



**Strategic
Communications**

GUIDELINES FOR APPLICANTS

Prequalification Scheme: Advertising and Communications Services

SCM0035

March 2013

INTRODUCTION

The Prequalification Scheme: Advertising and Communications Services (the Scheme) replaces the panel arrangement for creative advertising services which has expired. The Scheme is approved for a 4 year period and will be managed by the Strategic Communications (SC) branch in the Department of Premier and Cabinet.

The Scheme will provide the NSW Government with access to a wide range of skills, expertise and experience covering creative advertising and digital communications categories.

SC is also responsible for the coordination and monitoring of advertising undertaken by NSW Government. This role includes:

- Developing policies and procedures for government advertising;
- Providing general advice to government on the development and planning of all advertising activity;
- Providing advice to the Ministers and government on all advertising matters.

SC does not develop advertising campaigns on behalf of Customers.

Government advertising activities must comply with the Government Advertising Act 2011 (<http://www.legislation.nsw.gov.au/sessionalview/sessional/act/2011-35.pdf>), NSW Government Advertising Guidelines (<http://advertising.nsw.gov.au/advertising/advertising-guidelines>) and other relevant state and federal privacy, electoral, advertising, broadcasting and media laws.

Key provisions of the Government Advertising Act 2011 ('the Act') include:

- Advertising that is designed to influence support for a political party is prohibited;
- Heads of Departments must certify that advertising complies with the Act, is accurate, necessary and cost effective, before it may commence;
- Advertising must not be carried out after 26 January in the year of a State Election (i.e. 2 month quarantine period), with some limited exceptions; and
- Requirement for Peer Review of advertising \$50,000 or greater and cost benefit analysis for advertising \$1M or greater.

The Scheme aims to:

- Streamline and expedite the appointment process, by prequalifying successful applicants with a demonstrated track record and expertise;

- Enhance probity standards by formalising scheme membership in a transparent and auditable manner;
- Provide quality assurance and performance management, with appropriate reporting and service level standards driven by Customer feedback;
- Incorporate improved performance management of successful applicants and build better understanding by Service Providers of Customer's requirements;
- Facilitate aggregation of government communications spend and to ensure value for money is being achieved;
- Obtain standard head hour rate information for key positions from applicants so Customers shall have indicative costs to use as consideration when short listing successful applicants to quote for campaigns.

What are the main obligations of Service Providers?

The NSW Government *Code of Practice for Procurement* outlines how the NSW Government will conduct its procurement activities when interacting with the private sector. The Code establishes standards of behaviour expected from Customers and service providers.

Members of the Scheme must at all times demonstrate a commitment to and consistent application of the standards of behaviour outlined in the Code as well as comply with the requirements of the Scheme Conditions and Standard Form of Agreement once engaged by Customers.

What Advertising and Communications Services are covered by the Scheme?

Rather than a broad-based scheme that includes all streams of known communications and advertising activity, the Scheme will encompass the activities common across Customers that represent the majority of government's marketing services spend.

The 2 categories targeted by this Advertising and Communications Services Scheme are:

- a) Creative Advertising services
- b) Digital services

Whilst availability of traditional advertising agency creative services are still critical to some Customers, the delivery of government information through new and cost efficient digital channels is increasing in importance and thus Government requires access to expertise in this area.

Digital services may include development and implementation of holistic digital strategies, building websites, and the utilisation of emergent new media channels. These services are

in some cases supplied through creative agencies but also through specialist service providers.

The Scheme shall be available for use by Customers for any of their communication activities. It is expected that the bulk of work through the Scheme will relate to Public Awareness advertising activities.

Public Awareness advertising refers to advertising that generally runs over a sustained period to raise awareness of key issues or encourage behaviour change and participation. Please refer to the Scheme *Scope of Services* document for further information.

Optional Related Services

Other related services may be requested by Customers, at their discretion, to assist in the delivery and implementation of Customer's campaigns. These Services will not be pre-qualified by this Scheme. Related campaign services may include (but not be limited to):

- Research
- Public Relations
- Direct Marketing
- Event Management
- Experiential Marketing

Are there any exclusions to the Scheme – out of scope services?

