to the Claims Management Service Specification.

Agency specific service level requirements are to be incorporated into agency business profiles – see sections 4.1.3 and 4.5.3.

4.11. NSW Government Procurement Policies

- 4.11.1. Tenderers are to demonstrate compliance with NSW Government procurement policies. Details of the relevant policies and codes are included in Section 5 of Part B of the RFT (The Tender Process).

4.12. Compliance with Legislative Obligations

4.12.1. Tenderers are to demonstrate a commitment to and capacity to comply with their obligations under the following Acts (including compliance with regulations, codes of practice or other subsidiary instruments):

- Occupational Health and Safety Act 2000 (NSW)
- Workers Compensation Act 1987 (NSW)
- Workplace Injury Management and Workers Compensation Act 1998 (NSW)
- Industrial Relations Act 1996 (NSW)
- Privacy and Personal Information Protection Act 1998 (NSW)
- Financial Sector (Collection of Data) Act 2001 (Commonwealth)
- Privacy Act 1988 (Commonwealth).

4.13. Financial Stability

Responses to this section must relate to the legal entity that has submitted the Tender and is proposed to enter into the contract. If the tenderer wishes to cite financial information relating to a parent company or group of companies, the parent or group will be required to be a party to the contract and/or provide a cross guarantee.

4.13.1. Tenderers are to provide a copy of the most recent available set of audited financial statements for the tendering entity.

4.13.2. Tenderers are to provide the net tangible assets of the tendering entity for the past 5 financial years.

4.13.3. Demonstrate the financial stability and capacity for the tenderer to satisfactorily fulfil the Agreement over the full term of the Agreement.

4.14. Proposed Subcontract Arrangements

Any subcontract arrangements proposed to be used to deliver the services or any part of the services under the Agreement must be satisfactory to SICorp. Tenderers are to provide details of all proposed subcontract arrangements in this section. If agreed by SICorp these subcontract arrangements will be incorporated into the Agreement. Once agreed, any variations to the subcontract arrangements are subject to the prior approval of SICorp in accordance with clause 39.6 of the Agreement.

Subcontract arrangements include any arrangement (formal and informal) for the provision of the services by a legal entity other than the entity specified in section 2.1 of this response. For clarity arrangements with related entities are to be treated as subcontract arrangements.

4.14.1. The tenderer is to certify whether or not the tenderer proposes to use any third party to deliver the services through a subcontract or agency arrangement but not including any employees of the tenderer (“Subcontractors”):

Please rule a line through the response not required.

I certify that I **will not be** utilising any Subcontractors to deliver the services under the Agreement

OR

I certify that I **will be** utilising one or more Subcontractors to deliver all or any part of the services under the Agreement and that details have been provided in relation to all such Subcontractors in section 4.14.2 below

4.14.2. Tenderers must list any and all Subcontractors proposed to be used for the delivery of the services under the Agreement. For each proposed Subcontractor, tenderers are to provide the following details:

- Legal entity of the Subcontractor
- Trading name of the Subcontractor
- Address of the Subcontractor
- ABN of the Subcontractor
- The number of FTE employees engaged by the Subcontractor (as at the date of submission of the Tender)
- The nature of the relationship between the tenderer and the Subcontractor
- Whether the tenderer and the Subcontractor form part of a group (as defined in s.175L of the Workers Compensation Act 1987 (NSW))
- Is the Subcontractor part of any other group (as defined in s.175L of the Workers Compensation Act 1987 (NSW) and if yes, provide details of the legal entities that form the group and their ABNs and the total number of FTE employees employed by the group (as at the date of submission of the Tender)
- Is the Subcontractor a SME?
- The nature of the services under the Agreement to be delivered by the Subcontractor
- The estimated number of FTE employees expected to be engaged by the Subcontractor in providing service under the Agreement and the estimated proportion of their time spent providing services under the Agreement
- The estimated percentage of the total content of the services to be provided under the Agreement to be delivered by the Subcontractor
- Details of the contractual arrangements between the tenderer and the Subcontractor – please attach a copy of the written agreement
- Details of any arrangements the tenderer proposes to ensure that SICorp's rights under the Agreement are maintained, including but not limited to:
 - Intellectual property rights
 - Access to premises and information systems
 - Key personnel
- Details of any proposed changes to the Agreement consequential on the subcontracting arrangements and to ensure SICorp's rights are maintained – noting that the actual changes are to be included in the section(s) titled “Compliance with the Contract” (section 4.9.1)

- Details of what steps the tenderer would take if SICorp resolved not to approve the subcontract arrangement.

4.15. SME ANZ Content

- 4.15.1. Provide details of the SME ANZ Content estimated to be provided by the tenderer and each Subcontractor who it is proposed to provide the core services under the Agreement.

Table 4.9: SME ANZ Content of Core Services

Entity Providing the Services	Estimated Annual Cost of Core Services \$	Imported Content %	SME ANZ Content %	Non-SME ANZ Content %
<i>[Tenderer name]</i>				
<i>[Subcontractor #1]</i>				
<i>[Subcontractor #2]</i>				
<i>etc</i>				
Total				

- 4.15.2. Provide details of the SME ANZ Content estimated to be provided by the tenderer and each Subcontractor who it is proposed to provide the transition service under the Agreement.

Table 4.10: SME ANZ Content of Transition Services

Entity Providing the Services	Estimated Cost of Transition Services \$	Imported Content %	SME ANZ Content %	Non-SME ANZ Content %
<i>[Tenderer name]</i>				
<i>[Subcontractor #1]</i>				
<i>[Subcontractor #2]</i>				
<i>etc</i>				
Total				

Where

Estimated Annual Cost of Core Services means estimated annual cost of the provision of core services by the tenderer and each Subcontractor and the total estimated cost must equal the total of estimated expense breakdown of your recurrent operation for the first year of core services provided in response to 4.8.5. Details are to be provided for the tenderer and each Subcontractor listed in 4.14.2.

Estimated Cost of Transition Services means estimated cost of the provision of transition services, including transition-in and transition-out services by the tenderer and each Subcontractor and the total estimated cost must equal the total of estimated expense breakdown of transition services provided in response to 4.8.5. Details are to be provided for the tenderer and each Subcontractor listed in 4.14.2.

4.16. Conflict of Interest

- 4.16.1. Detail the proposed mechanisms you intend to establish to avoid and to manage real or perceived conflicts of interest. Specifically this mechanism is to cover situations where SICorp's commercial interests are in conflict with those of the claims manager, for example where SICorp may have an entitlement to recover against a commercial insurance policy issued by the claims manager or a related entity (and vice versa).

4.17. Risks and Sustainability

- 4.17.1. Detail the risks to SICorp in appointing you as the Claims Manager for this portfolio and strategies you propose to adopt to mitigate and minimise those risks. Risks are to be considered in the context of risks to SICorp achieving its objectives of improving outcomes and service delivery to agencies. Tenderers are to include in their response the following risks – but should not limit their response to these risk:
- Sustainability – including the risk that you are not able to sustainably deliver the services to the required standard for the term of the Agreement
 - Transition risks – including the risk that you are not able to meet all transition requirements
 - Information system risks – including the risk that your systems do not have the capacity or flexibility to meet SICorp's emerging needs
 - Subcontractor risks - including the risk that any subcontractor (whether through insolvency or business decision) fails to deliver on requirements

For each strategy to mitigate or minimise a risk indicate status of the strategy whether the strategy is current in operation or not, and if it is not detail how and when you propose to implement the strategy.

Responses are to be provided in the following table:

Table 4.8 Risk Management Strategies

Risk Description (Provide a detailed description of the risk)	Mitigation Strategies (Outline the proposed strategies to mitigate the risk)	Status of Strategy (Indicate whether in place and if not how and when it will be established)

- 4.17.2. The term of this Agreement is six years. The economic climate and financial circumstances of individual firms can change markedly over such period. What assurance can you, or are you prepared to provide, that you have the capacity to deliver and continue to deliver over the entire term of the Agreement the service required to the standard required in a sustainable way. Note that SICorp is seeking some form of guarantee which is as concrete and enforceable as you are able to make it (as opposed to a statement of intent or details of past performance).

5. Workers Compensation Claims No. 3

The definition of the Workers Compensation Claims No. 3 portfolio is set out in Attachment 2 of the Agreement (Portfolio Definition). The specification of requirements for this portfolio is detailed in the Agreement and the attachments to the Agreement including Attachment 3 to the Agreement (Claims Management Service Specification).

5.1. Claims, Policy and Risk Management

- 5.1.1. Provide details of the proposed claims management model to be used for the management of SICorp claims including a description of key strategies, processes and procedures. Tenderers are to describe and, preferably, demonstrate how your proposed model will deliver best practice claims management outcomes – see the Claims Management Service Specification. Describe how you propose to case manage claims according to their nature and complexity.
- 5.1.2. Detail how the proposed claims management model will meet the specific needs of SICorp and government agencies, refer to Attachment 3 to the Agreement (Claims Management Service Specification) and its Appendices and also the specific needs of individual agencies – refer to Appendix C (Agency Specific Requirements) to the Claims Management Service Specification, and to existing business profiles and agency specific service level agreements provided with the information provided to tenderers. Detail any adjustments that have been made to your standard claims management model to cater for those needs.
- 5.1.3. Detail the proposed approach to delivery of client services to government agencies, including the structure of the services function, proposed complaints handling systems and specifically how you propose to meet the needs of regionally based agencies (or units of agencies). Refer to existing agency business profiles, agency specific service level agreements and other material relating to agency requirements and expectations provided in the additional information provided to tenderers.
- 5.1.4. Provide details of mechanisms in place to manage service providers to ensure delivery of timely services to the required standard, including details of any systems for monitoring and reporting on service provider performance.
- 5.1.5. Provide details of your capability to issue premium notices and to collect premium.
- 5.1.6. Detail your capacity and capability to provide risk management services to government agencies. What resources, tools and systems will you provide to agencies, including details of dedicated risk management personnel, how you will deliver the services to agencies and how the delivery will be measured?
- 5.1.7. Provide details of sites and examples where best practice (or near best practice) claims management outcomes are currently being delivered by you (preferably in the same or similar environment to SICorp). If it is proposed that the service to be provided to SICorp is different from existing sites please indicate those differences.

- 5.1.8. Provide details of any specific arrangements you propose to establish for managing the run-off of the Transport Accident Compensation and Workers Funds claims, including any particular experience or expertise you may have relating to these schemes.

5.2. Systems

- 5.2.1. Provide details of proposed systems to support delivery of best practice claims management and to support policy, premium, risk management and other operations to meet SICorp requirements. Details should include information regarding the:
- Applications to be utilised, including those providing functionality for:
 - Claim notification
 - Claims management, including the capacity to process reimbursement schedules electronically
 - Policy and premium management
 - Financial and accounting management
 - Business process management solution(s) for facilitating workflow within and across applications
 - Management and operational reporting and performance monitoring solution(s) including decision support tools and other relevant information management solution(s)
 - Application integration architecture with external and internal systems
 - Technical infrastructure architecture and how it will provide a robust, reliable platform to meet required service levels.
- 5.2.2. It is State Government policy that all government agencies comply with information security standards – the relevant standards are set out in section 3.1.7.13 of the Claims Management Service Specification. Tenderers will be required to meet these standards on behalf of SICorp. Provide details of your current status with respect to standards listed and specifically whether you have been certified under AS/NZS ISO/IEC 27001:2006. SICorp requires all Claims Managers to be certified within 12 months of the commencement date of the Agreement. If the tenderer is not certified, the tenderer must provide a detailed plan for achieving certification within 12 months of the commencement date.
- 5.2.3. Detail the capacity of your systems to interface with the SICorp data warehouse and to provide data to the data warehouse in accordance with the relevant SICorp claims interface specifications and data governance requirements – see Appendices F (SICorp Claims Interface Specifications) and G (SICorp Data Governance Requirements) to the Claims Management Service Specification.

Please note that the SICorp workers compensation claims interface specification will be updated to align with the WorkCover Claims Manual version 5.2 and concordance requirements and in practice the workers compensation claims managers will be required to meet these requirements from commencement of core services.

- 5.2.4. Detail the capacity of your systems to meet (or be modified to meet) TMF specific data requirements - refer section 3.1.7.5 of the Claims Management Service Specification and to be modified to integrate all historical claims and policy data for the portfolio. This should include detail on the expected complexity, implementation effort, timeframes and risks to successful completion of any modifications required as well as the level of involvement required from SICorp and agency representatives.
- 5.2.5. Detail your capacity to provide agencies with access to your claims management system (in respect of the agency's claims), including update access and read only access – refer section 3.1.7.3 of the Claims Management Service Specification. Specifically this should address the capability for electronic notification and submission of claims direct to the claims manager's system, including the correction of errors, and the capacity for relevant agency personnel to have read only to all claims data (for their agency). This should include detail on the expected complexity, implementation effort, timeframes and risks to successful completion of any modifications required as well as the level of involvement required from SICorp and agency representatives.
- 5.2.6. Detail the flexibility of your current IT environment to meet evolving needs of SICorp and government agencies as well as external regulator and statutory requirements.
- 5.2.7. Provide a statement and metrics on the stability and reliability of the current operating system(s) that will be used to service SICorp requirements.
- 5.2.8. Provide details of any significant planned or proposed information technology (IT) environment initiatives anticipated from the time of your Tender and during the life of the contract that may impact on or vary service delivery to SICorp (other than those changes required to meet SICorp requirements as requested above). Please note that the contract will require the claims manager to obtain SICorp approval for any system changes that impact the claims manager's systems set out in the Tender.

