

Advancing economic wellbeing of women facing disadvantage

Social Impact Outcomes Fund Tender 1

1 August 2022

treasury.nsw.gov.au



Proposals must be submitted on <https://tenders.nsw.gov.au> by 5:00pm AEST on 12 September 2022
Proponents should refer requests for information or advice regarding this tender opportunity to:
socialimpactinvestment@treasury.nsw.gov.au

Any information given to a proponent to clarify any aspect of this tender opportunity will also be given to all other proponents if, in the opinion of the Office of Social Impact Investment, it would be unfair not to do so.

Acknowledgement of Country

The NSW Treasury acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas, and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families, and communities, towards improved economic, social and cultural outcomes.

Artwork: 'Regeneration' by Josie Rose



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Glossary of terms

Term	Definition
Advance payments	Advance payments are paid before outcomes are measured, verified, and paid on. These payments cover a portion of the program's expected costs and are not contingent on performance.
Joint Development Phase (JDP)	Successful proponents of this tender will be invited to enter the Joint Development Phase (JDP) which may lead to entering an outcomes-based contract. Proponents, OSII and relevant government agencies work to determine if value for money is satisfied and jointly develop and negotiate terms to the level of detail suitable for contracting.
Milestone payment	Milestone payments are based on metrics that are early indicators that the program is on track to achieving its target outcomes.
Outcome-based contract	A contract where at least a proportion of the funding is paid on meeting milestone and outcome targets.
Outcome payments	Outcome Payments reward the achievement of outcomes, once they have been measured, verified and achieved.
Payment-by-Result (PbR) contract	An outcome-based contract where the service provider is paid based on the outcomes achieved. Under this contract, risk is shared between the funder (e.g. government) and the service provider.
Social Impact Bond (SIB)	A financing mechanism to enable service providers to enter into outcome-based contracts with government. SIBs raise private investor capital to finance upfront service delivery costs and share in the financial risk of service providers achieving the targeted outcomes.
Social impact investment (SII)	SII brings together public, for-purpose and for-profit sectors to deliver social impact alongside financial returns. SIIs are increasingly being used to tackle a range of complex social issues, where programs are designed, measured, and paid with outcomes at the centre.
Social Impact Outcomes Fund	The 2021/2022 NSW Budget allocated \$30 million to establish the <u>NSW Social Impact Outcomes Fund</u> to pilot SII, with the first two investment opportunities prioritised to support women facing disadvantage and Indigenous youth, with a focus on girls.

Purpose of this document

The Office of Social Impact Investment (OSII), on behalf of the NSW Government, is seeking proposals for social impact investments (SII) that advance the economic wellbeing of priority groups of women facing disadvantage across the State.

The purpose of this document is to:

- outline the background to the tender opportunity, including the principles of SII
- define the terms, conditions and processes for submitting a proposal
- explain the anticipated process and timeframe for evaluating proposals and selecting preferred proponent(s) to proceed to the Joint Development Phase
- inform proponents on what should be included in proposals
- provide information and data on women's economic wellbeing, outcome measurement, priority cohorts and benefits to support proposals.

To submit a proposal under this tender, please read this document in its entirety and then complete **all** of the below:

- Attachment A: Proposal submission
- Attachment B: Financial template.

Goals of this tender

This tender opportunity has three primary goals:

1. Advance the economic wellbeing of women facing disadvantage in NSW through impact investing

This tender is seeking proposals for SII that advance the economic wellbeing of women in NSW with experience of disadvantage. This may include primary outcomes that result in:

- greater access to employment (sustainable jobs)
- building individual capability (education and skills)
- increased economic opportunity (entrepreneurship and training for in-demand industries).

The priority cohorts of women for this opportunity are outlined in this tender document. The eligibility criteria you use to identify suitable referrals to your proposed service must reflect your target cohort. All participants must be women – that is, any person who holds that particular gender identity.

Initiatives must demonstrate that they have been designed with and for women.

