



Working with KIAT:

Preparing Responsive Tenders for KIAT

16 June 2023, 9.00am – 12.00pm Jakarta time (Zoom)





Background on KIAT Facility

Indonesia Australia Infrastructure Partnership



- 10-year facility, until June 2026
- AUD 300m budget allocation
- **Goal:** Sustainable and inclusive economic growth through improved access to infrastructure for all people
- **Delivery modes:** Grants (pilots), Technical Advisory and Capacity Building
- **Partnering with government initiatives:** Central (Bappenas, Public Works, Finance, CMEA, LKPP), Provincial, Local, others



KIAT Activity Streams



Transport

- National Road Network Management and Development
- Sub-National Road Network Management and Development
- Urban Mobility and Road Safety



Water and Sanitation

- Urban Water
- Urban Sanitation
- Urban Solid Waste



Infrastructure Funding and Financing

- Enabling Environment
- Project Preparation
- Funding & Financing Mechanisms

Gender Equality, Disability and Social Inclusion

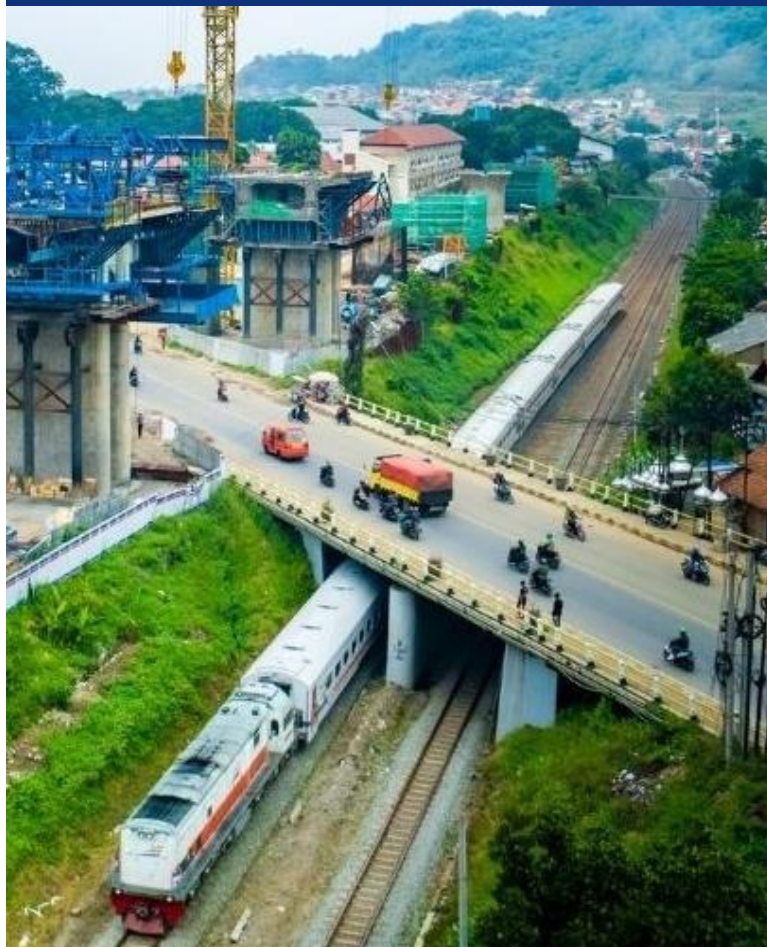
Climate Resilient Infrastructure

Urbanisation

Immediate and Emerging Issues



#1: Improved policy and regulatory framework for infrastructure development



KIAT partnerships focussed on:

- Creating an evidence-base to inform policies and regulations
- Increasing value for money of infrastructure investments
- Reinforcing public accountability
- Mobilising new funding (primarily private sector)

Examples include:

- Support to LKPP on PPP Procurement Regulations (Regular and IKN)
- Support to Bappenas on the Revision of PPP Permen
- PPP Model Bidding Documents
- Asset Recycling Strategy and Guidelines
- Land Value Capture Modelling



#2: High quality projects prepared and financed by government, private sector and donors



KIAT partnerships focussed on:

- Ensuring the technical, financial, economic and social feasibility of projects
- Facilitating stakeholder engagement in the design process for projects
- Improving the quality of project preparation and detailed engineering designs

Examples include:

- Semarang Waste to Energy feasibility study and procurement documentation
- Palembang City Sewerage Project



#3: High quality infrastructure delivery, management and maintenance



KIAT partnerships focussed on:

- Improving procurement processes (more transparent and efficient)
- Improving supervision of capital works
- Mainstreaming of maintenance as a priority
- Engaging civil society

Examples include:

- Subnational road program
- Water and sanitation performance based grants



#4: Infrastructure policies, design and delivery more inclusive for women and people with disabilities



KIAT partnerships focussed on:

- Mainstreaming evidence based policy
- Infrastructure design, delivery and consultation
- Leadership, decision-making and representation
- Employment and training

Examples include:

- Civil Society grants for local roads
- Socialisation for basic infrastructure household connections



Working with DT Global

DT Global launched in 2019, formerly Cardno International Development

Over 2,500 staff and experts in over 90+ countries

Our aim: to maximise sustainable development impact across different practice areas, including:

Conflict prevention | Stabilisation and Transition | Economic Growth

Environment and Infrastructure | Governance | Human Development

Over 60 years of experience, relationships, and technical excellence to improve lives around the world on behalf of our partners, clients, and stakeholders.