5.3. Personnel

- 5.3.1. SICorp requires the claims manager to provide sufficient competent claims personnel to deliver best practice case loads and claims management outcomes. Detail your capacity to deliver the required numbers of appropriately trained and skilled personnel to provide services to SICorp to the required standard and specifically to support best practice claims management outcomes and client service needs within SICorp environment. Specifically you should address how you propose to contend with the scarcity of claims resources.
- 5.3.2. SICorp requires a strong commitment to delivering client service to agencies. Detail your capacity to deliver the required numbers of appropriately trained and skilled personnel to deliver client service functions to agencies to the required standard and to support the maintenance of effective working relationships with agencies and to maintain and deliver on what is agreed in Business Profiles.

- 5.3.3. Provide the proposed personnel structure for delivery of the services including an organisation chart, personnel numbers, personnel levels or grades and any assumptions underlying the proposed structure.
- 5.3.4. Specify proposed competency standards for key functional groups of personnel under the SICorp contract, including the account manager, client service managers, claims team leaders, claims officers, and other claims management personnel. Please indicate the source of the standards and how individual personnel are assessed against those competency standards currently within your organisation and how the results can be independently verified. Specifically please provide details of the minimum standard and qualifications required for a claims officer (as defined in the Agreement) in terms of experience and competencies.
- 5.3.5. Provide details (ie a brief resume) of any senior personnel (where known) to be allocated to SICorp work and their proposed role, including those to be allocated to implementation and transition and comment on their suitability for their roles.
- 5.3.6. Provide human resource, recruitment, training and personnel development plans (in respect of SICorp work) proposed to ensure sufficient competent personnel are on hand at all times to meet SICorp requirements. Specifically provide details of proposed training programs for claims management personnel to ensure they meet the required competencies of a claims officer and have sufficient knowledge of their client agency (or agencies).

5.4. Management

- 5.4.1. Detail management systems and processes established to ensure operational delivery of objectives and targets and specifically delivery on best practice claims management outcomes, including:
- Systems to monitor and report on performance
 - Quality assurance systems and processes
- 5.4.2. Describe management arrangements for assessing personnel performance, for providing feedback to personnel and for ensuring underperformance is addressed.
- 5.4.3. Describe your finance and accounting processes and financial reporting arrangements and how these will be adapted to meet SICorp requirements as detailed in the Agreement and the Claims Management Service Specification.
- 5.4.4. Provide details of the governance arrangements for your organisation, including systems for ensuring adherence to appropriate procedures and practices and for detecting and addressing fraud and other aberrant behaviour.
- 5.4.5. The successful delivery of service to SICorp will require effective claims management services supported by senior management, IT, human resources and other support systems. Provide details of how you will ensure support functions will integrate with claims management and client service functions and provide an integrated service to SICorp to deliver best practice outcomes.

5.5. Implementation and Transition

5.5.1. Provide a detailed plan (a draft “Transition Project Plan”) for the transition and implementation to gear up and deliver the services to SICorp including a draft project plan and timetable (details relating to transition in arrangements are included in Appendix A (Transition Manual) and Appendix B (Transition Plan - 2010) to the Claims Management Service Specification, and specifically to:

- Plans to implement necessary system changes to meet SICorp requirements (including any specific agency requirements) and capacity to integrate all historical SICorp claims and policy data into your existing system(s)
- Plans to build the capacity to make successful weekly data submissions to the SICorp data warehouse
- Plans to recruit and build up personnel and other resources to deliver the required service to standard and timetable
- Plans for the implementation of your claims management model
- Plans for the development and delivery of a training program for agencies to ensure relevant agency personnel are trained in the operation of your systems and processes.

Please note that these plans are to be structured to ensure the conditions for authorisation to commence core services are met – refer to clause 4 of the Agreement and Appendix D to Attachment 1 (Agreement Details) to the Agreement.

5.5.2. Describe your proposed implementation team and the skills and experience of the key members of the team including the implementation manager.

5.5.3. Describe how you intend to establish relationships and operational interactions with agencies and to document and agree business profiles for each agency in the portfolio - refer to the Claims Management Service Specification and to existing business profiles, agency specific service level agreements and other material included in the information packs provided to tenderers.

5.5.4. Provide details of strategies you intend to implement to ensure the management of existing claims transitioned from the outgoing claims manager is smooth and transparent to agencies and claimants.

5.5.5. Provide details of any specific tail management strategies you intend to apply to these existing claims to achieve a reduction in their associated liabilities and including any evidence of the success of those strategies in your existing operations.

5.5.6. SICorp (or its delegate) will inspect your systems, processes and personnel to verify that the conditions for authorisation to commence core services have been satisfied. You will be required upon execution of the Agreement to provide security in the amount of \$1,700,000 to SICorp to ensure performance of the various transition-in services. The security will be returned if you satisfy the conditions for authorisation to commence core services within the required

timeframe. Please acknowledge your agreement to SICorp undertaking the verification and to providing the security.

- 5.5.7. Provide a high level plan (a draft “Transition-Out Project Plan”) for the transition out of the core service at the core services termination date. Transition-out services will need to be provided in accordance with Appendix A (Transition Manual) and the transition plan – 2015 (once developed by SICorp).

Please note that this plan is to be structured to ensure the conditions for authorisation for transition-out are met – refer to clause 35 of the Agreement and Appendix E to Attachment 1 (Agreement Details) to the Agreement.

5.6. Small to Medium Enterprises Participation Plan (SMEPP)

- 5.6.1. Provide a SMEPP. The participation plan must in the form of the SMEPP template at Attachment “A”

5.7. Case Loads

- 5.7.1. Provide details of proposed target case loads for the management of SICorp claims to achieve best practice outcomes (see the definitions of case loads, claims officers and claims handled included in the Agreement). Note that you must use the case load definitions provided – tenderers are not able to vary these definitions. SICorp considers a target case load for the portfolio (using the case load definition in the Agreement) of around 80 claims is necessary for best practice outcomes. Describe why your proposed target case load is appropriate and how it will support delivery of best practice outcomes.

Provide the respective target case load(s) per claims officer by the claim groupings in the table below. Common practice is to group claims into fast track/minor claims (generally those that have incapacity of less than 7 days), front end claims (generally claims with incapacity of over 7 days but not [yet] long term) and tail claims (long term [eg 24 months plus] claims). To enable comparison provide details according to the specified claims groups in the table. If these groups vary significantly from the grouping used in your claims management model also provide a separate table with details for these groups together with a definition of each of your groupings.

Table 5.1: Target Case Loads

Claims Group	Target Case Load
Fast track/minor claims	
Front end claims	
Tail claims	
Other (<i>please detail</i>)	
Portfolio - target	

- 5.7.2. Provide a maximum case load for the portfolio that is to be specified in the Agreement and will form part of the critical service standards requirements under the Agreement - see the Agreement Details. The maximum case load is not to exceed the target case load for the portfolio by more than 15%.

Table 5.2: Maximum Case Load

Maximum case load for the portfolio:

5.8. Fees and Costs

- 5.8.1. Fees for the provision of the core services will be made up of an annual service fee component (incorporating base service fees and service performance bonus payable for meeting the critical service standards) plus an incentive fee component - refer the fee arrangements in the Agreement and Attachment 4 to the Agreement (Claims Management Fee Arrangements).

Tenderers are to submit prices for annual service fees (exclusive of GST) for the provision of the core services. The annual service fee prices submitted are to apply to the 2011 calendar year. Annual service fees are determined by the sum of an annual fixed fee plus a dollar figure per claims closed (that is net non-zero claims closed) – see the definitions of claims closed included in the Agreement. Fees are to be submitted on the assumption that the claims manager takes on responsibility for the management of all claims (that is, both new and existing) on the core services commencement date. These fees are not to include any allowance for the optional agency reporting services (see section 5.8.4).

Table 5.3: Annual Service Fees

Annual Service Fee Component	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Annual fixed fee	\$ _____	_____ %	_____ %	_____ %
Dollar amount per claim closed	\$ _____	_____ %	_____ %	_____ %

The annual fixed fee must be greater than zero and the dollar amount per claim closed must be greater than \$500.

The annual fixed fee and the dollar amount per claim closed will be indexed for each calendar year after 2011 based on the Labour Price Index issued by the Australian Bureau of Statistics (catalogue number 6345.0).

- 5.8.2. It is SICorp's preference to stagger the transfer of responsibility for new and existing claims to reduce the risks of transition. Should SICorp decide, in its absolute discretion, to stagger the transition of existing claims in accordance with the Transition Plan – 2010, the claims manager will have a reduced workload

until they assume full responsibility for all existing claims. Please note where the claims manager is also the outgoing claims manager under the 2005 agreement for the portfolio or part of the portfolio then the existing claims for that the portfolio or that part of the portfolio will transfer on the core services commencement date.

Provide a discount to the annual fixed fee (in Table 5.3) to apply for the 2011 calendar year if SICorp delays the transfer of existing claims in accordance with the Transition Plan – 2010 in Table 5.4. The discount must be greater than or equal to zero.

Table 5.4: Discounts for Staggered Transition
Discount (%)

Discount to annual fixed fee for year 1
(to apply if staggered claims handover occurs) _____

Also provide any preference you have for a stagger handover or for a single handover of all claims on the core services commencement date. Include an explanation of the reasons for your preference. Please note there will be no variation to the fee per claim closed.

- 5.8.3. Fees for the provision of transition-in services and transition-out services are separate from fees for the provision of core service. The transition-in and transition-out fees are a fixed dollar amount - refer the fee arrangements in the Agreement and the Claims Management Fee Arrangements. These fees are not to include any allowance for the optional agency reporting services (see section 5.8.4).

Table 5.5: Transition Fees

Service	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Transition-in services	\$ _____	_____ %	_____ %	_____ %
Transition-out services	\$ _____	_____ %	_____ %	_____ %

Please note that the transition-out fee is not subject to indexation but may be subject to fee adjustment if the services required are varied. Also note that the fee arrangements specify the fee for run-off services if required (so no allowance need be made for run-off services in the above fees).

- 5.8.4. The Claims Manager may be required to provide the agency reporting services (at SICorp's sole discretion). The additional fees for the provision of these reporting agency services are to be specified in this section – see section 3.1.12.5 of

Attachment 3 of the Agreement (Claims Management Services Specification) for details of the agency reporting services that may be required by SICorp. These fees are to be additional to the fees in Table 5.3 and in Table 5.5.

**Table 5.6: Additional Fees for Agency Reporting Services
(if required by SICorp)**

Service	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Additional annual fixed fee for agency reporting services	\$ _____	_____ %	_____ %	_____ %
Additional transition-in fee for agency reporting services	\$ _____	_____ %	_____ %	_____ %

Should SICorp exercise its right to require agency reporting services, then the above amount will be added to the annual fixed fee (in Table 5.3) and the transition-in fee (in Table 5.5). Please note there will be no variation to the fee per claim closed. If SICorp do not require the Claims Manager to provide agency reporting services then the above additional fees will not be payable.

- 5.8.5. Please provide an estimated expense breakdown of your recurrent operations for the first year of core services (ie excluding any transition costs) and assuming the claims manager takes on responsibility for the management of all claims (that is, both new and existing) on the core services commencement date ie on the same basis as the pricing in 5.8.1.

Include details of any workload assumptions and the agency statistics used as a basis for your estimates. The cost breakdown is to show direct expense (expenses for resources allocated to the provision of services under the Agreement) and allocated expenses (expenses incurred corporately and allocated to business units).

The breakdown at a minimum is to include the following heads of expense: personnel; personnel related on-costs; information systems; rent; other office expenses; capital costs and corporate overheads. Where expenses are allocated describe the basis for allocation.

Tenderers are also to provide a separate breakdown of expenses relating to the provision of transition-in services and transition-out services including any related capital expenses.

- 5.8.6. Tenderers are required to submit fees per section 5.8.1 above in accordance with the fee arrangements as defined in the Agreement and the Claims Management Fee Arrangements). Fees submitted on this basis will form the basis of cost comparisons between Tenders. Because the fees have been submitted on a consistent basis, true cost comparisons will be possible. This will form the basis of evaluation of the cost of tenderer's bids.

SICorp is prepared to consider alternative fee arrangements which, for example, incorporate reduced annual service fees and corresponding increase or/and variation in incentive fees to create additional incentive for improved outcomes. Any tenderer who considers an alternative fee arrangement will better assist in achieving SICorp objectives may submit that alternative arrangement as part of your Tender.

SICorp reserves the right to proceed with the fees bid on the fee arrangement specified in the Agreement and the Claims Management Fee Arrangements, accept the alternative fee structure, and/or to negotiate a suitable variation to any alternative structure proposed at SICorp's absolute discretion.

Tenderers must provide full details of any proposed alternative fee arrangements. Details of alternative fee arrangements must include specific proposals, all relevant formulas, targets and links to fee levels (ie not just a concept) and as well as reasons why the alternative will assist in delivering better outcomes and is beneficial to SICorp.

5.9. Compliance with the Contract and Claims Management Service Specification

The proposed contract (the "Agreement") is included as Part D of the RFT.

