

An aerial photograph of Sydney, Australia, at sunset. The city skyline is visible, including the Sydney Opera House and the Sydney Harbour Bridge. The water of the harbour is in the foreground. A network of white lines with glowing nodes is overlaid on the image, connecting various points across the city and sky.

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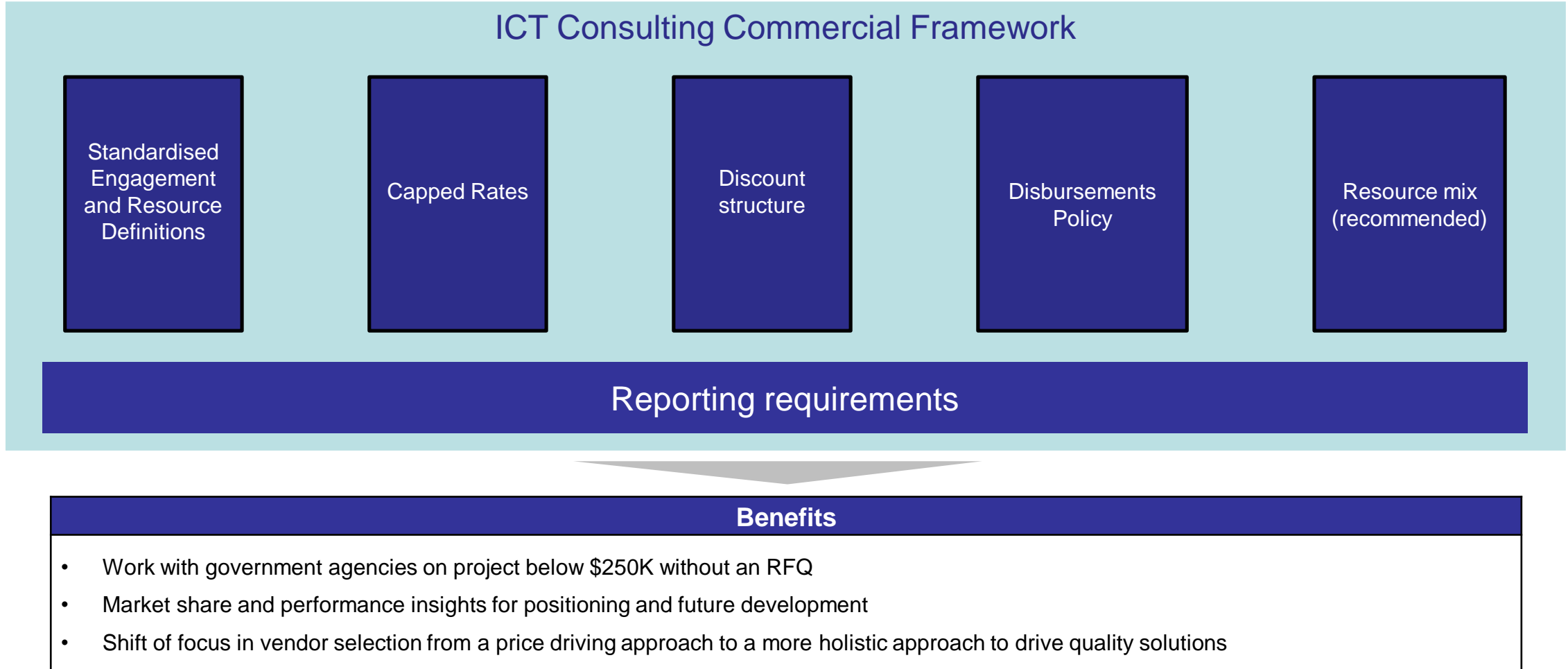
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ICT Consulting Commercial Framework

ICT Consulting Commercial Framework overview

ICT & Digital Sourcing is implementing a Whole of Government (WofG) commercial framework for ICT Consulting Services to unlock benefits and address existing concerns of buying agencies



Engagement Type and Definition

The Standard Commercial Framework applies to ICT Consulting engagement type



Procurement Board Direction 2019-01 specifies the definition of a consultant as follows:

“A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or professional advice to assist decision-making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.”

Interpretation:

From an ICT Consultancy perspective – we focus on where the output is report, advice, strategic plan or audit as opposed to actual implementation, or “doing”.

Common Examples:

A person or firm engaged to assist the development of an information technology strategic plan and/or to assist with the development of specifications for the systems and/or to provide advice on implementation is a consultant.

A person or firm engaged to undertake implementation in accordance with the specifications, for example, supplying or writing the software and constructing the systems, would not be a consultant.

Resource Types and Definition

Resource types and definitions apply to ICT Consulting. Suppliers are to use these in proposals. This makes easier to compare quotes from multiple suppliers and resources.

Resource type	Description	Relevant Years of Experience
Partner	Senior Management member	12+
Director	Management member with deep expertise	10-12
Senior Manager	Senior employee with significant specialist expertise and team leadership capabilities	8-10
Manager	Junior level of entity management, specialist technical and subject matter expertise; manages assignment schedules and resource allocation	6-8
Senior Consultant	Field leadership role, moderate level of technical and subject matter expertise; provides business system advice and consulting services	4-6
Consultant	Performs detailed data and systems analysis, identifies risks, gathers additional data, interprets data and provides recommendations for improvement. Higher level technical skills, broader experience base, business process & industry knowledge and requiring less supervision than an analyst	2-4
Analyst	Entry level position, performs specific tasks under the supervision from more senior members such as gather and analyse data, summarise findings into reports etc.	0-2