DT Global – Our Vision and Values

We work in partnership with communities and institutions to deliver innovative, data-driven solutions that create sustainable change and transform lives beyond expectations



DT Global – Where we operate

Our global presence



Our Programs in Indonesia

- Indonesia Australia Partnership for Infrastructure (KIAT)
- Australia Indonesia Partnership for Economic Development (Prospera)
- Australia Indonesia Partnership for Justice (AIPJ2)
- Australia Indonesia Health Security Partnership (AIHSP)
- Indonesia Australia Comprehensive Economic Partnership Agreement (KATALIS)
- Australia Indonesia Synergies and Collaboration for Service Delivery Acceleration (SKALA)
- Poverty Alleviation and Comprehensive, Inclusive and Adaptive Social Protection (PROAKTIF)

KIAT Procurement Policies and Procedures



Procurement at KIAT

Required to adhere to the Commonwealth Procurement Rules

Value for Money (VfM) is the core consideration

KIAT must demonstrate that all procurement achieves a VfM outcome.

The Opportunity:

In Financial Year 22/23, KIAT anticipates spending around **AUD20m** on Activities via subcontractors

This amount is likely to increase in FY23/24



Achieving Value for Money

- Encourage competition and be non-discriminatory
- Use public resources in an efficient, effective, economical and ethical manner that is consistent with the policies of the Commonwealth of Australia
- Facilitate accountable and transparent decision-making
- Encourage appropriate engagement with risk
- Be commensurate with the scale and scope of the business requirement



Procurement Process

Level	Threshold	Method
Level 5	More than AUD 80,000	Request for Tender
Level 4	AUD 50,001 to AUD 80,000	Request for Quotation
Level 3	AUD 2,001 to AUD 50,001	Three or more written quotes
Level 2	AUD 101 to AUD 2,000	Prudent shopping
Level 1	AUD 1 to AUD 100	Petty cash purchase



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Level 5 Procurements:

- The Webinar today is focused on this category of procurement
- Promotes the highest level of competition between potential suppliers and is the preferred approach for conducting high-value procurements



Procurement Process – Level 5 Request For Tender (RFT)

KIAT Procurement Steps



During The Tender Process

- Regularly monitor KIAT's website
- Send inquiries during the identified period. These should only be sent to procurement@kiat.or.id
- Submit your responses on time – we suggest aiming to submit at least 12 hours before the deadline



Understanding the Evaluation Process

Conformity and Compliance Screening

Assessment of Tenders - General

- Quality and Cost Based Selection (QCBS) – considers both the technical and cost components of a proposal in the evaluation process
- Tenderers are required to submit both a technical proposal and a financial proposal
- Generally, the Technical Proposal will receive around 80% weighting. Financial proposal will receive 20% weighting. These weightings may vary depending on the specific procurement
- The preferred tenderer is whoever receives the highest combined score



Understanding the Evaluation Process

Technical Assessment

- Minimum technical score of 70 out of 100 must be achieved to progress to the financial assessment stage of this tender
- The technical proposal will account for 80% of the overall score. It is calculated using the following formula:

$$[\text{Weighted Technical Score}] = \frac{[\text{Tenderer's Technical Score (out of 100)}]}{[\text{Highest Technical Score (out of 100)}]} \times 80\%$$

Financial Assessment

The EC will undertake a financial assessment of each Tenderer's financial proposal in accordance with the commitments contained in the Technical Proposal. This may include identifying any risks associated with the tendered pricing

- The financial assessment will generally account for 20% of the overall score
- For the price component of the financial assessment, the score will be calculated using the following formula:

$$[\text{Financial Score}] = \frac{\text{Minimum Financial Proposal Value (AUD)}}{\text{Financial Proposal Value of the Tenderer}} \times 20\%$$



Advice to Prepare Highly Responsive Tenders for KIAT



Advice to prepare responsive tenders - Contents



Technical proposal



**Incorporating Cross
Cutting components:**

Monitoring Evaluation and Learning (MEL),
GEDSI, and Climate Change



Financial proposal



Tender conformity checks



Technical Proposal

Typical technical assessment criteria for KIAT activities

1. Tenderer's experience and capabilities:
 - a) Relevant project experience of the tenderer
 - b) Capabilities and resources to effectively deliver the activity
2. Tenderer's approach and methodology for the activity:
 - a) Tenderer's understanding of the activity objectives and challenges associated with its implementation
 - b) Strategic and practical approach to effectively deliver the activity outputs and outcomes
 - c) Comprehensive work plan to achieve the activity outputs and outcomes
3. Proposed personnel and to deliver the activity
 - a) Proposed experts/personnel
 - b) Team management approach