- 5.9.1. Tenderers are to agree to the Agreement unamended or agree to the Agreement subject to one or more specific proposed amendments. Tenderers are required to detail all amendments proposed in Table 5.7 below.

Please rule a line through the response not required.

I agree to the Agreement unamended.

OR

I agree to the Agreement subject to the following proposed amendments.

Table 5.7: Proposed Amendments to the Agreement

Clause Number	Original Clause	Proposed Amendment	Comments or Reasons

Please note, where amendments are proposed, the tenderer is required to set out the actual wording of the proposed amendment or variation together with a statement as to the reasons for the proposed amendment or variation. SICorp will consider all proposed amendments and accept the amendment, reject the amendment or propose an alternative amendment. A tenderer who has proposed amendments will be required to agree to an Agreement acceptable to SICorp prior to further consideration of their Tender.

SICorp will not negotiate contract terms following the announcement of preferred tenderers. Tenderers must raise all contract issues in their response and agree to terms during the evaluation phase.

- 5.9.2. Tenderers are to complete a statement of compliance confirming that they will comply with Attachment 3 of the Agreement (Claims Management Service Specification) as specified (including provision of the service specified on and from the required date) or to confirm compliance subject to one or more specific proposed variations. Tenderers are required to detail all proposed variations in Table 5.8 below.

Please rule a line through the response not required.

I agree to provide all the services as specified in Attachment 3 of the Agreement (Claims Management Service Specification) without amendment or variation.

OR

I agree to provide all the services as specified in Attachment 3 of the Agreement (Claims Management Service Specification) subject to the following proposed variations.

Table 5.8: Proposed Amendments to the Agreement

Section Number	Original Requirement	Proposed Variation	Comments or Reasons

Please note, where amendments or variations are proposed, the tenderer is required to set out the actual wording of the proposed amendment or variation together with a statement as to the reasons for the proposed amendment or variation. SICorp will consider all proposed variations and accept the variation, reject the variation or propose an alternative variation. A tenderer who has proposed variations will be required to agree to deliver the services in a form and to a standard acceptable to SICorp prior to further consideration of their Tender.

SICorp will not negotiate amendments or variations to the services following the announcement of preferred tenderers. Tenderers must raise all issues in their response and agree to scope of the services to be provided during the evaluation phase.

5.10. Service Levels

- 5.10.1. Tenderers are to agree to meet the critical service standards as set out in the Agreement Details. Please note failure to meet the critical service standards may result in a reduction in the service performance bonus payable.
- 5.10.2. Tenderers are to agree to the SLAs relevant (if any) to this portfolio and to demonstrate a capacity to meet and to report against the standards specified in the relevant SLAs - refer Appendix D (TMF Service Level Agreement) to the Claims Management Service Specification.

Agency specific service level requirements are to be incorporated into agency business profiles – see sections 5.1.3 and 5.5.3.

5.11. NSW Government Procurement Policies

- 5.11.1. Tenderers are to demonstrate compliance with NSW Government procurement policies. Details of the relevant policies and codes are included in Section 5 of Part B of the RFT (The Tender Process).

5.12. Compliance with Legislative Obligations

- 5.12.1. Tenderers are to demonstrate a commitment to and capacity to comply with their obligations under the following Acts (including compliance with regulations, codes of practice or other subsidiary instruments):
- Occupational Health and Safety Act 2000 (NSW)]
 - Workers Compensation Act 1987 (NSW)
 - Workplace Injury Management and Workers Compensation Act 1998 (NSW)
 - Industrial Relations Act 1996 (NSW)
 - Privacy and Personal Information Protection Act 1998([NSW)
 - Financial Sector (Collection of Data) Act 2001 (Commonwealth)
 - Privacy Act 1988 (Commonwealth).

5.13. Financial Stability

Responses to this section must relate to the legal entity that has submitted the Tender and is proposed to enter into the contract. If the tenderer wishes to cite financial information relating to a parent company or group of companies, the parent or group will be required to be a party to the contract and/or provide a cross guarantee.

- 5.13.1. Tenderers are to provide a copy of the most recent available set of audited financial statements for the tendering entity.
- 5.13.2. Tenderers are to provide the net tangible assets of the tendering entity for the past 5 financial years.

- 5.13.3. Demonstrate the financial stability and capacity for the tenderer to satisfactorily fulfil the Agreement over the full term of the Agreement.

5.14. Proposed Subcontract Arrangements

Any subcontract arrangements proposed to be used to deliver the services or any part of the services under the Agreement must be satisfactory to SICorp. Tenderers are to provide details of all proposed subcontract arrangements in this section. If agreed by SICorp these subcontract arrangements will be incorporated into the Agreement. Once agreed, any variations to the subcontract arrangements are subject to the prior approval of SICorp in accordance with clause 39.6 of the Agreement.

Subcontract arrangements include any arrangement (formal and informal) for the provision of the services by a legal entity other than the entity specified in section 2.1 of this response. For clarity arrangements with related entities are to be treated as subcontract arrangements.

- 5.14.1. The tenderer is to certify whether or not the tenderer proposes to use any third party to deliver the services through a subcontract or agency arrangement but not including any employees of the tenderer (“Subcontractors”):

Please rule a line through the response not required.

I certify that I **will not be** utilising any Subcontractors to deliver the services under the Agreement

OR

I certify that I **will be** utilising one or more Subcontractors to deliver all or any part of the services under the Agreement and that details have been provided in relation to all such Subcontractors in section 5.14.2 below

- 5.14.2. Tenderers must list any and all Subcontractors proposed to be used for the delivery of the services under the Agreement. For each proposed Subcontractor, tenderers are to provide the following details:

- Legal entity of the Subcontractor
- Trading name of the Subcontractor
- Address of the Subcontractor
- ABN of the Subcontractor
- The number of FTE employees engaged by the Subcontractor (as at the date of submission of the Tender)
- The nature of the relationship between the tenderer and the Subcontractor
- Whether the tenderer and the Subcontractor form part of a group (as defined in s.175L of the Workers Compensation Act 1987 (NSW))
- Is the Subcontractor part of any other group (as defined in s.175L of the Workers Compensation Act 1987 (NSW) and if yes, provide details of the

legal entities that form the group and their ABNs and the total number of FTE employees employed by the group (as at the date of submission of the Tender)

- Is the Subcontractor a SME?
- The nature of the services under the Agreement to be delivered by the Subcontractor
- The estimated number of FTE employees expected to be engaged by the Subcontractor in providing service under the Agreement and the estimated proportion of their time spent providing services under the Agreement
- The estimated percentage of the total content of the services to be provided under the Agreement to be delivered by the Subcontractor
- Details of the contractual arrangements between the tenderer and the Subcontractor – please attach a copy of the written agreement
- Details of any arrangements the tenderer proposes to ensure that SICorp's rights under the Agreement are maintained, including but not limited to:
 - Intellectual property rights
 - Access to premises and information systems
 - Key personnel
- Details of any proposed changes to the Agreement consequential on the subcontracting arrangements and to ensure SICorp's rights are maintained – noting that the actual changes are to be included in the section(s) titled "Compliance with the Contract" (section 5.9.1)
- Details of what steps the tenderer would take if SICorp resolved not to approve the subcontract arrangement.

5.15. SME ANZ Content

- 5.15.1. Provide details of the SME ANZ Content estimated to be provided by the tenderer and each Subcontractor who it is proposed to provide the core services under the Agreement.

Table 5.9: SME ANZ Content of Core Services

Entity Providing the Services	Estimated Annual Cost of Core Services \$	Imported Content %	SME ANZ Content %	Non-SME ANZ Content %
<i>[Tenderer name]</i>				
<i>[Subcontractor #1]</i>				
<i>[Subcontractor #2]</i>				
<i>etc</i>				
Total				

- 5.15.2. Provide details of the SME ANZ Content estimated to be provided by the tenderer and each Subcontractor who it is proposed to provide the transition service under the Agreement.

Table 5.10: SME ANZ Content of Transition Services

Entity Providing the Services	Estimated Cost of Transition Services \$	Imported Content %	SME ANZ Content %	Non-SME ANZ Content %
<i>[Tenderer name]</i>				
<i>[Subcontractor #1]</i>				
<i>[Subcontractor #2]</i>				
<i>etc</i>				
Total				

Where

Estimated Annual Cost of Core Services means estimated annual cost of the provision of core services by the tenderer and each Subcontractor and the total estimated cost must equal the total of estimated expense breakdown of your recurrent operation for the first year of core services provided in response to 5.8.5. Details are to be provided for the tenderer and each Subcontractor listed in 5.14.2.

Estimated Cost of Transition Services means estimated cost of the provision of transition services, including transition-in and transition-out services by the tenderer and each Subcontractor and the total estimated cost must equal the total of estimated expense breakdown of transition services provided in response to 5.8.5. Details are to be provided for the tenderer and each Subcontractor listed in 5.14.2.

5.16. Conflict of Interest

- 5.16.1. Detail the proposed mechanisms you intend to establish to avoid and to manage real or perceived conflicts of interest. Specifically this mechanism is to cover situations where SICorp's commercial interests are in conflict with those of the claims manager, for example where SICorp may have an entitlement to recover against a commercial insurance policy issued by the claims manager or a related entity (and vice versa).

5.17. Risks and Sustainability

- 5.17.1. Detail the risks to SICorp in appointing you as the Claims Manager for this portfolio and strategies you propose to adopt to mitigate and minimise those risks. Risks are to be considered in the context of risks to SICorp achieving its objectives of improving outcomes and service delivery to agencies. Tenderers are to include in their response the following risks – but should not limit their response to these risk:

- Sustainability – including the risk that you are not able to sustainably deliver the services to the required standard for the term of the Agreement

- Transition risks – including the risk that you are not able to meet all transition requirements
- Information system risks – including the risk that your systems do not have the capacity or flexibility to meet SICorp’s emerging needs
- Subcontractor risks - including the risk that any subcontractor (whether through insolvency or business decision) fails to deliver on requirements

For each strategy to mitigate or minimise a risk indicate status of the strategy whether the strategy is current in operation or not, and if it is not detail how and when you propose to implement the strategy.

Responses are to be provided in the following table:

Table 5.8 Risk Management Strategies

Risk Description <i>(Provide a detailed description of the risk)</i>	Mitigation Strategies <i>(Outline the proposed strategies to mitigate the risk)</i>	Status of Strategy <i>(Indicate whether in place and if not how and when it will be established)</i>

- 5.17.2. The term of this Agreement is six years. The economic climate and financial circumstances of individual firms can change markedly over such period. What assurance can you, or are you prepared to provide, that you have the capacity to deliver and continue to deliver over the entire term of the Agreement the service required to the standard required in a sustainable way. Note that SICorp is seeking some form of guarantee which is as concrete and enforceable as you are able to make it (as opposed to a statement of intent or details of past performance).

6. Health Liability Claims

The definition of the Health Liability Claims portfolio is set out in Attachment 2 of the Agreement (Portfolio Definition). The specification of requirements for this portfolio is detailed in the Agreement and the attachments to the Agreement including Attachment 3 to the Agreement (Claims Management Service Specification).

6.1. Claims, Policy and Risk Management

- 6.1.1. Provide details of the proposed claims management model to be used for the management of SICorp claims including a description of key strategies, processes and procedures. Tenderers are to describe and, preferably, demonstrate how your proposed model will deliver best practice claims management outcomes – see the Claims Management Service Specification. Describe how you propose to case manage claims according to their nature and complexity.
- 6.1.2. Detail how the proposed claims management model will meet the specific needs of SICorp and the Department of Health – refer to Attachment 3 to the Agreement (Claims Management Service Specification) and its Appendices and also address the specific needs of the Visiting Medical Officer and related schemes as described in Appendix 3 to the Contract of Coverage (VMO Scheme). Detail any adjustments that have been made to your claims management model to cater for those needs.
- 6.1.3. Detail the proposed approach to delivery of client services to government agencies, including the structure of the services function, proposed complaints handling systems and specifically how you propose to meet the needs of the Health Department and the VMO Scheme. Refer to existing agency business profiles, agency specific service level agreements and other material relating to agency requirements and expectations provided in the additional information provided to tenderers.
- 6.1.4. Provide details of mechanisms in place to manage service providers to ensure delivery of timely services to the required standard, including details of any systems for monitoring and reporting on service provider performance. In particular you should detail your alliances with legal service providers and any specific expertise these providers can bring to bear.
- 6.1.5. Provide details of your capability to issue premium notices and to collect premium.
- 6.1.6. Detail your capacity and capability to provide risk management services to hospitals and doctors in relation to liability exposures. What resources, tools and systems will you provide to agencies, including details of dedicated risk management personnel, how you will deliver the services to agencies and how the delivery will be measured?
- 6.1.7. Provide details of sites and examples where best practice (or near best practice) claims management outcomes are currently being delivered by you (preferably in the same or similar environment to SICorp). If it is proposed that the service to

be provided to SICorp is different from existing sites please indicate those differences.

