

## Revised Queensland Market Led Proposal guidelines

July 2017

On 18 July 2017, Queensland Treasurer and Minister for Trade and Investment, the Hon. Curtis Pitt MP, announced revised Market-Led Proposal (MLP) guidelines.

Unsolicited proposals can cover a range of areas including:

- Delivery of services to, or on behalf of, the government;
- Infrastructure proposals;
- Access to government assets;
- Access to government information; and
- Other commercial specific activity.

The revised MLP guidelines reduce the number of assessment criteria to streamline the assessment process for proponents and involves the Market-Led Proposal Panel at an earlier stage.

This Hawker Britton Occasional Paper will outline the new MLP guidelines.

### Assessment criteria

The following are the new criteria MLPs are assessed against:

1. Government policy, priority and community need – it must be demonstrated the proposal aligns with government priorities and satisfies community need.
2. Justification for direct negotiation – it must be demonstrated the community need is best served by the proposal progressing by direct negotiation between government and proponent, rather than through a competitive tender.
3. Value for money- it must be demonstrated the proposal offers value for money outcome for the state, particularly when assessed against the proposal progressing through a competitive tender.
4. Capacity and capability of the proponent – the proponent must demonstrate it has the technical and financial capability, capacity and experience to deliver the project.
5. Risk and cost allocation – the government must be satisfied with the proposed breakdown of costs and risks shared between the proponent and government.
6. Feasibility of the proposal – the government must be satisfied with the technical, commercial and practical feasibility of the proposal.

In assessing the proposal, the government must also be satisfied no other MLP addressing a similar need or outcome is under consideration.



## **Assessment process**

The following are the four phases in the assessment process:

1. Preliminary assessment – The government provides advice on whether the proposal likely aligns with the assessment criteria. The Market-Led Proposal Panel determines if the proponent should be invited to progress to the next phase for consideration.
2. Stage 1: Initial proposal – The proponent expands on the detail provided in the preliminary assessment and specifically addresses the following criteria:
  - Government policy, priority and community need;
  - Justification for direct negotiation;
  - Value for money; and
  - Capacity and capability of the proponent.
3. Stage 2: Detailed proposal – The proponent comprehensively addresses all six assessment criteria.
4. Stage 3: Binding offer- Negotiations between the government and proponent for the delivery of the proposal.

## **Alternate outcomes**

At any of the first three phases in the assessment process the Market-Led Proposal Panel may determine the proposal does not meet the MLP assessment criteria, but has merit and should be progressed through an alternative path, including one of the following:

- Development Manager – the proponent acts as the development manager and conducts competitive bidding on behalf of the government.
- Open book –the proponent initially receives a defined rate of return to prepare a tender for the project, and is then permitted to bid for the tender.
- Inverted Bid Model – the government raises funds for the project by initially tendering for the ultimate owner-operator, and then subsequently tenders for the construction, operation and maintenance of the project.
- Alliance Contracting – the government partners with multiple alliance partners for the project (such as a designer or constructor) who all have a share in the project, ensuring the risks are distributed.
- Early contractor involvement – the government assigns a contractor during the early development stages to assist with design evolution and the development of a detailed project plan.

## **Further information**

Further information on the revised MLP guidelines can be accessed [here](#).

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