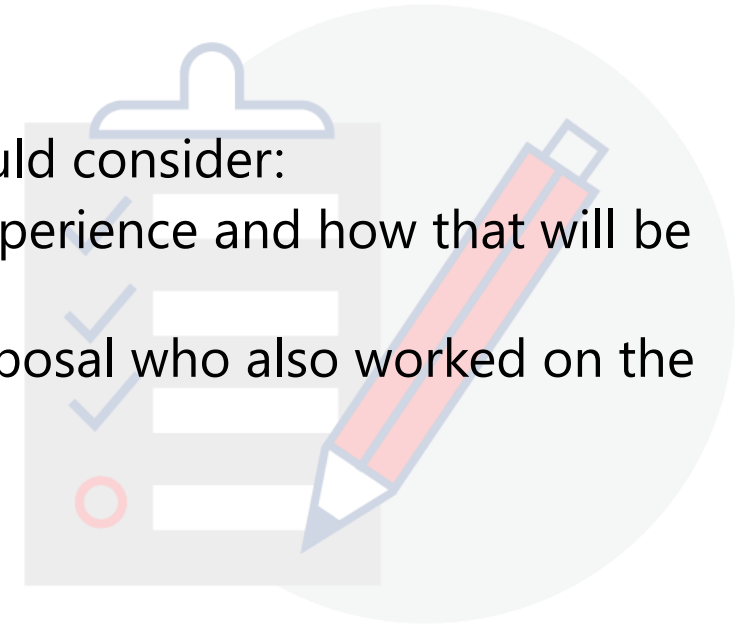
1a) Tenderer's Experience and Capabilities – Relevant Project Experience

Advice to Tenderers

- Ensure Past Project Experience is relevant

Bonus:

- To make past experience more compelling tenderers should consider:
 - Highlighting key learnings/findings from the past experience and how that will be utilised for the activity
 - Highlighting key team members included in the proposal who also worked on the previous activity and the benefits



1b) Tenderer's Experience and Capabilities – Capabilities and Resources

Advice to Tenderers

- The intention is NOT to restate your experience as per Past Experience forms
- The focus should be on corporate capabilities and resources and how it will benefit the activity. Of note:
 - Outline corporate approach to controlling time and cost
 - Outline corporate approach to Quality Assurance/Quality Control of deliverables
- For consortium/association tenders, how do consortium members complement each other's corporate capacity and experience?



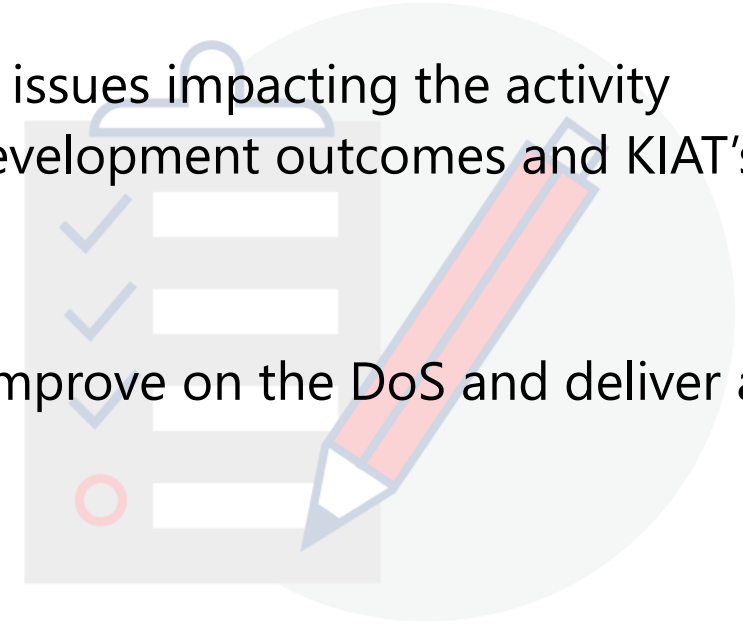
2a) Approach and Methodology - Tenderer's understanding of the activity objectives and challenges

Advice to Tenderers

- Do not rehash (or copy paste) the Description of Services (DoS)
- Demonstrate a deep understanding of the context, objectives, outcomes and risks of the activity
 - Convey your understanding of the political economy issues impacting the activity
 - Link the objectives of the activity with the broader development outcomes and KIAT's EOFOs

Bonus:

- Provide a critique of the DoS and how your offering will improve on the DoS and deliver a better result