6.2. Systems

- 6.2.1. Provide details of proposed systems to support delivery of best practice claims management and to support policy, premium, risk management and other operations to meet SICorp requirements. Details should include information regarding the:
 - Applications to be utilised, including those providing functionality for:
 - Claims and incident lodgement
 - Claims management
 - Policy and premium management
 - Financial and accounting management
 - Business process management solution(s) for facilitating workflow within and across applications
 - Management and operational reporting and performance monitoring solution(s) including decision support tools and other relevant information management solution(s)
 - Application integration architecture with external and internal systems
 - Technical infrastructure architecture and how it will provide a robust, reliable platform to meet required service levels.
- 6.2.2. It is State Government policy that all government agencies comply with information security standards – the relevant standards are set out in section 3.1.7.13 of the Claims Management Service Specification. Tenderers will be required to meet these standards on behalf of SICorp. Provide details of your current status with respect to standards listed and specifically whether you have been certified under AS/NZS ISO/IEC 27001:2006. SICorp requires all claims managers to be certified within 12 months of the commencement date of the Agreement. If the tenderer is not certified, the tenderer must provide a detailed plan for achieving certification within 12 months of the commencement date.
- 6.2.3. Detail the capacity of your systems to interface with the SICorp data warehouse and to provide data to the data warehouse in accordance with the relevant SICorp claims interface specifications and data governance requirements – see Appendices F (SICorp Claims Interface Specifications) and G (SICorp Data Governance Requirements) to the Claims Management Service Specification.
- 6.2.4. Detail the capacity of your systems to meet (or be modified to meet) TMF specific data requirements - refer section 3.1.7.5 of the Claims Management Service Specification and to be modified to integrate all historical claims and policy data for the portfolio. This should include detail on the expected complexity, implementation effort, timeframes and risks to successful completion of any modifications required as well as the level of involvement required from SICorp and agency representatives.
- 6.2.5. Detail your capacity to provide agencies with access to your claims management system (in respect of the agency's claims), including update access and read only access – refer section 3.1.7.3 of the Claims Management Service Specification.

Specifically this should address the capability for electronic notification and submission of claims direct to the claims manager's system, including the correction of errors, and the capacity for relevant agency personnel to have read only to all claims data (for their agency). This should include detail on the expected complexity, implementation effort, timeframes and risks to successful completion of any modifications required as well as the level of involvement required from SICorp and agency representatives.

- 6.2.6. Detail the flexibility of your current IT environment to meet evolving needs of SICorp, the Department of Health and the VMO scheme as well as external regulator and statutory requirements.
- 6.2.7. Provide a statement and metrics on the stability and reliability of the current operating system(s) that will be used to service SICorp requirements.
- 6.2.8. Provide details of any significant planned or proposed information technology (IT) environment initiatives anticipated from the time of your Tender and during the life of the contract that may impact on or vary service delivery to SICorp (other than those changes required to meet SICorp requirements as requested above). Please note that the contract will require the claims manager to seek SICorp approval for any system changes that impact the claims manager's systems set out in its Tender.

6.3. Personnel

- 6.3.1. SICorp requires the claims manager to provide sufficient competent claims personnel to deliver best practice case loads and claims management outcomes. Detail your capacity to deliver the required numbers of appropriately trained and skilled personnel to provide services to SICorp to the required standard and specifically to support best practice claims management outcomes and client service needs within SICorp environment.
- 6.3.2. SICorp requires a strong commitment to delivering client service to agencies. Detail your capacity to deliver the required numbers of appropriately trained and skilled personnel to deliver client service functions to agencies to the required standard and to support the maintenance of effective working relationships with agencies and to maintain and deliver on what is agreed in Business Profiles.
- 6.3.3. Provide the proposed personnel structure for delivery of the services including an organisation chart, personnel numbers, personnel levels or grades and any assumptions underlying the proposed structure. The proposed structure should deal with the requirement for autonomy in the management of Health Department and VMO scheme claims.
- 6.3.4. Specify proposed competency standards for key functional groups of personnel under the SICorp contract, including the account manager, client service managers, claims team leaders, claims officers, and other claims management personnel. Please indicate the source of the standards and how individual personnel are assessed against those competency standards currently within your organisation and how the results can be independently verified. Specifically

please provide details of the minimum standard and qualifications required for a claims officer (as defined in the Agreement) in terms of experience and competencies.

- 6.3.5. Provide details (ie a brief resume) of any senior personnel (where known) to be allocated to SICorp work and their proposed role, including those to be allocated to implementation and transition and comment on their suitability for their roles.
- 6.3.6. Provide human resource, recruitment, training and personnel development plans (in respect of SICorp work) proposed to ensure sufficient competent personnel are on hand at all times to meet SICorp requirements. Specifically provide details of proposed training programs for claims management personnel to ensure they meet the required competencies of a claims officer and have sufficient knowledge of their client agency (or agencies).

6.4. Management

- 6.4.1. Detail management systems and processes established to ensure operational delivery of objectives and targets and specifically delivery on best practice claims management outcomes, including:
 - Systems to monitor and report on performance
 - Quality assurance systems and processes
- 6.4.2. Describe management arrangements for assessing personnel performance, for providing feedback to personnel and for ensuring underperformance is addressed.
- 6.4.3. Describe your finance and accounting processes and financial reporting arrangements and how these will be adapted to meet SICorp requirements as detailed in the Agreement and the Claims Management Service Specification.
- 6.4.4. Provide details of the governance arrangements for your organisation, including systems for ensuring adherence to appropriate procedures and practices and for detecting and addressing fraud and other aberrant behaviour.
- 6.4.5. The successful delivery of service to SICorp will require effective claims management services supported by senior management, IT, human resources and other support systems. Provide details of how you will ensure support functions will integrate with claims management and client service functions and provide an integrated service to SICorp to deliver best practice outcomes.

6.5. Implementation

- 6.5.1. Provide a detailed plan (a draft “Transition Project Plan”) for the transition and implementation to gear up and deliver the services to SICorp including a draft project plan and timetable (details relating to transition in arrangements are included in Appendix A (Transition Manual) and Appendix B (Transition Plan - 2010) to the Claims Management Service Specification, and specifically to:

- Plans to implement necessary system changes to meet SICorp requirements (including any specific agency requirements) and capacity to integrate all historical SICorp claims and policy data into your existing system(s)
- Plans to build the capacity to make successful weekly data submissions to the SICorp data warehouse
- Plans to recruit and build up personnel and other resources to deliver the required service to standard and timetable
- Plans for the implementation of your claims management model
- Plans for the development and delivery of a training program for agencies to ensure relevant agency personnel are trained in the operation of your systems and processes.

Please note that these plans are to be structured to ensure the conditions for authorisation to commence core services are met – refer to clause 4 of the Agreement and Appendix D to Attachment 1 (Agreement Details) to the Agreement.

- 6.5.2. Describe your proposed implementation team and the skills and experience of the key members of the team including the implementation manager.
- 6.5.3. Describe how you intend to establish relationships and operational interactions with the Department of Health and to document and agree business profiles for the Department in the portfolio - refer to the Claims Management Service Specification and to existing business profiles, agency specific service level agreements and other material included in the information packs provided to tenderers.
- 6.5.4. Provide details of strategies you intend to implement to ensure the management of existing claims transitioned from the outgoing claims manager is smooth and transparent to agencies and claimants.
- 6.5.5. Provide details of any specific tail management strategies you intend to apply to these existing claims to achieve a reduction in their associated liabilities and including any evidence of the success of those strategies in your existing operations.
- 6.5.6. SICorp (or its delegate) will inspect your systems, processes and personnel to verify that the conditions for authorisation to commence core services have been satisfied. You will be required upon execution of the Agreement to provide security in the amount of \$400,000 to SICorp to ensure performance of the various transition-in services. The security will be returned if you satisfy the conditions for authorisation to commence core services within the required timeframe. Please acknowledge your agreement to SICorp undertaking the verification and to providing the security.
- 6.5.7. Provide a high level plan (a draft “Transition-Out Project Plan”) for the transition out of the core service at the core services termination date. Transition-out services will need to be provided in accordance with Appendix A (Transition Manual) and the transition plan – 2015 (once developed by SICorp).

Please note that this plan is to be structured to ensure the conditions for authorisation for transition-out are met – refer to clause 35 of the Agreement and Appendix E to Attachment 1 (Agreement Details) to the Agreement.

6.6. Small to Medium Enterprises Participation Plan (SMEPP)

- 6.6.1. Provide a SMEPP. The participation plan must in the form of the SMEPP template at Attachment “A”

6.7. Case Loads

- 6.7.1. Provide details of proposed target case loads for the management of SICorp claims to achieve best practice outcomes (see the definitions of case loads, claims officers and claims handled included in the Agreement). Note that you must use the case load definitions provided – tenderers are not able to vary these definitions. Describe why your proposed target case load is appropriate and how it will support delivery of best practice outcomes.

You should also provide the respective target case loads per claims officer by type of claim in the table below. In addition to segmenting by Health Department and VMO Scheme a common approach may be to classify claims into litigated and unlitigated claims. These are indicative classifications only – please use classes that align with your claims management model and provide a definition of each of the classes.

Table 6.1: Target Case Loads

Claims Grouping	Target Case Load
Health Dept – Litigated	
Health Dept – Unlitigated	
VMO Scheme – Litigated	
VMO Scheme – Unlitigated	
Other (<i>please detail</i>)	
Portfolio - target	

- 6.7.2. Provide a maximum case load for the portfolio that is to be specified in the Agreement and will form part of the critical service standards requirements under the Agreement Details. The maximum case load is not to exceed the target case load for the portfolio by more than 20%.

Table 6.2: Maximum Case Load

Maximum case load for the portfolio:

6.8. Fees and Costs

- 6.8.1. Fees for the provision of core services will be made up of an annual service fee component (incorporating base service fees and service performance bonus payable for meeting the critical service standards) plus an incentive fee component - refer the fee arrangements in the Agreement and Attachment 4 to the Agreement (Claims Management Fee Arrangements).

Tenderers are to submit prices for annual service fees (exclusive of GST) for the provision of the core services. The annual service fee prices submitted are to apply to the 2011 calendar year. Annual service fees are determined by the sum of an annual fixed fee plus a dollar figure per claims closed (that is net non-zero claims closed) – see the definitions of claims closed included in the Agreement. Fees are to be submitted on the assumption that the claims manager takes on responsibility for the management of all claims (that is, both new and existing) on the core services commencement date. These fees are not to include any allowance for the optional agency reporting services (see section 6.8.4).

Table 6.3 Annual Service Fees

Annual Service Fee Component	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Annual fixed fee	\$ _____	_____ %	_____ %	_____ %
Dollar amount per claim closed	\$ _____	_____ %	_____ %	_____ %

The annual fixed fee must be greater than zero and the dollar amount per claim closed must be greater than \$500.

The annual fixed fee and the dollar amount per claim closed will be indexed for each calendar year after 2011 based on the Labour Price Index issued by the Australian Bureau of Statistics (catalogue number 6345.0).

- 6.8.2. It is SICorp's objective to minimise the risk associated with transition. One potential option to achieve this would be to stagger the handover of responsibility for new and existing claims to reduce the risks of transition. Should SICorp decide, in its absolute discretion, to stagger the transition of existing claims in accordance with the Transition Plan – 2010), the claims manager will have a reduced workload until they assume full responsibility for all existing claims. Please note where the claims manager is also the outgoing claims manager under the 2005 agreement for the portfolio or part of the portfolio then the existing claims for that the portfolio or that part of the portfolio will transfer on the core services commencement date.

Provide a discount to the annual fixed fee (in Table 6.3) to apply for the 2011 calendar year if SICorp delays the transfer of existing claims in accordance with the Transition Plan – 2010 in Table 6.4. The discount must be greater than or equal to zero.

Table 6.4: Discounts for Staggered Transition

Discount (%)

Discount to annual fixed fee for year 1

(to apply if staggered claims handover occurs) _____

Also provide any preference you have for a stagger handover or for a single handover of all claims on the core services commencement date. Include an explanation of the reasons for your preference. Please note there will be no variation to the fee per claim closed.

- 6.8.3. Fees for the provision of transition-in services and transition-out services are separate from fees for the provision of core service. The transition-in and transition-out fees are a fixed dollar amount - refer the fee arrangements in the Agreement and the Claims Management Fee Arrangements. These fees are not to include any allowance for the optional agency reporting services (see section 6.8.4).

Table 6.5: Transition Fees

Service	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Transition-in services	\$ _____	_____ %	_____ %	_____ %
Transition-out services	\$ _____	_____ %	_____ %	_____ %

Please note that the transition-out fee is not subject to indexation but may be subject to fee adjustment if the services required are varied. Also note that the fee arrangements specify the fee for run-off services if required (so no allowance need be made for run-off services in the above fees).

- 6.8.4. The Claims Manager may be required to provide the agency reporting services (at SICorp's sole discretion). The additional fees for the provision of these reporting agency services are to be specified in this section – see section 3.1.12.5 of Attachment 3 of the Agreement (Claims Management Services Specification) for details of the agency reporting services that may be required by SICorp. These fees are to be additional to the fees in Table 6.3 and in Table 6.5.

Table 6.6: Additional Fees for Agency Reporting Services

Service	(if required by SICorp)			
	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Additional annual fixed fee for agency reporting services	\$ _____	_____ %	_____ %	_____ %
Additional transition-in fee for agency reporting services	\$ _____	_____ %	_____ %	_____ %

Should SICorp exercise its right to require agency reporting services, then the above amount will be added to the annual fixed fee (in Table 6.3) and the transition-in fee (in Table 6.5). Please note there will be no variation to the fee per claim closed. If SICorp do not require the Claims Manager to provide agency reporting services then the above additional fees will not be payable.