Daily Capped Rates

The Capped Daily Rates ¹⁻⁴ are set as the ceiling rate for any given engagement type and role combination, effective from Q12020



Engagement Type	Standardised NSW Government Role Type						
	Partner	Director	Senior Manager	Manager	Senior Consultant	Consultant	Analyst
ICT Consulting							

*Daily capped rates are available for NSW Government buyers via the [Major Supplier Portal](#) or by contacting the NSW Service Centre **T: 1800 679 289** **E: nswbuy@treasury.nsw.gov.au***

Notes:

1. Capped Rates are exclusive of GST ;
2. Capped Rates are for **Assignments** (risk based for supplier); **Secondments** (non-risk for supplier) have an additional discount of 10% on stated rates above
3. Daily Rate is based on 8 hours of work
4. Non-compliant rates need secretarial approval and a reason for not using capped rates

Minimum Discount structure

A simplified engagement size based discount structure to be implemented as part of the commercial framework; The Discount Structure reflects the engagement size and where risk resides

Minimum Discount Structure

4 Tier spend base discount and 1 Tier Secondment discount

Leveraging suppliers economies of scale on large engagements

Engagement Size	Total Value Discount	Secondment Discount
<\$250k	0%	10%
>\$250k - \$500k	2%	
>\$500k - \$1m	5%	
>\$1m	7%	

Fees reduced to reflect project risk residing with NSW Government

Disbursements Policy

Disbursements policy sets to limit and manage expenses during consulting service delivery



Cost Element		Disbursements Policy
Disbursements Cap		All disbursements will be capped at 7% of engagement fees
Couriers		At Cost
Database and Market Research		No Charge
Airlines	Lowest available fare of the day	
	Maximise advance bookings	
	Economy only at cost	
	At Cost, using Contract 1008 Travel Management Services through FCM, or lower using other means	
Car Hire		At Cost, using Contract 1008 Travel Management Services through FCM, or lower using other means
Accommodation		At Cost, using Contract 1008 Travel Management Services through FCM, or lower using other means
Other Travel		At Cost
Meals - Breakfast		At Cost <\$30/day
Meals - Lunch		No Charge
Meals - Dinner		At Cost < \$50/day
Taxi		At Cost - prior approval for circumstances other than to/from airports, leaving office after 8 pm, meetings where multiple sites are used
Tips & Gratuities		No Charge
Room Hire & catering		At Cost
Stationery & postage		No Charge
Photocopying		No Charge
Telephone & Fax		No Charge
Wireless Internet Fees	On (NSW Govt) Site	At Cost
	Off Site	No Charge
Secretarial & clerical		No Charge

Recommended Resource Mix guide

Resource Mix is set as guidance for buyers and suppliers



Engagement Type	Standardised NSW Government Role Type						
	Partner	Director	Senior Manager	Manager	Senior Consultant	Consultant	Analyst
ICT Consulting Target	6%	6%	6%	20%	19%	24%	19%



Resource Mix guide

- Senior management¹ <= 18%
- Junior staff² >=62%

Notes:
1. Senior management (Partner, Director and Senior Manager)
2. Junior staff (Senior Consultant, Consultant and Analyst)

Reporting requirement

Suppliers are required to prepare and update your processes for monthly ongoing data submission using a simplified reporting template which will be provided

1. Commercial Framework and reporting are planned to start from Q1 2020
2. All suppliers registered on ICT Scheme and provided services are required to provide a monthly report of all engagements
3. ICT Consulting engagements should be reported in the simplified BAS template (to be provided)
4. The submission is on **15th day of the month** (except for Dec and Jan reporting will be consolidated in Feb submission)
5. The submitted data will be assessed for completeness and quality
6. Data health check result will be provided to the supplier
7. Please confirm that you will align your resource to ensure data reporting

Exception processes

A more stringent approval process is required for each engagement that does not comply with any element of the ICT Commercial framework.

Included are the following scenarios:

- an engagement from a supplier that has not accepted the standard commercial framework
- where the engagement proposal is not compliant with the standard commercial framework

Approval of non-compliant engagements require the following actions for each engagement:

- must have the Secretary, Executive Agency Head or cluster Chief Financial Officer approve the engagement, but only once satisfied that work cannot be undertaken under the standard commercial framework
- ensure engagements are competitively bid with at least three bids to ensure value for money
- *report information about the engagement upon approval through the Board's Major Supplier's Portal*



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Appendix

Commercial Framework

The commercial framework provides a common basis for all ICT Consulting engagements across NSW Government

	Commercial Framework	Element	Description
Key Elements	Professional Fees	Capped Daily Rates	<ul style="list-style-type: none">Maximum Daily Rates per Engagement and Role TypeDaily Rate capped on the basis of standard 8-hour day
	Discounts	Engagement Size	<ul style="list-style-type: none">Discount applicable to assignments based on total cost of the project
		Secondments	<ul style="list-style-type: none">Discounts applicable to secondments where NSW Government uses BAS to augment current teams
	Other costs	Disbursements	<ul style="list-style-type: none">Defined standards on what expenses are billableStandard cap on disbursement as a percentage of total engagement cost
	Resource Mix		<ul style="list-style-type: none">Sets resource mix targets for all ICT suppliers
Enablers	Role Profile	Role Definitions	<ul style="list-style-type: none">Aligns supplier role definitions with NSW Government Standard Role definitions
		Engagement Type Definition	<ul style="list-style-type: none">Sets standard definitions for all key engagement types for NSW Government
	Monthly Reporting		<ul style="list-style-type: none">Transaction level reporting to track spend including: resources, fees and disbursements