2b) Approach and Methodology - Approach to effectively deliver the activity

Advice to Tenderers

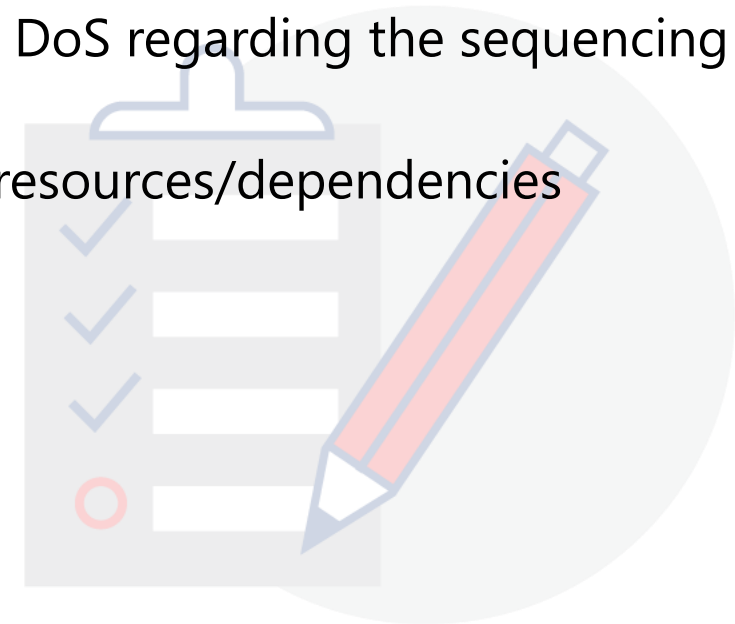
- How you will operationalise the activity to achieve the outputs/outcomes
- GEDSI, MEL and Climate Change should be considered as integral components in the methodology and not afterthoughts
- Other components to cover in the approach include:
 - Social safeguarding
 - Institutional strengthening
 - Knowledge transfer
 - Activity sustainability



2c) Approach and Methodology - Work plan

Advice to Tenderers

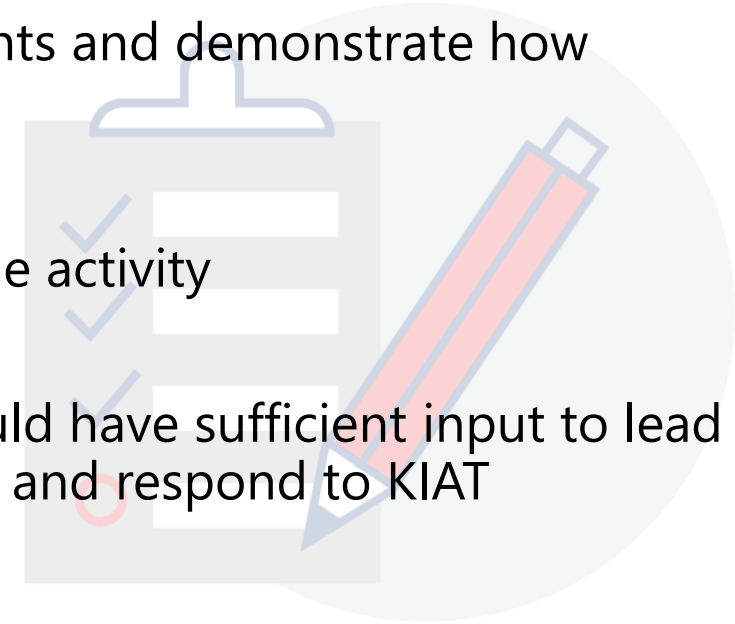
- Provide a clear and concise narrative of the work plan
- The narrative of the Work Plan should clearly link with the Workplan Annex
- Proposed deviations (which are welcomed) relative to the DoS regarding the sequencing of the activity should be explained in this section
- Workplan should outline key decision points/milestones/resources/dependencies throughout the activity