- 6.8.5. Please provide an estimated expense breakdown of your recurrent operations for the first year of core services (ie excluding any transition costs) and assuming the claims manager takes on responsibility for the management of all claims (that is, both new and existing) on the core services commencement date ie on the same basis as the pricing in 6.8.1.

Include details of any workload assumptions and the agency statistics used as a basis for your estimates. The cost breakdown is to show direct expense (expenses for resources allocated to the provision of services under the Agreement) and allocated expenses (expenses incurred corporately and allocated to business units).

The breakdown at a minimum is to include the following heads of expense: personnel; personnel related on-costs; information systems; rent; other office expenses; capital costs and corporate overheads. Where expenses are allocated describe the basis for allocation.

Tenderers are also to provide a separate breakdown of expenses relating to the provision of transition-in services and transition-out services including any related capital expenses.

- 6.8.6. Tenderers are required to submit fees per section 6.8.1 above in accordance with the fee arrangements as defined in the Agreement and the Claims Management Fee Arrangements. Fees submitted on this basis will form the basis of cost comparisons between tenders. Because the fees have been submitted on a consistent basis, true cost comparisons will be possible. This will form the basis of evaluation of the cost of tenderer's bids.

SICorp is prepared to consider alternative fee arrangements which, for example, incorporate reduced annual service fees and corresponding increase or/and variation in incentive fees to create additional incentive for improved outcomes. Any tenderer who considers an alternative fee arrangement will better assist in achieving SICorp objectives may submit that alternative arrangement as part of your Tender.

SICorp reserves the right to proceed with the fees bid on the fee arrangement specified in the Agreement and the Claims Management Fee Arrangements, accept the alternative fee structure, and/or to negotiate a suitable variation to any alternative structure proposed at SICorp's absolute discretion.

Tenderers must provide full details of any proposed alternative fee arrangements. Details of alternative fee arrangements must include specific proposals, all relevant formulas, targets and links to fee levels (ie not just a concept) and as well as reasons why the alternative will assist in delivering better outcomes and is beneficial to SICorp.

6.9. Compliance with the Contract and Claims Management Service Specification

The proposed contract (the "Agreement") is included as Part D of the RFT.

- 6.9.1. Tenderers are to agree to the Agreement unamended or agree to the Agreement subject to one or more specific proposed amendments. Tenderers are required to detail all amendments proposed in Table 6.7 below.

Please rule a line through the response not required.

I agree to the Agreement unamended.

OR

I agree to the Agreement subject to the following proposed amendments.

Table 6.7: Proposed Amendments to the Agreement

Clause Number	Original Clause	Proposed Amendment	Comments or Reasons

Please note, where amendments are proposed, the tenderer is required to set out the actual wording of the proposed amendment or variation together with a statement as to the reasons for the proposed amendment or variation. SICorp will consider all proposed amendments and accept the amendment, reject the amendment or propose an alternative amendment. A tenderer who has proposed

amendments will be required to agree to an Agreement acceptable to SICorp prior to further consideration of their Tender.

SICorp will not negotiate contract terms following the announcement of preferred tenderers. Tenderers must raise all contract issues in their response and agree to terms during the evaluation phase.

- 6.9.2. Tenderers are to complete a statement of compliance confirming that they will comply with Attachment 3 of the Agreement (Claims Management Service Specification) as specified (including provision of the service specified on and from the required date) or to confirm compliance subject to one or more specific proposed variations. Tenderers are required to detail all proposed variations in Table 6.8 below.

Please rule a line through the response not required.

I agree to provide all the services as specified in Attachment 3 of the Agreement (Claims Management Service Specification) without amendment or variation.

OR

I agree to provide all the services as specified in Attachment 3 of the Agreement (Claims Management Service Specification) subject to the following proposed variations.

Table 6.8: Proposed Amendments to the Agreement

Section Number	Original Requirement	Proposed Variation	Comments or Reasons

Please note, where amendments or variations are proposed, the tenderer is required to set out the actual wording of the proposed amendment or variation together with a statement as to the reasons for the proposed amendment or variation. SICorp will consider all proposed variations and accept the variation, reject the variation or propose an alternative variation. A tenderer who has proposed variations will be required to agree to deliver the services in a form and to a standard acceptable to SICorp prior to further consideration of their Tender.

SICorp will not negotiate amendments or variations to the services following the announcement of preferred tenderers. Tenderers must raise all issues in their response and agree to scope of the services to be provided during the evaluation phase.

6.10. Service Levels

- 6.10.1. Tenderers are to agree to meet the critical service standards as set out in the Agreement Details. Please note failure to meet the critical service standards may result in a reduction in the service performance bonus payable.
- 6.10.2. Tenderers are to agree to the SLAs relevant (if any) to this portfolio and to demonstrate a capacity to meet and to report against the standards specified in the relevant SLAs - refer Appendix D (TMF Service Level Agreement) to the Claims Management Service Specification.

Agency specific service level requirements are to be incorporated into agency business profiles – see sections 6.1.3 and 6.5.3.

6.11. NSW Government Procurement Policies

- 6.11.1. Tenderers are to demonstrate compliance with NSW Government procurement policies. Details of the relevant policies and codes are included in Section 5 of Part B of the RFT (The Tender Process).

6.12. Compliance with Legislative Obligations

- 6.12.1. Tenderers are to demonstrate a commitment to and capacity to comply with their obligations under the following Acts (including compliance with regulations, codes of practice or other subsidiary instruments):
- Occupational Health and Safety Act 2000 (NSW)
 - Workers Compensation Act 1987 (NSW)
 - Workplace Injury Management and Workers Compensation Act 1998 (NSW)
 - Industrial Relations Act 1996 (NSW)
 - Privacy and Personal Information Protection Act 1998 (NSW)
 - Financial Sector (Collection of Data) Act 2001 (Commonwealth)
 - Privacy Act 1988 (Commonwealth).

6.13. Financial Stability

Responses to this section must relate to the legal entity that has submitted the Tender and is proposed to enter into the contract. If the tenderer wishes to cite financial information relating to a parent company or group of companies, the parent or group will be required to be a party to the contract and/or provide a cross guarantee.

- 6.13.1. Tenderers are to provide a copy of the most recent available set of audited financial statements for the tendering entity.
- 6.13.2. Tenderers are to provide the net tangible assets of the tendering entity for the past 5 financial years.
- 6.13.3. Demonstrate the financial stability and capacity for the tenderer to satisfactorily fulfil the Agreement over the full term of the Agreement.

6.14. Proposed Subcontract Arrangements

Any subcontract arrangements proposed to be used to deliver the services or any part of the services under the Agreement must be satisfactory to SICorp. Tenderers are to provide details of all proposed subcontract arrangements in this section. If agreed by SICorp these subcontract arrangements will be incorporated into the Agreement. Once agreed, any variations to the subcontract arrangements are subject to the prior approval of SICorp in accordance with clause 39.6 of the Agreement.

Subcontract arrangements include any arrangement (formal and informal) for the provision of the services by a legal entity other than the entity specified in section 2.1 of this response. For clarity arrangements with related entities are to be treated as subcontract arrangements.

- 6.14.1. The tenderer is to certify whether or not the tenderer proposes to use any third party to deliver the services through a subcontract or agency arrangement but not including any employees of the tenderer (“Subcontractors”):

Please rule a line through the response not required.

I certify that I **will not be** utilising any Subcontractors to deliver the services under the Agreement

OR

I certify that I **will be** utilising one or more Subcontractors to deliver all or any part of the services under the Agreement and that details have been provided in relation to all such Subcontractors in section 6.14.2 below

- 6.14.2. Tenderers must list any and all Subcontractors proposed to be used for the delivery of the services under the Agreement. For each proposed Subcontractor, tenderers are to provide the following details:

- Legal entity of the Subcontractor
- Trading name of the Subcontractor
- Address of the Subcontractor
- ABN of the Subcontractor
- The number of FTE employees engaged by the Subcontractor (as at the date of submission of the Tender)
- The nature of the relationship between the tenderer and the Subcontractor
- Whether the tenderer and the Subcontractor form part of a group (as defined in s.175L of the Workers Compensation Act 1987 (NSW))
- Is the Subcontractor part of any other group (as defined in s.175L of the Workers Compensation Act 1987 (NSW) and if yes, provide details of the legal entities that form the group and their ABNs and the total number of

FTE employees employed by the group (as at the date of submission of the Tender)

- Is the Subcontractor a SME?
- The nature of the services under the Agreement to be delivered by the Subcontractor
- The estimated number of FTE employees expected to be engaged by the Subcontractor in providing service under the Agreement and the estimated proportion of their time spent providing services under the Agreement
- The estimated percentage of the total content of the services to be provided under the Agreement to be delivered by the Subcontractor
- Details of the contractual arrangements between the tenderer and the Subcontractor – please attach a copy of the written agreement
- Details of any arrangements the tenderer proposes to ensure that SICorp’s rights under the Agreement are maintained, including but not limited to:
 - Intellectual property rights
 - Access to premises and information systems
 - Key personnel
- Details of any proposed changes to the Agreement consequential on the subcontracting arrangements and to ensure SICorp’s rights are maintained – noting that the actual changes are to be included in the section(s) titled “Compliance with the Contract” (section 6.9.1)
- Details of what steps the tenderer would take if SICorp resolved not to approve the subcontract arrangement.

6.15. SME ANZ Content

- 6.15.1. Provide details of the SME ANZ Content estimated to be provided by the tenderer and each Subcontractor who it is proposed to provide the core services under the Agreement.

Table 6.9: SME ANZ Content of Core Services

Entity Providing the Services	Estimated Annual Cost of Core Services \$	Imported Content %	SME ANZ Content %	Non-SME ANZ Content %
<i>[Tenderer name]</i>				
<i>[Subcontractor #1]</i>				
<i>[Subcontractor #2]</i>				
<i>etc</i>				
Total				

- 6.15.2. Provide details of the SME ANZ Content estimated to be provided by the tenderer and each Subcontractor who it is proposed to provide the transition service under the Agreement.

Table 6.10: SME ANZ Content of Transition Services

Entity Providing the Services	Estimated Cost of Transition Services \$	Imported Content %	SME ANZ Content %	Non-SME ANZ Content %
<i>[Tenderer name]</i>				
<i>[Subcontractor #1]</i>				
<i>[Subcontractor #2]</i>				
<i>etc</i>				
Total				

Where

Estimated Annual Cost of Core Services means estimated annual cost of the provision of core services by the tenderer and each Subcontractor and the total estimated cost must equal the total of estimated expense breakdown of your recurrent operation for the first year of core services provided in response to 6.8.5. Details are to be provided for the tenderer and each Subcontractor listed in 6.14.2.

Estimated Cost of Transition Services means estimated cost of the provision of transition services, including transition-in and transition-out services by the tenderer and each Subcontractor and the total estimated cost must equal the total of estimated expense breakdown of transition services provided in response to 6.8.5. Details are to be provided for the tenderer and each Subcontractor listed in 6.14.2.

6.16. Conflict of Interest

- 6.16.1. Detail the proposed mechanisms you intend to establish to avoid and to manage real or perceived conflicts of interest. Specifically this mechanism is to cover situations where SICorp's commercial interests are in conflict with those of the claims manager, for example where SICorp may have an entitlement to recover against a commercial insurance policy issued by the claims manager or a related entity (and vice versa).
- 6.16.2. Detail how you propose to manage any real or perceived conflicts that arise between management of Health Department claims and VMO claims.

6.17. Risks and Sustainability

- 6.17.1. Detail the risks to SICorp in appointing you as the Claims Manager for this portfolio and strategies you propose to adopt to mitigate and minimise those risks. Risks are to be considered in the context of risks to SICorp achieving its objectives of improving outcomes and service delivery to agencies. Tenderers are to include in their response the following risks – but should not limit their response to these risk:

- Sustainability – including the risk that you are not able to sustainably deliver the services to the required standard for the term of the Agreement
- Transition risks – including the risk that you are not able to meet all transition requirements
- Information system risks – including the risk that your systems do not have the capacity or flexibility to meet SICorp’s emerging needs
- Subcontractor risks - including the risk that any subcontractor (whether through insolvency or business decision) fails to deliver on requirements

For each strategy to mitigate or minimise a risk indicate status of the strategy whether the strategy is current in operation or not, and if it is not detail how and when you propose to implement the strategy.

Responses are to be provided in the following table:

Table 6.8 Risk Management Strategies

Risk Description <i>(Provide a detailed description of the risk)</i>	Mitigation Strategies <i>(Outline the proposed strategies to mitigate the risk)</i>	Status of Strategy <i>(Indicate whether in place and if not how and when it will be established)</i>

- 6.17.2. The term of this Agreement is six years. The economic climate and financial circumstances of individual firms can change markedly over such period. What assurance can you, or are you prepared to provide, that you have the capacity to deliver and continue to deliver over the entire term of the Agreement the service required to the standard required in a sustainable way. Note that SICorp is seeking some form of guarantee which is as concrete and enforceable as you are able to make it (as opposed to a statement of intent or details of past performance).

7. General Claims

The definition of the General Claims portfolio is set out in Attachment 2 of the Agreement (Portfolio Definition). The specification of requirements for this portfolio is detailed in the Agreement and the attachments to the Agreement including Attachment 3 to the Agreement (Claims Management Service Specification).