The NSW Government Media Agency Services agreement is currently being prepared for renewal. The media agencies contracted under that agreement will plan and buy media for all advertising activities and therefore media planning and buying services are excluded from this Scheme.

Service Providers engaged by Customers under this Scheme will be required to work cooperatively with the successful media agencies appointed under the proposed Media Agency Services agreement.

How do I become a member of the Scheme?

Service providers who wish to become members of the Scheme must engage in the following process:

- a) An application in the Form provided must be completed and submitted on-line by the applicant within the nominated application period. The application form is set out in Schedule 1 of the Scheme Conditions.

- b) All applications will be assessed by the Evaluation Team, which comprises representatives from the NSW Department of Premier and Cabinet and other NSW Government agencies. Evaluation will be based on the assessment criteria set out in the Scheme Conditions.
- c) If further clarification is required, the applicant may be invited to attend an interview with the Evaluation Team.
- d) The Evaluation Team will provide its written decision on the application.
- e) If any applicant believes that there are substantive grounds for the Evaluation Team to reconsider its decision, the applicant may request a review of the decision in writing.
- f) The receipt of prequalification by a Service Provider does not guarantee:
 - i. continuity of the prequalification during the duration of the Scheme;
 - ii. receipt of opportunities or request for quotes; or
 - iii. that engagements or work of any kind or quantity will be offered.

Information submitted by Applicants with an application will be treated as confidential unless otherwise required by law, and may be subject to reference checking and other enquiries.

Service Providers will be prequalified for a maximum of 2 years. After the initial 2 year period, Service Providers may re-apply to the Scheme at the nominated time. These times will be displayed on the SC website when known.

What is the assessment criteria used for evaluating applications?

The assessment criteria for this Scheme are:

Capacity to perform the Services including:

- (i) Demonstrated experience, performance and effectiveness for the Services covered in this Scheme;
- (ii) Demonstrated Government, large organisation and/or community services experience;
- (iii) Human resource capacity and experience;
- (iv) Financial viability and stability;
- (v) References;
- (vi) Other criteria- specific to any new category during the life of the Scheme and which will be made available prior to the invitation for applications.

What will be the composition of the Panel?

It is anticipated the panel will comprise of both smaller and larger Service Providers who can provide a range of general or specialist services for either one or both of the categories. It is anticipated panel numbers will be limited.

When will the assessment of compliant applications be finalised?

SC has an intention to complete evaluations within 12 weeks from the closing date using their best endeavours.

How will Customers engage Service Providers?

Customers must engage Service Providers from this Scheme for all engagements where the total budget is in excess of \$50,000. Customers can choose to engage a Service Provider outside of the Scheme where their total budget is less than \$50,000 provided it is in accordance with other NSW Government procurement legislation and policies.

Customers will determine their own selection or shortlist of Service Providers and will obtain quotes for work, as required by the Scheme thresholds based on the total Campaign or Program budget. Total campaign or program budget is inclusive of all research, media, creative and production costs.

The following quote thresholds will apply to this Scheme:

GST Inclusive	>\$50K <\$150K	>\$150K
Number of quotes required	1 quote obtained	3 quotes obtained
Method of quote required	Written	Written

Although SC has created the above thresholds for the Scheme, Customers are still required to comply with their respective purchasing legislative obligations and policies.

Customers may engage a Service Provider for work on a single Campaign, a Program, or for work on multiple separate Campaigns provided the scale and term of the engagement, including extension options is identified as part of the initial Brief and request for quote.

The Scheme will run for four years. Successful service providers will be pre-qualified for an initial period of two years. Customers can engage a Service Provider for a maximum period of up to two years or until the two year phase of the Scheme expires, whichever date is earlier e.g. if a Service Provider is engaged two months prior to the expiry of the panel then the maximum engagement period is 2 months. Where possible, Customers should aim for

work by Service Providers to be completed prior to expiry of the panel. Where this is not possible, work with the Service Provider is to be completed as soon as practicable.