3a) Proposed personnel and to deliver the activity - Proposed experts/personnel

Advice to Tenderers

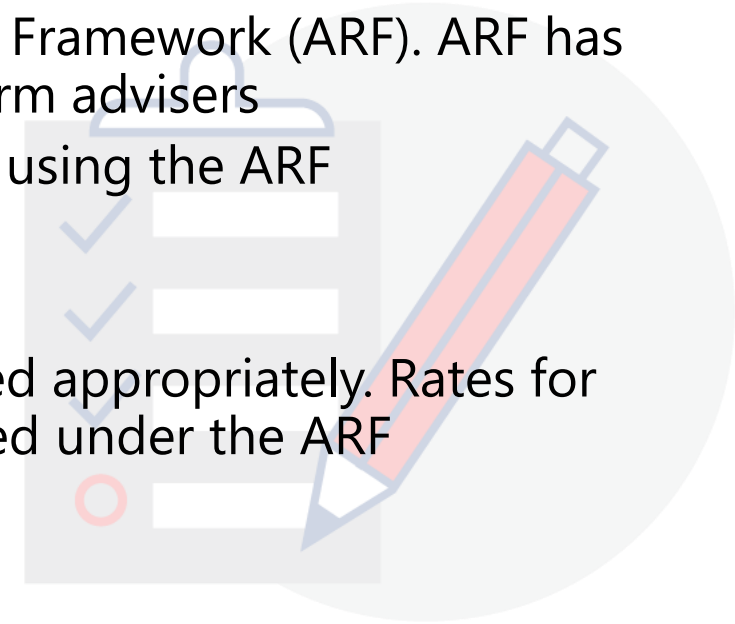
- Some KIAT RfTs contain information on required positions and indicative inputs (months or days) for positions; some do not
- Tenderers should review the required position requirements and demonstrate how nominated individuals match the requirements.
- CVs must be presented in a clear and factual manner
- Nominated individuals must be available to implement the activity
- Team Leaders:
 - Team Leaders should not be just figureheads. TL should have sufficient input to lead the activity, quality assure the work, engage with GOI and respond to KIAT information and meeting expectations
 - Team Leader should be the face of the activity
- Specialist support roles such as MEL and Climate and other specialist areas should be subject matter experts and not generalists



3a) Proposed personnel and to deliver the activity - Proposed experts/personnel

Generally, KIAT will delineate the personnel into the following categories

- **Senior Personnel:**
 - Open to Indonesian nationals and international candidates
 - Classified according to DFAT Adviser Remuneration Framework (ARF). ARF has ranges of rates for long-term advisers and short-term advisers
 - Professional disciplines and job levels are classified using the ARF
- **National Personnel:**
 - Expected to be filled by Indonesian nationals
 - It is expected that these roles would be remunerated appropriately. Rates for National Personnel cannot exceed the rates specified under the ARF



3b) Proposed personnel and to deliver the activity - Team management approach

Advice to Tenderers

- Provide a team organisational chart which clearly shows reporting lines/responsibilities
- Provide a clear narrative of the team structure and team management approach
- Outline how the team structure will deliver the activity
- Consider the best team structure to deliver the services. Other than the key positions scored, KIAT is open to alternative structures
- Consider the team's gender balance and diversity



Incorporating Cross Cutting Components - Contents

- Monitoring Evaluation and Learning
- GEDSI
- Climate Change



Monitoring, Evaluation and Learning

- KIAT Activities are required to conduct monitoring, evaluation, and learning (MEL) related to the implementation and results (outcomes) of the Activity, for contributing to broader KIAT reporting to DFAT, and to inform management of the Activity by both KIAT and the subcontractor
- MEL-related requirements are outlined in Description of Services, but generally will entail the following key tasks:
 - MEL Design: as part of the inception phase (and building on the inception report), developing a fit-for-purpose MEL Framework/Plan describing the overall approach to MEL
 - MEL Implementation: Over the life of the activity, collecting, analysing, and reporting relevant information as described in the agreed MEL approach
 - Completion Reporting: producing an Activity Completion Report summarising implementation of the activity, extent to which expected outcomes have been achieved, and other relevant lessons/observations
- KIAT will generally provide indicative MEL requirements to the subcontractor, as a starting point for MEL Design
- Key principle is proportionality: in general, Activities with longer duration, higher degrees of complexity, and larger resource allocations should have more robust approaches to MEL
- KIAT will provide general templates and guidance for: MEL Framework/Plan; Progress reports (typically expected monthly and six-monthly); Setting and reviewing six-monthly performance targets ("progress markers"); Activity Completion Reports

Monitoring, Evaluation and Learning

Ensuring sufficient MEL expertise within proposed team, preferably:

- Covering both MEL design and MEL implementation
- With prior experience with MEL on development assistance programs

Approaches to MEL resourcing (noting principle of proportionality) :

- Generally preferred approach:
 - Qualified MEL 'Adviser' who is responsible for MEL Design as well as support and quality assurance for MEL implementation
 - One or more staff-level MEL resources who are responsible for MEL implementation, under direction of Activity Management and MEL Adviser
- Alternative approach to MEL resourcing: partnership/subcontract with specialist MEL organisation

MEL tasks and responsibilities should be clearly positioned as part of overall Activity Management:

- Responsibility for MEL and progress reporting expected to reside with Team Leader, rather than "outsourced" to MEL consultants – noting that this has implications for TL role definition and level of effort
- Team Leader and other relevant technical staff expected to contribute to MEL design and implementation, including participation in structured 6-monthly processes for target setting and review.