This portfolio is responsible for non-health liability, motor vehicle, property and including miscellaneous categories of loss (for purposes of this response property and miscellaneous should be included together). In responding to the questions below you should differentiate your response by line of business where appropriate.

7.1. Claims, Policy and Risk Management

- 7.1.1. Provide details of the proposed claims management model(s) to be used for the management of SICorp claims including a description of key strategies, processes and procedures. Tenderers are to describe and, preferably, demonstrate how your proposed model(s) will deliver best practice claims management outcomes – see the Claims Management Service Specification. Describe, in line with your proposed claims management model, how your case management approach will deal with claims according to their nature and complexity. Where different models are proposed for the different lines of business please detail each one.
- 7.1.2. Detail how the proposed claims management model will meet the specific needs of SICorp and government agencies – refer to Attachment 3 to the Agreement (Claims Management Service Specification) and its Appendices, and also the particular needs of individual agencies, refer Appendices C (Agency Specific Requirements) to the Claims Management Service Specification and to existing business profiles and agency specific service level agreements provided with the information provided to tenderers. Detail any adjustments that have been made to your standard claims management model to cater for those needs.
- 7.1.3. Detail the proposed approach to delivery of client services to government agencies, including the structure of the services function, proposed complaints handling systems and specifically how you propose to meet the needs of regionally based agencies (or units of agencies). Refer to existing agency business profiles, agency specific service level agreements and other material relating to agency requirements and expectations provided in the additional information provided to tenderers.
- 7.1.4. Provide details of mechanisms in place to manage service providers to ensure delivery of timely services to the required standard, including details of any systems for monitoring and reporting on service provider performance.
- 7.1.5. Provide details of your capability to issue premium notices and to collect premium.
- 7.1.6. Detail your capacity and capability to provide risk management services to government agencies. What resources, tools and systems will you provide to

agencies, including details of dedicated risk management personnel, how you will deliver the services to agencies and how the delivery will be measured?

- 7.1.7. Provide details of sites and examples where best practice (or near best practice) claims management outcomes are currently being delivered by you (preferably in the same or similar environment to SICorp). If it is proposed that the service to be provided to SICorp is different from existing sites please indicate those differences.

7.2. Systems

- 7.2.1. Provide details of proposed systems to support delivery of best practice claims management and to support policy, premium, risk management and other operations to meet SICorp requirements. Provide details of the systems for each class of business. Details should include information regarding the:
- Applications to be utilised, including those providing functionality for:
 - Claims and incident lodgement
 - Claims management
 - Policy and premium management
 - Financial and accounting management
 - Business process management solution(s) for facilitating workflow within and across applications
 - Management and operational reporting and performance monitoring solution(s) including decision support tools and other relevant information management solution(s)
 - Application integration architecture with external and internal systems
 - Technical infrastructure architecture and how it will provide a robust, reliable platform to meet required service levels
- 7.2.2. It is State Government policy that all government agencies comply with information security standards – the relevant standards are set out in section 3.1.7.13 of the Claims Management Service Specification. Tenderers will be required to meet these standards on behalf of SICorp. Provide details of your current status with respect to standards listed and specifically whether you have been certified under AS/NZS ISO/IEC 27001:2006. SICorp requires all claims managers to be certified within 12 months of the commencement date of the Agreement. If the tenderer is not certified, the tenderer must provide a detailed plan for achieving certification within 12 months of the commencement date.
- 7.2.3. Detail the capacity of your systems to interface with the SICorp data warehouse and to provide data to the data warehouse in accordance with the relevant SICorp claims interface specifications and data governance requirements – see Appendices F (SICorp Claims Interface Specifications) and G (SICorp Data Governance Requirements) to the Claims Management Service Specification.
- 7.2.4. Detail the capacity of your systems to meet (or be modified to meet) TMF specific data requirements - refer section 3.1.7.5 of the Claims Management Service Specification and to be modified to integrate all historical claims and policy data for the portfolio. This should include detail on the expected complexity, implementation effort, timeframes and risks to successful completion

of any modifications required as well as the level of involvement required from SICorp and agency representatives.

- 7.2.5. Detail your capacity to provide agencies with access to your claims management system (in respect of the agency's claims), including update access and read only access – refer section 3.1.7.3 of the Claims Management Service Specification. Specifically this should address the capability for electronic notification and submission of claims direct to the claims manager's system, including the correction of errors, and the capacity for relevant agency personnel to have read only to all claims data (for their agency). This should include detail on the expected complexity, implementation effort, timeframes and risks to successful completion of any modifications required as well as the level of involvement required from SICorp and agency representatives.
- 7.2.6. Detail the flexibility of your current IT environment to meet evolving needs of SICorp, the relevant lines of business for this portfolio as well as external regulator and statutory requirements.
- 7.2.7. Provide a statement and metrics on the stability and reliability of the current operating system(s) that will be used to service SICorp requirements.
- 7.2.8. Provide details of any significant planned or proposed information technology (IT) environment initiatives anticipated from the time of your Tender and during the life of the contract that may impact on or vary service delivery to SICorp (other than those changes required to meet SICorp requirements as requested above). Please note that the contract will require SICorp approval of any system changes that impact the systems provided under the Agreement.

7.3. Personnel

- 7.3.1. SICorp requires the claims manager to provide sufficient competent claims personnel to deliver best practice case loads and claims management outcomes. Detail your capacity to deliver the required numbers of appropriately trained and skilled personnel to provide services to SICorp to the required standard and specifically to support best practice claims management outcomes and client service needs within SICorp environment.
- 7.3.2. SICorp requires a strong commitment to delivering client service to agencies. Detail your capacity to deliver the required numbers of appropriately trained and skilled personnel to deliver client service functions to agencies to the required standard and to support the maintenance of effective working relationships with agencies and to maintain and deliver on what is agreed in Business Profiles.
- 7.3.3. Provide the proposed personnel structure for delivery of the services including an organisation chart, personnel numbers, personnel levels or grades and any assumptions underlying the proposed structure. Clearly show how responsibility for the relevant lines of business will be dealt with within the structure.
- 7.3.4. Specify proposed competency standards for key functional groups of personnel under the SICorp contract, including the account manager, client service

managers, claims team leaders, claims officers, and other claims management personnel. Please indicate the source of the standards and how individual personnel are assessed against those competency standards currently within your organisation and how the results can be independently verified. Specifically please provide details of the minimum standard and qualifications required for a claims officer (as defined in the Agreement) in terms of experience and competencies.

- 7.3.5. Provide details (ie a brief resume) of any senior personnel (where known) to be allocated to SICorp work and their proposed role, including those to be allocated to implementation and transition and comment on their suitability for their roles.
- 7.3.6. Provide human resource, recruitment, training and personnel development plans (in respect of SICorp work) proposed to ensure sufficient competent personnel are on hand at all times to meet SICorp requirements. Specifically provide details of proposed training programs for claims management personnel to ensure they meet the required competencies of a claims officer and have sufficient knowledge of their client agency (or agencies).

7.4. Management

- 7.4.1. Detail management systems and processes established to ensure operational delivery of objectives and targets and specifically delivery on best practice claims management outcomes, including:
 - Systems to monitor and report on performance
 - Quality assurance systems and processes
- 7.4.2. Describe management arrangements for assessing personnel performance, for providing feedback to personnel and for ensuring underperformance is addressed.
- 7.4.3. Describe your finance and accounting processes and financial reporting arrangements and how these will be adapted to meet SICorp requirements as detailed in the Agreement and the Claims Management Service Specification.
- 7.4.4. Provide details of the governance arrangements for your organisation, including systems for ensuring adherence to appropriate procedures and practices and for detecting and addressing fraud and other aberrant behaviour.
- 7.4.5. The successful delivery of service to SICorp will require effective claims management services supported by senior management, IT, human resources and other support systems. Provide details of how you will ensure support functions will integrate with claims management and client service functions and provide an integrated service to SICorp to deliver best practice outcomes.

7.5. Implementation

- 7.5.1. Provide a detailed plan (a draft “Transition Project Plan”) for the transition and implementation to gear up and deliver the services to SICorp including a draft project plan and timetable (details relating to transition in arrangements are

included in Appendix A (Transition Manual) and Appendix B(Transition Plan - 2010)to the Claims Management Service Specification, and specifically to:

- Plans to implement necessary system changes to meet SICorp requirements (including any specific agency requirements) and capacity to integrate all historical SICorp claims and policy data into your existing system(s)
- Plans to build the capacity to make successful weekly data submissions to the SICorp data warehouse
- Plans to recruit and build up personnel and other resources to deliver the required service to standard and timetable
- Plans for the implementation of your claims management model
- Plans for the development and delivery of a training program for agencies to ensure relevant agency personnel are trained in the operation of your systems and processes.

Please note that these plans are to be structured to ensure the conditions for authorisation to commence core services are met – refer to clause 4 of the Agreement and Appendix D to Attachment 1 (Agreement Details) to the Agreement.

- 7.5.2. Describe your proposed implementation team and the skills and experience of the key members of the team including the implementation manager.
- 7.5.3. Describe how you intend to establish relationships and operational interactions with the agencies and to document and agree business profiles for agencies in the portfolio - refer to the Claims Management Service Specification and to existing business profiles, agency specific service level agreements and other material included in the information packs provided to tenderers.
- 7.5.4. Provide details of strategies you intend to implement to ensure the management of existing claims transitioned from the outgoing claims manager is smooth and transparent to agencies and claimants.
- 7.5.5. Provide details of any specific tail management strategies you intend to apply to these existing non-health liability claims to achieve a reduction in their associated liabilities and including any evidence of the success of those strategies in your existing operations.
- 7.5.6. SICorp (or its delegate) will inspect your systems, processes and personnel to verify that the conditions for authorisation to commence core services have been satisfied. You will be required upon execution of the Agreement to provide security in the amount of \$600,000 to SICorp to ensure performance of the various transition-in services. The Security will be returned if you satisfy the conditions for authorisation to commence core services within the required timeframe. Please acknowledge your agreement to SICorp undertaking the verification and to providing the Security.
- 7.5.7. Provide a high level plan (a draft “Transition-Out Project Plan”) for the transition out of the core service at the core services termination date. Transition-out

services will need to be provided in accordance with Appendix A (Transition Manual) and the transition plan – 2015 (once developed by SICorp).

Please note that this plan is to be structured to ensure the conditions for authorisation for transition-out are met – refer to clause 35 of the Agreement and Appendix E to Attachment 1 (Agreement Details) to the Agreement.

7.6. Small to Medium Enterprises Participation Plan (SMEPP)

- 7.6.1. Provide a SMEPP. The participation plan must in the form of the SMEPP template at Attachment “A”

7.7. Case Loads

- 7.7.1. Provide details of proposed target case loads for the management of SICorp claims to achieve best practice outcomes (see the definitions of case loads, claims officers and claims handled included in the Agreement). Note that you must use the case load definitions provided – tenderers are not able to vary these definitions. Describe why your proposed target case load is appropriate and how it will support delivery of best practice outcomes.

Provide the respective target case load(s) per claims officer by class of business and where appropriate claims groupings in the table below. For example for liability claims a common approach may be to group claims into litigated and unlitigated claims. To enable comparison provide details according to the specified classes of business and claims groups in the table. If these groups vary significantly from the grouping used in your claims management model also provide a separate table with details for these groupings together with a definition of each of the groupings.

Table 7.1: Target Case Loads

Class of Business and Claims Group	Target Case Load
Liability – litigated	
Liability – unlitigated	
Liability - target	
Motor Vehicle – target	
Property and Miscellaneous – target	

- 7.7.2. Provide maximum case loads for each class of business within the portfolio that is to be specified in the Agreement and will form part of the critical service standards requirements under the Agreement (see Agreement Details). The maximum case load for each class of business is not to exceed the target case

load for that class of business by more than 20% for liability and 25% for motor vehicle and property and miscellaneous.

Table 7.2: Maximum Case Loads

Maximum case load for the following classes of business within the portfolio:

Liability	
Motor vehicle	
Property and miscellaneous	

7.8. Fees and Costs

- 7.8.1. Fees will be made up of a base fee component (including adjustments for provision of services below the required critical service standard) plus an incentive fee component (refer the fee arrangements in the Agreement and Attachment 4 to the Agreement (Claims Management Fee Arrangements)).

Tenderers are to submit prices for an annual service Fees (exclusive of GST) for the provision of the service. Annual service fees are determined by the sum of an annual fixed fee plus a dollar figure per claims closed (that is net non-zero claims closed) – see the definitions of claims closed included in the Agreement. Fees are to be submitted on the assumption that the claims manager takes on responsibility for the management of all claims (that is, both new and existing) on the core services commencement date.

Tenderers are to submit prices for annual service fees (exclusive of GST) for the provision of the core service. The annual service fee prices submitted are to apply to the 2011 calendar year. Annual service fees are determined by the sum of an annual fixed fee plus a dollar figure per claims closed (that is net non-zero claims closed) for each class of business – see the definitions of claims closed included in the Agreement. Fees are to be submitted on the assumption that the claims manager takes on responsibility for the management of all claims (that is, both new and existing) on the core services commencement date. These fees are not to include any allowance for the optional agency reporting services (see section 7.8.4).