The cost associated with preparing pitches will be borne by the Service Provider unless otherwise specified by a Customer in its pitch documentation.

What is the minimum time frame prequalified Service Providers will be given to respond to RFQs under the Scheme?

The open period for all request for quotations run under the Scheme will have an application period of no less than 30 days in accordance with the Australia-United States Free Trade Agreement Chapter 15 http://www.dfat.gov.au/fta/ausfta/final-text/chapter_15.html .

Can a Customer engage creative advertising and/or digital services outside of the Scheme?

No. The Scheme will be mandated for use by all Customers. Customers will be required to engage Service Providers from this Scheme for all Campaigns where the total budget is in excess of \$50,000.

On what terms are service providers from the Scheme engaged?

For each individual engagement for which the Service Provider is selected, the engagement will be on the terms and conditions of the Standard Form of Agreement in the form of Schedule 2 in the Scheme Conditions subject to the details of the particular work to be done as set out by the Customer.

Are there any instances where Customers will not be able to engage a pre-qualified Service Provider?

The Cancer Institute will not engage a Service Provider who is in the business of producing, selling or marketing tobacco products, and has affiliations or involvement with any organisation that is in the business of producing, selling or marketing tobacco products.

The Ministry of Health will not engage a Service Provider who is in the business of producing, selling or marketing alcohol products and/or baby formula products, and has affiliations or involvement with any organisation that is in the business of producing, selling or marketing alcohol products and/or baby formula products

Customers should check with Service Providers at the Request for Quote stage for any potential conflict of interests.

What is a Brief?

A Brief refers to Campaign or Program specifications issued to potential Service Providers for a request for quote. It is to be completed by the Customer responsible for the Campaign and/or Program with the appropriate delegated authority.

Can a Service Provider use sub-contractors to perform part of the Services?

Service Providers will be required to seek prior approval from the Customer for the use of sub-contractors for any part of an engagement. In the event that engagement of a sub-contractor is approved, the Service Provider remains liable to the Customer for performance of all Services.

Will the list of prequalified Service Providers be published?

Yes, the list of prequalified Service Providers will be published on SC's website including the following information

- Name of Service Provider;
- Names of divisions covered under ABN;
- Pre-qualified category of Services;
- Range of Services available from Service Provider;
- Program Type - types and values of engagements Service Provider is interested in.

Are the head hourly rates under the Scheme fixed and to be published?

Head hourly rates specified by Service Providers in their Application will be fixed for a two (2) year period from the date that they become prequalified.

The list of prequalified Service Providers will be published on SC's website. However, the provided head hourly rates of Service Providers and Pro Bono work consideration will only be released to authorised officers from Customers seeking Creative Advertising and/or Digital services.

Will information about engagements under this Scheme be made public?

Information relating to engagements under this Scheme may be disclosed in accordance with the Government Information (Public Access) Act ("GIPA Act"), Premier's Memorandum 2007-01 and the NSW Government Tendering Guidelines, available at:

<http://www.procurepoint.nsw.gov.au/policies/nsw-government-procurement-information> .

What if there is a change in ownership to a Service Provider's business?

Service Providers must immediately inform SC of any significant change in their financial capacity, capability, ownership status, key personnel, contact details or address by writing with full details to the address below and SC will in its discretion assess the effect on the membership of the Service Provider as a consequence of any such change:

Director of Advertising & Policy, Strategic Communications
Prequalification Scheme: Advertising and Communications Services
Government Group
Department of Premier & Cabinet
Level 11
4-6 Bligh Street
Sydney NSW 2000
advertising@dpc.nsw.gov.au

What information do Service Providers need to submit to SC under the Scheme?

As stated in the Scheme Conditions, Service Providers are required to submit to SC a report every six (6) months summarising all projects carried out in the preceding six (6) months. It should include the following details:

- a) name of Customer;
- b) project or engagement name;
- c) contract value;
- d) when the project was carried out;
- e) types of services provided out;
- f) any other detail SC may consider relevant

How is performance managed and reported?

