



Western Australian Bid Contribution Policy for Major Projects

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Department of Finance
Djookanup - 16 Parkland Drive Osborne Park WA 6055

idu@finance.wa.gov.au
wa.gov.au

Introduction

The Western Australian Government has a strong, sustainable Asset Investment Pipeline of Major Infrastructure works. Delivered by the Department of Finance (Finance), these high-value and high risk non-residential projects include critical infrastructure such as hospitals, correctional facilities, schools, stadiums and museums.

Ensuring value for money and timely delivery is a priority for the State and to maintain success, the State continues to collaborate with industry to implement best practices to support the continued development of market capacity in Western Australia.

Feedback from industry has contributed to innovative initiatives that ensure Western Australia remains the State of choice, particularly for Tier 1 and Tier 2 Contractors.

A key initiative is the introduction of a Bid Contribution Policy (Policy) for Non-Residential Major Projects where the construction works value of the project is greater than \$100 million and others that are considered high-risk or comprise high-complexity, including strategic regional projects.

This Policy aims to provide a clear, consistent and transparent approach to providing bid contributions to eligible bids that is streamlined for both government and industry participation.

All figures quoted within this policy are exclusive of Goods and Services Tax (GST). References to days are business days in Western Australia.

Contributions

Subject to meeting the eligibility requirements outlined in this Policy, contributions up to a maximum of \$750,000 per bid will be paid by the Western Australian Government to Eligible Bids where Finance:

- has invited the tenderers to tender after an initial shortlisting process (or similar);
- Request for Proposals (RFP)/Request for Tenders (RFT) specify that tenderers must undertake significant design and/or technical investigations for the purposes of responding to the tender;
- RFP/RFT states there will be a bid contribution payment and specifies the amount and/or method of calculation;
- deems the tender as being genuine, conforming and complete; and
- the tenderer agrees the payment entitles the State Government and its agents to unencumbered use of the intellectual property associated with the tender.

Subject to approval for each process, the default contribution per bid is determined via a scale of the estimated project construction value:

Estimated Construction Works Value	Default Contribution (per Eligible Bid)
\$100 million - \$200 million	\$250,000
\$201 million – \$500 million	\$350,000
\$501- million - \$999 million	\$500,000
\$1 billion and above	\$750,000

For the sake of clarity, no parties (including but not limited to contractors, companies or subcontractors) are permitted to apply or will be eligible for multiple contributions per project.

Eligibility

Eligible Projects

Eligible Major Projects are defined as Non-Residential Construction Projects with construction works valued at \$100 million or higher, or projects under \$100 million that are considered high-risk or comprise high-complexity, including strategic regional projects and have been:

- endorsed for funding and release by Cabinet via the Major Projects Expenditure Review Subcommittee (MPERSC); and
- details of the applicable Bid Contributions have been determined and communicated in the relevant tender documentation.

Other strategic or Non-Residential Construction Projects with construction works valued under \$100 million may be considered to be eligible on a case-by-case basis, as determined by Cabinet. Contribution conditions will be disclosed in the relevant tender documentation.

Eligible Bid Costs

High quality bids on Major Projects require significant investment from bidders.

This Policy acknowledges that investment and provides contributions to assist in the development of complex bids that provide valuable information and intellectual property for the State. The intent is to contribute towards expenses borne by proponents to ensure the bids are maintained at a high-level, further supporting industry and reducing risk to the State.

Generally, Eligible Bid costs include:

- planning and design costs, including in-house design;
- technical modelling;
- legal advice; and
- specialist reports required to develop a conforming bid.

Costs associated with the development of any Expressions of Interest stages will not be eligible for payments. The intent of the Policy is to provide contributions to bids by proponents invited to the second stage of a procurement process (normally the Request for Proposals or Request for Tenders).

Unless stated otherwise in the tender documentation, all Eligible Bids (whether successful or unsuccessful) will be eligible for a bid contribution under this Policy.

Relationship to the Market-led Proposals Policy

Projects that meet the eligibility criteria of this Policy and are invited to Stage 2 of the Market-led Proposals (MLP) Policy may be entitled to a bid contribution via the MLP process. Any contribution is subject to prior approval by the MLP Secretariat in conjunction with Finance's Infrastructure Delivery Unit (IDU) – please refer to the MLP Secretariat [Market-led Proposals \(wa.gov.au\)](https://www.wa.gov.au).

Governance and Transparency

Finance owns and manages this policy via the IDU.

Finance is responsible for the day-to-day administration of the Bid Contribution process within this Policy, including monitoring compliance, providing recommendations to Cabinet via MPERSC and reporting.

Process

Subject to change as required by each process, the primary process involves the following steps:

- Agencies are to assess inclusions and amount of each bid costs for major construction procurement in accordance with this Policy and confirm with the IDU prior to finalising business case or Project Definition Plans.
- Project confirmed as an Eligible Bid Contributions Project by the MPERSC (including funding allocation).
- Details of the Bid Contributions will be released in the relevant procurement documentation (Expressions of Interest and either Request for Proposal or Request for Tender).
- Proponents will include a Bid Contribution Application as part of their response to the relevant procurement process and must agree to all conditions.
- Finance will assess each application and may request additional evidence if required.
- The Deputy Director General Major Projects will determine each final application.
- Payments will be made within 30 days of the conclusion of the procurement stage in which the bid contribution is supporting (for clarity at the conclusion of the RFP/RFT stage not at the conclusion of the entire procurement process)

All decisions by Finance are final.

Communication and Timing

Subject to receiving all relevant information to make a final decision, Finance will:

- Finalise assessment and notify each proponent of the decision within 30 days.
- Where applicable, make payment within 30 days of the final assessment.

Policy Review

This Policy will be piloted for an initial 24-month period with subsequent annual reviews. Any updates must be endorsed by the Minister for Finance prior to release on wa.gov.au

Contact

Further information can be found at wa.gov.au or by contacting the IDU at idu@finance.wa.gov.au