Table 7.3: Annual Service Fees

Annual Service Fee Component	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Annual fixed fee	\$ _____	_____ %	_____ %	_____ %
Dollar amount per non-health liability claim closed	\$ _____	_____ %	_____ %	_____ %
Dollar amount per property and miscellaneous claim closed	\$ _____	_____ %	_____ %	_____ %
Dollar amount per motor vehicle claim closed	\$ _____	_____ %	_____ %	_____ %

The annual fixed fee must be greater than zero and the dollar amount per claim closed must be greater than \$500 for non-health liability; \$200 for property and miscellaneous, and; \$100 for motor vehicle.

The annual fixed fee and the dollar amount per claim closed will be indexed for each calendar year after 2011 based on the Labour Price Index issued by the Australian Bureau of Statistics (catalogue number 6345.0).

- 7.8.2. It is SICorp's objective to minimise the risk associated with transition. One potential option to achieve this would be to stagger the handover of responsibility for new and existing claims to reduce the risks of transition. Should SICorp decide, in its absolute discretion, to stagger the transition of existing claims in accordance with the Transition Plan – 2010), the claims manager will have a reduced workload until they assume full responsibility for all existing claims. Please note where the claims manager is also the outgoing claims manager under the 2005 agreement for the portfolio or part of the portfolio then the existing claims for that the portfolio or that part of the portfolio will transfer on the core services commencement date.

Provide a discount to the annual fixed fee (in Table 7.3) to apply for the 2011 calendar year if SICorp delays the transfer of existing claims in accordance with the Transition Plan – 2010 in Table 7.4. The discount must be greater than or equal to zero.

**Table 7.4: Discounts for Staggered Transition
Discount (%)**

Discount to annual fixed fee for year 1
(to apply if staggered claims handover occurs)

Also provide any preference you have for a stagger handover or for a single handover of all claims on the core services commencement date. Include an

explanation of the reasons for your preference. Please note there will be no variation to the fee per claim closed.

- 7.8.3. Fees for the provision of transition-in services and transition-out services are separate from fees for the provision of core service. The transition-in and transition-out fees are a fixed dollar amount - refer the fee arrangements in the Agreement and the Claims Management Fee Arrangements). These fees are not to include any allowance for the optional agency reporting services (see section 7.8.4).

Table 7.5: Transition Fees

Service	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Transition-in services	\$ _____	_____ %	_____ %	_____ %
Transition-out services	\$ _____	_____ %	_____ %	_____ %

Please note that the transition-out fee is not subject to indexation but may be subject to fee adjustment if the services required are varied. Also note that the fee arrangements specify the fee for run-off services if required (so no allowance need be made for run-off services in the above fees).

- 7.8.4. The Claims Manager may be required to provide the agency reporting services (at SICorp's sole discretion). The additional fees for the provision of these reporting agency services are to be specified in this section – see section 3.1.12.5 of Attachment 3 of the Agreement (Claims Management Services Specification) for details of the agency reporting services that may be required by SICorp. These fees are to be additional to the fees in Table 7.3 and in Table 7.5.

**Table 7.6: Additional Fees for Agency Reporting Services
(if required by SICorp)**

Service	Fee Amount (Exclusive of GST) (\$)	Imported Content	SME ANZ Content	Non-SME ANZ Content
Additional annual fixed fee for agency reporting services	\$ _____	_____ %	_____ %	_____ %
Additional transition-in fee for agency reporting services	\$ _____	_____ %	_____ %	_____ %

Should SICorp exercise its right to require agency reporting services, then the above amount will be added to the annual fixed fee (in Table 7.3) and the transition-in fee (in Table 7.5). Please note there will be no variation to the fee per claim closed. If SICorp do not require the Claims Manager to provide agency reporting services then the above additional fees will not be payable.

- 7.8.5. Please provide an estimated expense breakdown of your recurrent operations for the first year of core services (ie excluding any transition costs) and assuming the claims manager takes on responsibility for the management of all claims (that is, both new and existing) on the core services commencement date ie on the same basis as the pricing in 7.8.1.

Include details of any workload assumptions and the agency statistics used as a basis for your estimates. The cost breakdown is to show direct expense (expenses for resources allocated to the provision of services under the Agreement) and allocated expenses (expenses incurred corporately and allocated to business units).

The breakdown at a minimum is to include the following heads of expense: personnel; personnel related on-costs; information systems; rent; other office expenses; capital costs and corporate overheads. The breakdown is to be provided by class of business (ie for non-health liability, property (including miscellaneous) and motor vehicle). Where expenses are allocated describe the basis for allocation.

Tenderers are also to provide a separate breakdown of expenses relating to the provision of transition-in services and transition-out services including any related capital expenses.

- 7.8.6. Tenderers are required to submit fees per section 7.8.1 above in accordance with the fee arrangements as defined in the Agreement and the Claims Management Fee Arrangements. Fees submitted on this basis will form the basis of cost comparisons between tenders. Because the fees have been submitted on a consistent basis, true cost comparisons will be possible. This will form the basis of evaluation of the cost of tenderer's bids.

SICorp is prepared to consider alternative fee arrangements which, for example, incorporate reduced annual service fees and corresponding increase or/and variation in incentive fees to create additional incentive for improved outcomes. Any tenderer who considers an alternative fee arrangement will better assist in achieving SICorp objectives may submit that alternative arrangement as part of your Tender.

SICorp reserves the right to proceed with the fees bid on the fee arrangement specified in the Agreement and the Claims Management Fee Arrangements, accept the alternative fee structure, and/or to negotiate a suitable variation to any alternative structure proposed at SICorp's absolute discretion.

Tenderers must provide full details of any proposed alternative fee arrangements. Details of alternative fee arrangements must include specific proposals, all relevant formulas, targets and links to fee levels (ie not just a concept) and as well as reasons why the alternative will assist in delivering better outcomes and is beneficial to SICorp.

7.9. Compliance with the Contract and Claims Management Service Specification

The proposed contract (the “Agreement”) is included as Part D of the RFT.

- 7.9.1. Tenderers are to agree to the Agreement unamended or agree to the Agreement subject to one or more specific proposed amendments. Tenderers are required to detail all amendments proposed in Table 7.7 below.

Please rule a line through the response not required.

I agree to the Agreement unamended.

OR

I agree to the Agreement subject to the following proposed amendments.

Table 7.7: Proposed Amendments to the Agreement

Clause Number	Original Clause	Proposed Amendment	Comments or Reasons

Please note, where amendments are proposed, the tenderer is required to set out the actual wording of the proposed amendment or variation together with a statement as to the reasons for the proposed amendment or variation. SICorp will consider all proposed amendments and accept the amendment, reject the amendment or propose an alternative amendment. A tenderer who has proposed amendments will be required to agree to an Agreement acceptable to SICorp prior to further consideration of their Tender.

SICorp will not negotiate contract terms following the announcement of preferred tenderers. Tenderers must raise all contract issues in their response and agree to terms during the evaluation phase.

- 7.9.2. Tenderers are to complete a statement of compliance confirming that they will comply with Attachment 3 of the Agreement (Claims Management Service Specification) as specified (including provision of the service specified on and from the required date) or to confirm compliance subject to one or more specific proposed variations. Tenderers are required to detail all proposed variations in Table 7.8 below.

Please rule a line through the response not required.

I agree to provide all the services as specified in Attachment 3 of the Agreement (Claims Management Service Specification) without amendment or variation.

OR

I agree to provide all the services as specified in Attachment 3 of the Agreement (Claims Management Service Specification) subject to the following proposed variations.

Table 7.8: Proposed Amendments to the Agreement

Section Number	Original Requirement	Proposed Variation	Comments or Reasons

Please note, where amendments or variations are proposed, the tenderer is required to set out the actual wording of the proposed amendment or variation together with a statement as to the reasons for the proposed amendment or variation. SICorp will consider all proposed variations and accept the variation, reject the variation or propose an alternative variation. A tenderer who has proposed variations will be required to agree to deliver the services in a form and to a standard acceptable to SICorp prior to further consideration of their Tender.

SICorp will not negotiate amendments or variations to the services following the announcement of preferred tenderers. Tenderers must raise all issues in their response and agree to scope of the services to be provided during the evaluation phase.

7.10. Service Levels

- 7.10.1. Tenderers are to agree to meet the critical service standards as set out in the Agreement Details. Please note failure to meet the critical service standard may result in a reduction in the service performance bonus payable.
- 7.10.2. Tenderers are to agree to the SLAs relevant (if any) to this portfolio and to demonstrate a capacity to meet and to report against the standards specified in the relevant SLAs - refer Appendix D (TMF Service Level Agreement) to the Claims Management Service Specification.

Agency specific service level requirements are to be incorporated into agency business profiles – see sections 7.1.3 and 7.5.3.

7.11. NSW Government Procurement Policies

- 7.11.1. Tenderers are to demonstrate compliance with NSW Government procurement policies. Details of the relevant policies and codes are included in Section 5 of Part B of the RFT (The Tender Process).

7.12. Compliance with Legislative Obligations

- 7.12.1. Tenderers are to demonstrate a commitment to and capacity to comply with their obligations under the following Acts (including compliance with regulations, codes of practice or other subsidiary instruments):
- Occupational Health and Safety Act 2000 (NSW)
 - Workers Compensation Act 1987 (NSW)
 - Workplace Injury Management and Workers Compensation Act 1998 (NSW)}
 - Industrial Relations Act 1996 (NSW)
 - Privacy and Personal Information Protection Act 1998 (NSW)
 - Financial Sector (Collection of Data) Act 2001 (Commonwealth)]
 - Privacy Act 1988 (Commonwealth)

7.13. Financial Stability

Responses to this section must relate to the legal entity that has submitted the Tender and is proposed to enter into the contract. If the tenderer wishes to cite financial information relating to a parent company or group of companies, the parent or group will be required to be a party to the contract and/or provide a cross guarantee.

- 7.13.1. Tenderers are to provide a copy of the most recent available set of audited financial statements for the tendering entity.
- 7.13.2. Tenderers are to provide the net tangible assets of the tendering entity for the past 5 financial years.
- 7.13.3. Demonstrate the financial stability and capacity for the tenderer to satisfactorily fulfil the Agreement over the full term of the Agreement.

7.14. Proposed Subcontract Arrangements

Any subcontract arrangements proposed to be used to deliver the services or any part of the services under the Agreement must be satisfactory to SICorp. Tenderers are to provide details of all proposed subcontract arrangements in this section. If agreed by SICorp these subcontract arrangements will be incorporated into the Agreement. Once agreed, any variations to the subcontract arrangements are subject to the prior approval of SICorp in accordance with clause 39.6 of the Agreement.

Subcontract arrangements include any arrangement (formal and informal) for the provision of the services by a legal entity other than the entity specified in section 2.1 of this response. For clarity arrangements with related entities are to be treated as subcontract arrangements.

- 7.14.1. The tenderer is to certify whether or not the tenderer proposes to use any third party to deliver the services through a subcontract or agency arrangement but not including any employees of the tenderer (“Subcontractors”):

Please rule a line through the response not required.

I certify that I **will not be** utilising any Subcontractors to deliver the services under the Agreement

OR

I certify that I **will be** utilising one or more Subcontractors to deliver all or any part of the services under the Agreement and that details have been provided in relation to all such Subcontractors in section 7.14.2 below

- 7.14.2. Tenderers must list any and all Subcontractors proposed to be used for the delivery of the services under the Agreement. For each proposed Subcontractor, tenderers are to provide the following details:

- Legal entity of the Subcontractor
- Trading name of the Subcontractor
- Address of the Subcontractor
- ABN of the Subcontractor
- The number of FTE employees engaged by the Subcontractor (as at the date of submission of the Tender)
- The nature of the relationship between the tenderer and the Subcontractor
- Whether the tenderer and the Subcontractor form part of a group (as defined in s.175L of the Workers Compensation Act 1987 (NSW))
- Is the Subcontractor part of any other group (as defined in s.175L of the Workers Compensation Act 1987 (NSW) and if yes, provide details of the legal entities that form the group and their ABNs and the total number of FTE employees employed by the group (as at the date of submission of the Tender)
- Is the Subcontractor a SME?
- The nature of the services under the Agreement to be delivered by the Subcontractor
- The estimated number of FTE employees expected to be engaged by the Subcontractor in providing service under the Agreement and the estimated proportion of their time spent providing services under the Agreement
- The estimated percentage of the total content of the services to be provided under the Agreement to be delivered by the Subcontractor
- Details of the contractual arrangements between the tenderer and the Subcontractor – please attach a copy of the written agreement
- Details of any arrangements the tenderer proposes to ensure that SICorp’s rights under the Agreement are maintained, including but not limited to:
 - Intellectual property rights
 - Access to premises and information systems

- Key personnel
- Details of any proposed changes to the Agreement consequential on the subcontracting arrangements and to ensure SICorp's rights are maintained – noting that the actual changes are to be included in the section(s) titled “Compliance with the Contract” (section 7.9.1)
- Details of what steps the tenderer would take if SICorp resolved not to approve the subcontract arrangement.

7.15. SME ANZ Content

- 7.15.1. Provide details of the SME ANZ Content estimated to be provided by the tenderer and each Subcontractor who it is proposed to provide the core services under the Agreement.