Performance reporting is the responsibility of all parties i.e. project outcomes can equally reflect the Customers' performance in terms of articulating the requirements of the project and managing timelines.

SC will manage the performance of Service Providers by:

- a) monitoring performance on any Government wide procurement policies, service performance and outputs and outcomes;
- b) revoking a Service Provider's membership to the Scheme, following due consideration of the circumstances, where performance is unsatisfactory; and
- c) providing the opportunity for a Service Provider to request a review of the decisions referred in paragraphs (b) above.

What are Feedback Forms?

The intent of the feedback forms is to give Customers access to objective assessments of past performance by Service Providers.

There are 2 types of feedback forms:

- The Service Provider ***Selection*** feedback form is a form to provide feedback on the Service Provider's response to the Customer's request for quote.
- The Service Provider ***Engagement*** feedback form is a form to provide feedback on the Service Provider's performance in relation to the engagement.

Customers will be responsible for the preparation of feedback forms. At the completion of a request for quotation process, Customers will be required to:

- (a) Complete a Selection Feedback form for each Service Provider that completes a request for quote;
- (b) Provide a copy of the completed Service Provider Selection Feedback Form to the relevant Service Provider subject of the feedback;
- (c) Provide a copy to the Director of Advertising & Policy, Strategic Communications.

At the completion or termination of an engagement, Customers will be required to:

- (a) Complete an Engagement Feedback form for those they contract with;
- (b) Provide a copy of the Engagement Feedback Form to the relevant Service Provider subject of the engagement feedback; and
- (c) Provide a copy to the Director of Advertising & Policy, Strategic Communications.

This information will be reviewed and monitored by SC and raised with the Service Provider as appropriate for their response and action. The feedback forms will cover the Service Provider's understanding and response to requirements, costs, availability and response of nominated personnel and account issues. The Feedback forms are set out at Schedule 3 of the Scheme Conditions. Information in the feedback forms must be treated in accordance with applicable NSW Government policies, guidelines, and Standards.

Will review meetings be held?

It is anticipated SC will hold meetings twice a year with Service Providers to provide feedback and discuss current government policies and processes for advertising and

communications. The aim of the meetings is to assist the Service Providers in working with Customers.

Service Providers will be debriefed on unsatisfactory performance reports and may be removed from the Scheme as a result of the performance management reviews.

Can I be removed from the Scheme?

Yes. A service provider's membership may be revoked at any time for a number of reasons, including where the service provider:

- a) breached the Scheme Conditions; or
- b) been the subject of substantiated reports of unsatisfactory performance for other NSW Government agencies; or
- c) been determined by the Evaluation Team as not suitable for future work; or
- d) experienced an adverse change in capacity or capability; or
- e) experienced an adverse change in business status; or
- f) been convicted of a breach of its obligations under NSW workplace health and safety legislation or environmental protection legislation; or
- g) otherwise failed to meet the standards required of the Scheme in terms of its project outcomes, business management systems, client satisfaction and ethical business practices; or
- h) directors or associates which are the subject of any pending legal proceedings, including winding up or bankruptcy, insolvency administrations or investigations by ICAC or any other public body.

What will happen with incomplete projects for Advertising Services that have completion dates beyond this Scheme commencement date?

Work on these projects will be completed under the existing service arrangements with the respective Service Providers. The application process and the subsequent implementation of the new Scheme is not expected to create any transitional issues.

How long will the Scheme operate for?

The Scheme will run for four (4) years. Successful service providers will be pre-qualified for an initial period of two (2) years. After the initial two (2) year period, new applications will be sought and assessed. A new panel will be established following the assessment of those applications.

Who can I contact regarding the Scheme?

Please refer any application queries relating to the Advertising and Communications Services Scheme to the NSW Procurement Client Support Centre on 1800 679 289 or by email to nswp@services.nsw.gov.au .