Climate Change

KIAT has increased its focus on Climate Change over the last year:

- KIAT's new Strategy aims to support GOI to address the risks of climate change
- Climate Change is being mainstreamed across all activities, as well as new standalone climate specific activities

Climate-related requirements are being included in Descriptions of Services, eg:

- Conducting climate risk or climate vulnerability assessments
- Identifying climate resilient design options for existing and new assets
- Estimating GHG emissions on projects, and identifying reduction options

Ensure that your responses demonstrate appropriate technical expertise and understanding of the climate-related requirements:

- Some of the capabilities are not available or not easily available in market
- Consider partnering or subcontracting to specialists or specialist firms with deeper capabilities
- Identify innovative approaches to addressing climate-related requirements, but make sure your approach is realistic and practical given state of climate development in Indonesia



Gender Equality, Disability and Social Inclusion (GEDSI)

KIAT has a specific focus on ensuring infrastructure is accessible to all people:

- KIAT's GEDSI Strategy (2022-26) outlines a twin-track approach to addressing GEDSI, either through 'mainstreaming' GEDSI within a broader technical activity, or through a 'stand-alone' activity that specifically targets GEDSI considerations

GEDSI requirements are integrated across the project cycle associated documents

- GEDSI should be featured in the proposal and Description of Services.
- A GEDSI Action Plan (GAP) is typically prepared during inception phase. In some instances there may be specific GEDSI related deliverables

Expectations for working with KIAT

- KIAT's GEDSI team will work with successful tenderers to guide the development and implementation of GAPs and any other GEDSI related deliverables
- Proposals must demonstrate knowledge of GEDSI issues relevant to the activity
- Proposals must include personnel with relevant expertise in GEDSI and demonstrate that teams have the capacity and budget to meaningfully mainstream GEDSI across the activity



Financial Proposal - Contents

- Overview
- Management Fee Structure
 - Performance Milestones
- Advice for specific Cost Categories
- Value For Money Rationale



Financial Proposal - Overview

Financial Proposals are comprised of the following:

- Price Tables covering:
 - Management Fee
 - Long Term Adviser Cost (ARF)
 - Short Term Adviser Cost (ARF)
 - Long Term Personnel Cost (non-ARF/locally engaged staff)
 - Short Term Personnel Cost (non-ARF/locally engaged staff)
 - Adviser Support Cost
 - Operational Cost
- Value for Money Rationale write-up

The tenderer must ensure that all elements/work tasks in the DoS, proposed approach and methodology, work plan and resourcing/personnel plan are costed in the Financial Proposal

Other than Management Fee, all other costs are reimbursable costs (ie, KIAT reimburses the subcontractors with submission of supporting documentations such as pay slips, receipts, etc.). Sub-contractors must be able to finance these costs prior to reimbursement by KIAT



Financial Proposal – Management Fee

Management Fee (MF): The composition and payment structure of management fee are defined in the RfT's Management Fee Breakdown table (Table 1A) and Management Fee Payment Structure (Table 1B).

Generally, the structure of the MF payments to contractors is as follows:

- Monthly Payments (approx. 30% of MF amount)
- KIAT acceptance of Specified Deliverables/Technical Reports (approx. 60% of MF amount)
- Achievement of Performance Milestones or 'Stretch targets' related to the outcomes of the activity (approx 10% of MF amount)

Specified Deliverables

- KIAT has the contractual ability to make deductions to management fee payments associated with Specified Deliverables/Technical Reports in instances they are submitted late or of a low quality. KIAT will potentially apply deductions moving forward



Financial Proposal – Management Fee continued

Performance Milestones or Stretch Targets

- Tenderers are asked to propose Performance Milestones as part of their bids
- Performance Milestones are structured as 'stretch targets' to be within the sphere of control / influence of a contractor but not in their complete control
 - e.g. the issuance of an amended government decree rather than the delivery of a report with recommendations to amend the decree
- Performance Milestones typically represent 10% of total management fees, with payment contingent upon achievement of the milestone
- At least one performance milestone should be GEDSI related (with some exceptions)
- Performance Milestones are not outputs like reports; they require actions by KIAT counterparts (GOI) to be achieved



Financial Proposal – Reimbursable Costs

- **Adviser Personnel Cost:** Follow DFAT ARF rules for the remuneration of long-term advisers and short-term advisers. Proposed rates above ARF Market Reference Point (MRP) are subject to DFAT approval
- **National Personnel Cost:** The tenderer must comply with Indonesia labour laws and regulations in employing Indonesian nationals for KIAT activities. For locally engaged staff, the personnel costs should include applicable contributions mandated by local labour laws such as BPJS, THR, compensation payments and personal income tax
- The personnel costs are actual remuneration costs and must not include items that should be assigned to management fee such as profit and other mark-ups
- The input months/days assumed in the personnel costs must be aligned with the personnel input quantities reflected in the Technical Proposal