Table 7.9: SME ANZ Content of Core Services

Entity Providing the Services	Estimated Annual Cost of Core Services \$	Imported Content %	SME ANZ Content %	Non-SME ANZ Content %
<i>[Tenderer name]</i>				
<i>[Subcontractor #1]</i>				
<i>[Subcontractor #2]</i>				
<i>etc</i>				
Total				

- 7.15.2. Provide details of the SME ANZ Content estimated to be provided by the tenderer and each Subcontractor who it is proposed to provide the transition service under the Agreement.

Table 7.10: SME ANZ Content of Transition Services

Entity Providing the Services	Estimated Cost of Transition Services \$	Imported Content %	SME ANZ Content %	Non-SME ANZ Content %
<i>[Tenderer name]</i>				
<i>[Subcontractor #1]</i>				
<i>[Subcontractor #2]</i>				
<i>etc</i>				
Total				

Where

Estimated Annual Cost of Core Services means estimated annual cost of the provision of core services by the tenderer and each Subcontractor and the total estimated cost must equal the total of estimated expense breakdown of your

recurrent operation for the first year of core services provided in response to 7.8.5. Details are to be provided for the tenderer and each Subcontractor listed in 7.14.2.

Estimated Cost of Transition Services means estimated cost of the provision of transition services, including transition-in and transition-out services by the tenderer and each Subcontractor and the total estimated cost must equal the total of estimated expense breakdown of transition services provided in response to 7.8.5. Details are to be provided for the tenderer and each Subcontractor listed in 7.14.2.

7.16. Conflict of Interest

- 7.16.1. Detail the proposed mechanisms you intend to establish to avoid and to manage real or perceived conflicts of interest. Specifically this mechanism is to cover situations where SICorp's commercial interests are in conflict with those of the claims manager, for example where SICorp may have an entitlement to recover against a commercial insurance policy issued by the claims manager or a related entity (and vice versa).

7.17. Risks and Sustainability

- 7.17.1. Detail the risks to SICorp in appointing you as the Claims Manager for this portfolio and strategies you propose to adopt to mitigate and minimise those risks. Risks are to be considered in the context of risks to SICorp achieving its objectives of improving outcomes and service delivery to agencies. Tenderers are to include in their response the following risks – but should not limit their response to these risk:
- Sustainability – including the risk that you are not able to sustainably deliver the services to the required standard for the term of the Agreement
 - Transition risks – including the risk that you are not able to meet all transition requirements
 - Information system risks – including the risk that your systems do not have the capacity or flexibility to meet SICorp's emerging needs
 - Subcontractor risks - including the risk that any subcontractor (whether through insolvency or business decision) fails to deliver on requirements

For each strategy to mitigate or minimise a risk indicate status of the strategy whether the strategy is current in operation or not, and if it is not detail how and when you propose to implement the strategy.

Responses are to be provided in the following table:

Table 7.8 Risk Management Strategies

Risk Description <i>(Provide a detailed description of the risk)</i>	Mitigation Strategies <i>(Outline the proposed strategies to mitigate the risk)</i>	Status of Strategy <i>(Indicate whether in place and if not how and when it will be established)</i>

- 7.17.2. The term of this Agreement is six years. The economic climate and financial circumstances of individual firms can change markedly over such period. What assurance can you, or are you prepared to provide, that you have the capacity to deliver and continue to deliver over the entire term of the Agreement the service required to the standard required in a sustainable way. Note that SICorp is seeking some form of guarantee which is as concrete and enforceable as you are able to make it (as opposed to a statement of intent or details of past performance).

8. Overarching Criteria

All tenderers are to respond to this section to the extent the questions are relevant to their situation.

8.1. Fee Adjustments for Multiple Roles

- 8.1.1. Tenderers who have applied for more than one of the five portfolios and who wish to offer a discount if they are successful in obtaining more than one portfolio are to complete this section. Discounts must be in the form of a percentage reduction in the annual service fees quoted in sections 3.8.1, 4.8.1, 5.8.1, 6.8.1 and 7.8.1 of this document. Tenderers may submit different discounts for different combinations of portfolios; however **the discount quoted is to apply to the annual service fees for all the portfolios indicated.**

To ensure clarity tenderers should list all possible combinations of portfolios (that they have bid for) and indicate the discount level for that combination (even if it is zero).

Please indicate the selected combination of portfolios by ticking the relevant boxes and indicating the percentage discount that applies to that combination in corresponding row in the right hand column.

Table 8.1: Discounts for Multiple Portfolios

Portfolio					Discount %
WC #1	WC #2	WC #3	Health	General	

Example: if you were bidding for all 3 Workers Compensation Claims portfolios and the General Claims portfolio and you would complete the table as follows (noting that it is not possible to obtain all 3 Workers Compensation Claims portfolios and so combinations including all 3 Worker Compensation Claims portfolios have not been included):

Portfolio					Discount %
WC #1	WC #2	WC #3	Health	General	
×				×	a%
	×			×	b%
		×		×	c%
×	×				d%
×		×			e%
	×	×			f%
×	×			×	g%
×		×		×	h%
	×	×		×	i%

Where the discounts quoted (ie a%, b%, c%, etc) are greater or equal to zero and a% is the discount that applies to the portfolio combination of WC#1 and General etc.

8.2. Capacity to Manage Multiple Portfolios

- 8.2.1. If a tenderer is seeking to be appointed to more than one portfolio, the tenderer is to clearly indicate this is the case and to demonstrate that they have the capacity to manage the two (or three or four) portfolios to the standard required.
- 8.2.2. If a tenderer has bid for more than one portfolio but only has the capacity to undertake one (or two) portfolios the tenderer should clearly acknowledge this position.

Any preference a tenderer has for a particular portfolio or combination of portfolios is to be reflected in the annual service fees bid and the discounts offered.

8.3. Synergies from Managing Multiple Portfolios

- 8.3.1. Provide details of any synergies you would see arising from appointing you to two or more portfolios and how these would benefit agencies or SICorp. Where different combinations may result (for example you may only be successful in 2 of the 4 portfolios bid for), you are to make it clear which of possible successful combinations relate to the synergies claimed.

8.4. Innovation and Diversity

- 8.4.1. Provide details of how you might contribute to innovation and diversity in claims management in terms of approach, claims management model, personnel or systems and any unique innovations or features you may wish to include in your offering.

8.5. Benchmarking

- 8.5.1. SICorp's objective is to build a competitive performance orientated environment for delivery of the services and will benchmark performance of claims managers (and agencies) with the objective of improving outcomes for SICorp and agencies. Provide details of how you will contribute to building a performance culture and improving outcomes for SICorp and agencies. Please include any proposals or recommendations you have that you consider will assist in leading to improved outcomes.

ATTACHMENT A

TEMPLATE – SME PARTICIPATION PLAN

1. **Tenderer name:** *[Insert tenderer name]*

2. **Tender details**

2.1 **Request for Tender name:** Claims Management Services for the NSW Self Insurance Corporation

2.2 **Request for Tender number:** 0801674

2.3 **Industry categories:**

Identify and select from the following list of industry sectors which is most relevant to the Agreement.

- | | |
|---|--|
| <input type="checkbox"/> Agriculture, forestry | <input type="checkbox"/> Transport |
| <input type="checkbox"/> Environment | <input type="checkbox"/> Communications |
| <input type="checkbox"/> Mining | <input type="checkbox"/> Finance |
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Property |
| <input type="checkbox"/> Utilities | <input type="checkbox"/> Education |
| <input type="checkbox"/> Wholesale Trade | <input type="checkbox"/> Health |
| <input type="checkbox"/> Retail Trade | <input type="checkbox"/> Events and Tourism |
| <input type="checkbox"/> Research/Innovation/Design | <input checked="" type="checkbox"/> Other – Insurance Services |

2.4 **Contract description**

The provision of claims management services and other related services to the NSW Self Insurance Corporation (SICorp) for the period 1 January 2011 to 31 December 2015 and in addition the provision of transition-in and transition-out services at the commencement and termination of the Agreement.

3 **SMEPP Commitments**

3.1 **Extent of ANZ SME Participation (in supply chain)**

Please note tenderers are only to include details relating to ANZ SME Participation in the services delivered under the Agreement. For clarity this excludes all third party service providers (including but not limited to investigators, legal service providers, assessors, repairers, medical providers and rehabilitation providers) which are expended as a claims cost.

Supplier			Content		
Name	Location	No. of Employees (Full Time Equivalent)	Item/s	\$value of ANZSME component	
		○	○	○	○
	○	○	○	○	○
	○	○	○	○	○
	○	○	○	○	○
	○	○	○	○	○
	○	○	○	○	○

3.2 Investment in Plant and Equipment

Based on the Tender proposal it is envisaged that this contract would create approximately *[insert \$value]* of new investment in plant and equipment in ANZ SMEs over the life of the contract.

3.3 Employment Created and Retained in ANZ SME Firms

Based on the Tender proposal it is envisaged that this contract would create approximately *[insert job number]* full-time equivalent jobs and retain approximately *[insert job number]* over the life of the contract in ANZ SMEs.

3.4 Skills, training and technology transfer

Detail the planned training and skills development of employees in ANZ SMEs and the potential to undertake innovation, research and development of technology. This could include

- List training programs
- Achievement awards
- Indicate opportunities for the engagement and training of apprentices
- Identify and describe opportunities for increasing skills of the employees
- Identify the potential to undertake further innovation and / or research and development of contract related technology
- Any technology transfer that occurs as a result of imported technology

4. Identification of local products and capabilities that contribute to the delivery of the contract

This could include:

- A proposal for consulting with the ICN, Government organisations, local industry and other groups to identify the availability of goods and services from ANZ SMEs to meet the requirements of the contract;
- Detailing the means by which ANZ SMEs in the supply chain are alerted to upcoming tenders and contract requirements;
- Methods for promoting the concept of ANZ SME participation with consultants, subcontractors and others involved with the contract;
- A commitment to liaising with international suppliers to increase opportunities for ANZ SMEs including manufacturing under overseas licensing arrangements and technology transfer;
- Establishing procedures and policies that encourage ANZ SME participation;

5. Assessment and comparison of ANZ SME products and capabilities with overseas equivalent

This could include:

- Procedures to be based on "whole of life" cost parameters and appropriate quality and performance indicators;
- Benchmarks for the evaluation of proposals and alternatives;
- Procedures for assessing the ANZ SME content in a product or service;
- Procedures for ensuring that ANZ SME products and services are evaluated against imported goods and services.

6. Selection of products and services

The Plan should describe the procedures or policy for the selection of products and services that provide the best value for money over the life of the contract.

7. Monitoring and reporting on outcomes for local industry involvement

This could include:

- SMEPP Commitments secured against contract levels;
- Frequency of monitoring and reporting and associated mechanisms;
- Procedures for corrective action should inappropriate or ineffective action be determined
- Frequency and level of internal assessment of the effectiveness of the implementation of the Plan;
- Frequency of external assessment of sub-contractor and supplier commitment to local industry participation;
- Level of use of ICN and other organisations to assist in the identification of competitive local sources of supply.
- The ICN can assist in the monitoring of compliance with SMEPP commitments as part of overall performance management

8 Statement of Compliance

Tenderers must state that in submitting a Tender and a SMEPP they agree to take all reasonable steps to comply with SMEPP principles.

Should [insert full name of tenderer] be the successful tenderer for this project, we shall:

- Take all reasonable steps to comply with SMEPP principles;
- Agree to be monitored by the Department or Agency for compliance with SMEPP commitments as part of overall performance management;
- Acknowledge that the SMEPP Plan shall be centrally recorded by the NSW Government.

Signed on behalf of [insert full name of tenderer]:

Signature: *[Insert Director's signature]*

Name: *[Insert Director's name]*

Title: *[Insert Director's title]*

Date *[Insert date]*

Template: -
SME Participation Plan

Reference material

Please refer to the NSW Local Jobs First Plan and Frequently Asked Questions document for more details.

Definitions

ANZ business refers to either an Australian or New Zealand business.

Australian business is a firm registered under the Corporations Act 2001 (C'wth) as an Australian company or a legal entity authorised to conduct business in Australia, such as a natural person.

SME Participation Plan (SMEPP): is a plan submitted by tenderers in response to a Tender. An SMEPP describes the nature of, or proposed nature of, tenderer's engagement with ANZ SMEs in the supply chain. An important aspect of SMEPPs is SME capability development.

Engagement of tenderers with SMEs may take the form of supplier and/or out-sourcing arrangements and can span any stage of the supply contract, such as research and development, trials, supply of components or raw materials, logistical support, after sales service or any other support activity. SMEPP submitted for tenders valued at more than \$4million will include at a minimum:

- The value of investment in plant or other capital that will result from the contract
- The dollar value of ANZ SME content
- The number of existing and new employees engaged in delivering the contract and their location.
- The number of local suppliers that will win work as a result of the contract and their employment numbers
- The number of apprentices and trainees supported by the contract
- The economic impact on SME's in regional locations that will result from the contract through: skills enhancement and technology transfer.

The successful tenderer's SMEPP becomes a contract condition and is subject to normal contract/vendor management processes of agencies.

New Zealand business: is a firm registered under the New Zealand Companies Act 1993 or a legal entity authorised to conduct business in New Zealand.

Price preference schemes: refers to the Australian and New Zealand Price Preference Margin and the Country Industries Preference Scheme.

SME: is a small and medium enterprise as defined in section 2.6 of Part C.