

What are Unsolicited Proposals?

Unsolicited proposals are an approach from a supplier, contractor or third party offering a service, goods or an arrangement where a proposal for same had not been formally requested. Unsolicited proposals may relate to the provision of services or could relate to the acquisition/sale of property. Pacific Link Housing's (PLH) Guidelines for Unsolicited Proposals provide a framework for managing and evaluating unsolicited proposals to ensure that they are handled in a transparent and uniform manner.

Introduction

Unsolicited proposals can be received from suppliers, contractors and business entities that may not necessarily be a PLH related party. Specifically, in relation to provisioning activities, PLH may receive unsolicited proposals in relation to the acquisition, lease or sale of land/property. PLH is able to receive and consider unsolicited proposals and through this guide, all proposals will be assessed in a structured, objective, transparent and fair manner. It should be stressed, that unsolicited proposals are the exception to the rule where open and fair competition is actively endorsed. It is at PLH's absolute discretion whether or not to enter into negotiations with a party that presents an unsolicited proposal. Any outcome should always be considered to be in the best interest of PLH.

When should an Unsolicited Proposal not be given further consideration?

Proposals should not be considered when they:

- do not meet PLH's relevant legislation and/or purpose
- are covered by an existing procurement
- are promotional or advertising materials, such as special pricing, modifying or extending an existing contract
- the goods or services are readily available in the marketplace
- are an advance proposal for a known requirement, for which a competitive process is planned and/or should be conducted.

What information should be included in a Proposal?

An unsolicited proposal must contain relevant information to enable PLH to assess whether or not PLH should consider the proposal. The level of detail required will vary depending on the nature and complexity of the proposal. The proposal the supplier submits will be the basis of PLH's decision whether or not to progress the proposal. It is in the supplier's best interest to provide relevant information to enable PLH to conduct an assessment.

To enable PLH to consider the unsolicited proposal in an objective and timely manner, proposals should include as much of the following information as possible:

- details of the party making the proposal, including:
 - proposer's name and contact name if different
 - contact details
 - a brief profile, e.g. the type of business and the nature of the business
- a description of the nature of the proposal
- an explanation of the benefits the proposal will deliver to the goals of PLH
- how they can authenticate the innovative or unique elements of the proposal
- all ownership issues, such as real property and intellectual property rights

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- any information the proposer does not want disclosed outside of the evaluation process, i.e. information that is commercially sensitive
- the period of time that the proposal is valid, with a suggested minimum of three months
- the costs in sufficient detail to enable meaningful evaluation.

How will PLH respond to Unsolicited Proposals?

When PLH receives an unsolicited proposal we will ensure the proposal is dealt with in a way that ensures:

- transparency, fairness and best value for money over the whole of life of the project
- Protection of the proposer's commercially sensitive information and intellectual property rights.

Guiding Principles

The following guiding principles will be taken into account when assessing an unsolicited proposal.

- Does the proposal meet a current or future need—is it aligned with PLH's strategic objectives?
- Does the proposal have attributes that are innovative and unique to the proposer - can the proposal be readily delivered for directly comparable commercial outcomes by other third parties who potentially could be compromised if not offered the same opportunity?
- Has the proposal been market tested - should PLH source alternative proposals?
- Does the proposal provide optimal value for money or significant benefit - economic, social and/or environmental? A whole of life evaluation approach should be adopted.
- Is there an opportunity cost to PLH?
- Is the proposal technically and financially feasible?
- Is sufficient information contained in the proposal to make an informed decision - is any clarification and/or additional information required?
- Are any mandated timeframes within the proposal achievable?
- Are there any perceived or real conflicts of interest - have they been declared and is there a need to remove any conflicted individuals?
- Has a risk analysis been completed?
- Has any due diligence been undertaken on the proposer - do they have the experience, capability and capacity?

With regard to the potential acquisition of land/development sites, PLH has established processes for the consideration of such acquisitions and would apply these processes in relation to any such unsolicited proposal.

Governance

All unsolicited proposals will be subject to a formal assessment based upon the guiding principles. It will be undertaken by the Executive team, comprising representatives from PLH's primary business lines. Any requests for further information from the proposer must be formally documented. Conversely, it is recognised that some form of negotiation may be required around commercial and legal terms before an unsolicited proposal is accepted. This should be undertaken within specific guidelines set by the Executive team. All unsolicited proposals will be treated confidentially and handled in strict accord with privacy legislation. Approval for any unsolicited proposal must be consistent with delegation of authority from the Board.

Processing Unsolicited Proposals

PLH will broadly follow the steps below when processing an unsolicited proposal:

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1. Is the proposal unsolicited?
2. Have all the guiding principles been considered?
3. Can the proposal proceed?
4. Write a business case seeking approval to proceed from the Executive team.
5. Develop a negotiation plan.
6. Conduct negotiations and subject to successful negotiations, seek approval to formally agree the transaction. Approval to be consistent with financial delegations and at PLH's discretion, may require escalation to the PLH Board.
7. Draft contract for goods and or services.

The flowchart at Attachment A provides an overview of the process.

Unsuccessful Proposals

If the proposal is deemed unsuccessful, the proposer must be informed in writing of this decision and offered a debrief. The reason for declining the proposal could be as simple as the subject matter of the proposal not being a current priority for PLH. Sometimes some of the ideas in an unsolicited proposal may challenge the thinking within PLH, stimulating discussion and leading to better definition of their need. If this occurs, care should be exercised not to copy, use or give away the proposer's intellectual property without their permission.

Additional Considerations

Aspects that should be taken into consideration during all stages of the assessment include:

- **Timeliness** - The time it takes to assess unsolicited proposals will vary, depending on factors like the complexity of the proposal. The assessment should be completed as promptly as possible.
- **Communication** - Regular communication with the proposer is encouraged to inform them about progress on the assessment.
- **Documentation** - Accurate records must be kept at each stage of the process. Documentation should demonstrate that:
 - all decisions are made on the basis of facts, evidence and knowledge of the market
 - the market research that led to the understanding that the proposal was unique
 - a business case and/or procurement plan has been completed
 - approval was obtained at the appropriate level.

Craig Brennan

Craig Brennan, CEO 12 October 2018

Attachment A