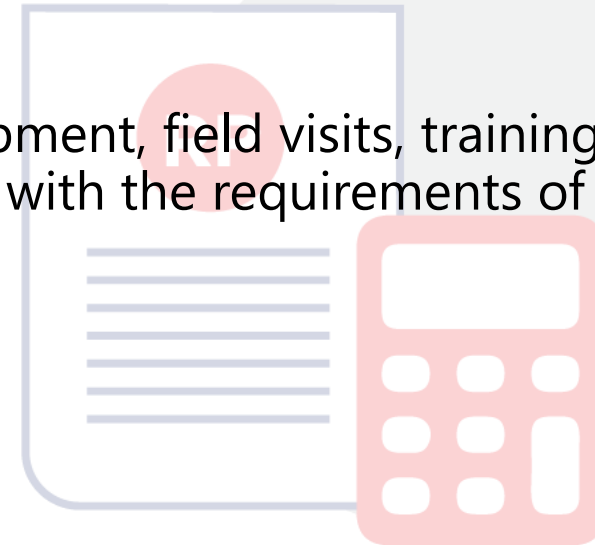
Financial Proposal – Cost Categories

Adviser Support Cost:

These costs must sufficiently cover the support costs for the engagement of international advisers (eg, mobilisation and demobilisation costs, housing, international airfare etc)

Operational Costs:

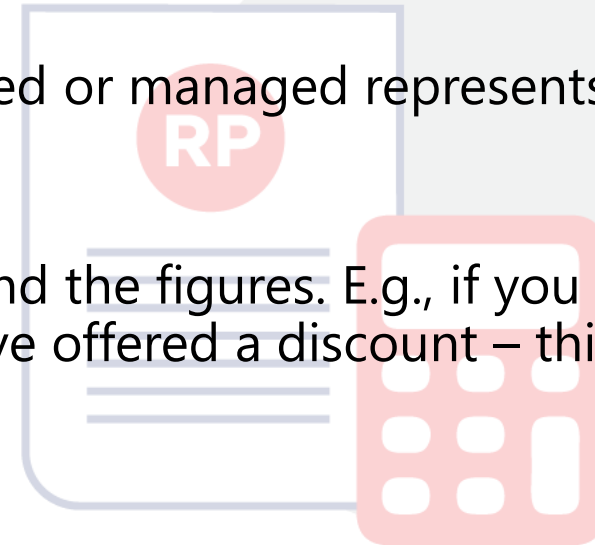
Ensure that all operational costs such as office costs, equipment, field visits, trainings, etc are appropriately budgeted. This should be in accordance with the requirements of the DoS and the proposed approach and methodology



Financial Proposal – Value for Money Rationale

In the Financial Proposal, Tenderers must convey how their tender achieves Value for Money (VfM) in the VfM write-up (generally 2 pages)

- Refer to DFAT VfM principles (write-up does not need to be structured around these principles)
- Outline how the way the services are structured, delivered or managed represents value for money
- Quantify where possible (avoid generic statements)
- This is an opportunity for bidders to 'tell the story' behind the figures. E.g., if you feel your price is potentially expensive but compelling, or you have offered a discount – this is the opportunity for it to be explained



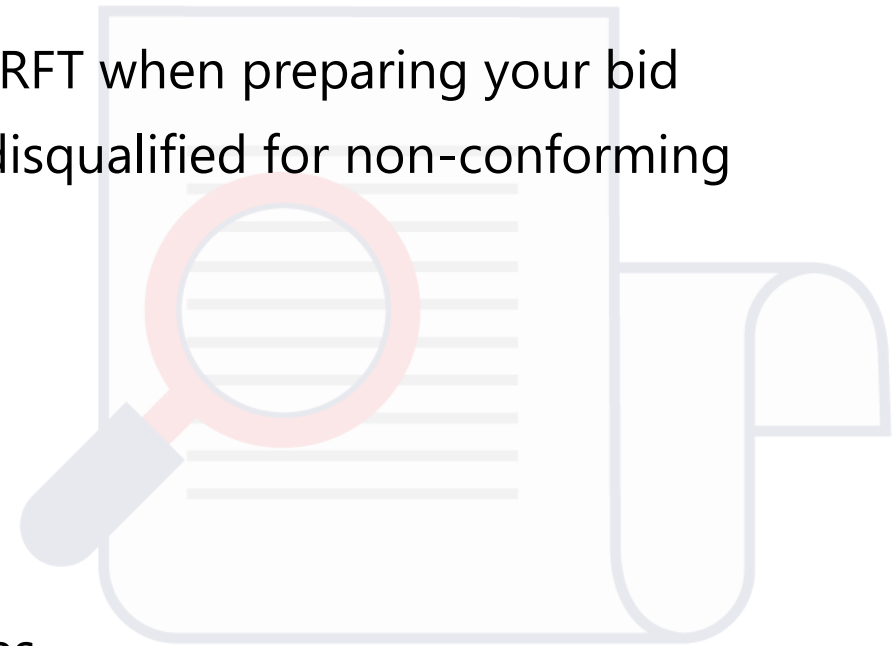
Conformity Checks

Tender Conformity Checks

Tenderers must submit the Tenderer's Conformity List as part of their submission

Advice to Tenderer

- Pay close attention the Non-conformity section of the RFT when preparing your bid
- For example, tenders have been negatively impacted/disqualified for non-conforming with the following:
 - Financial statement
 - Letter of consortium members
 - Risk register
 - Due diligence preliminary partner statement
 - VfM Rationale write-up
- There are often conformity issues with CVs and referees



Contracting with KIAT through DT Global

Contract Negotiations – Terms and Conditions



DT Global Subcontract Template

1. Clauses are passed down from Head Contract – DT Global has an obligation to comply
2. Requested changes – must be raised during the tender submission process. Changes requested during negotiations may be considered a non-conforming tender
3. T&Cs are negotiated with DT Global corporate team
4. Changes to clauses must undergo legal review process – Up to 2 week turn around



Contract Negotiations – Terms and Conditions



DT Global Subcontract Template

1. Standard Terms and Conditions
2. Project Specific/Donor Mandated Conditions
3. Definitions and Interpretations
4. Scope of Services
5. Basis of Payments
6. Deed of Confidentiality
7. Declaration of Status



Contract Negotiations – Terms and Conditions



DT Global Subcontract Template

Standard Terms and Conditions

1. Intellectual Property
2. Liability
3. Compliance with Safeguard policies and Client-mandated requirements, including applicable laws
4. Subcontracting

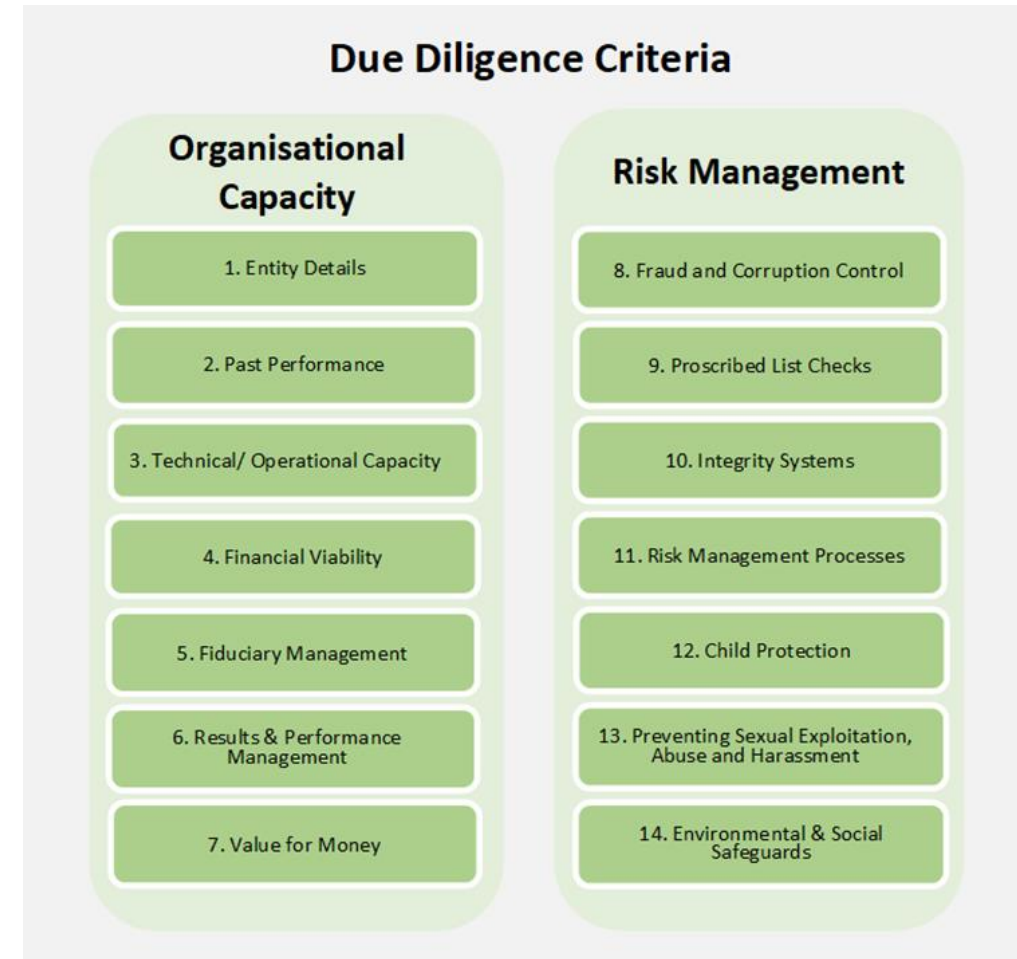
Project Specific/Donor Mandated Conditions

5. Provision of Personnel Details



Due Diligence Process

- Prior to being engaged by DT Global, due diligence on your organisation is required
- For entities engaged by DT Global in the last 2 years – this is likely not required
- For entities not engaged by DT Global previously, this will:
 - Require you to provide information regarding your company
 - Can take up to one month
- As part of the tender you are required to complete a Due Diligence Preliminary Partner Statement





QUESTION & ANSWER