2. Better understand the role and impact of job-focused social enterprises in delivering outcomes for the people of NSW

To be eligible to apply, your organisation must be a job-focused social enterprise – defined for the purposes of this tender as a social enterprise that exists to provide employment, or pathways to employment for those most disadvantaged in the labour market, with a dedicated wrap-around support function for people experiencing barriers to mainstream employment.

OSII is seeking to learn and better understand how the social enterprise model can support the delivery of economic wellbeing outcomes for priority cohorts, as well as how social enterprises can integrate across the service delivery and employment landscape. The focus of this tender on social enterprises will allow for a comparison of outcomes across different service-delivery models, building an evidence base for future action in the social economy.

3. Trial social impact investment and outcome-based contracting as an approach to supporting job-focused social enterprises in NSW

OSII is committed to tailoring its SII approach to enable different types of impact-driven organisations, such as social enterprises, to participate and benefit from the SII opportunities.

This tender opportunity aims to provide a streamlined approach to SII development and will aim to fund multiple initiatives from a total funding pool of up to \$5 million. Proposals must be for contracts with a minimum duration of 2 years.

This tender opportunity aims to encourage proponents to consider innovative risk-sharing investment mechanisms that are appropriate to their proposal. For example, this may include investments financed through debt, equity, and/or philanthropy, and are not limited to Social Impact Bond (SIB) financing structures.

Policy context

This section provides:

- context and policy priorities for the Social Impact Outcomes Fund which this tender opportunity is funded from
- background of the current NSW SII portfolio
- outline of the principles of SII.

What is the Social Impact Outcomes Fund?

The 2021/2022 NSW Budget allocated \$30 million to establish the [NSW Social Impact Outcomes Fund](#) to pilot SII, with the first two investment opportunities prioritised to support women facing disadvantage and Indigenous youth, with a focus on girls.

Multiple tender rounds will be released under the Social Impact Outcomes Fund to target different outcome domains. This first tender round has up to \$5 million available and is focused on advancing the economic wellbeing of women facing disadvantage.

The Social Impact Outcomes Fund was developed to improve women and girls' economic, social, and physical wellbeing, particularly in light of the impact of the coronavirus (COVID-19) pandemic. It also aims to deliver on whole of government priorities, including the [Premier's Priorities](#), the [NSW Women's Strategy 2018-2022](#), and NSW's commitment to [Closing the Gap](#), and builds on insights and recommendations regarding gender parity in workforce participation from the [NSW Budget 2022-23 Women's Opportunity Statement](#) and [2021-22 NSW Intergenerational Report](#).

Who are we?

The Office of Social Impact Investment (OSII), within NSW Treasury, was established in 2015 to implement the [NSW Social Impact Investment Policy](#) and is responsible for developing, delivering, and supporting SII opportunities together with NSW Government agencies. In July 2022, OSII released the [next iteration of the Social Impact Investment Policy](#), setting our vision and commitment to grow the SII market in NSW.

OSII works with the for-purpose and for-profit sectors to achieve better social outcomes for the people and communities of NSW, through SII.

NSW has been at the forefront of SII in Australia, having delivered nine investments which, to date, have directly supported close to 9,000 people through programs aimed at increasing permanency for children in out-of-home care, reducing recidivism, improving community palliative and mental health care, and reducing youth unemployment and homelessness.

Details of NSW SIIs can be found on the [OSII website](#).

What is social impact investment?

SII brings together public, for-purpose and for-profit sectors to deliver social impact alongside

financial returns. SII is increasingly being used to tackle a range of complex social issues, where programs are designed, measured, and paid with outcomes at the centre.

Principles of social impact investment

SII is underpinned by four core principles: Prevention, Innovation, Partnership, and Outcomes.

Prevention: shifting the focus to prevention through an ‘invest to save’ philosophy

SII provides an approach for funding and delivering services using an ‘invest to save’ philosophy. This means that NSW Government seeks programs that deliver measurable benefits in the form of reduction and/or avoidance of service usage. Rebalancing spend towards prevention and early intervention services is a cornerstone of the NSW Government’s investment approach as empowering people to improve their life chances reduces the need for Government support throughout their lives.

How can you incorporate this in your SII proposal?

Guidance on NSW Government benefits for SII suitability is provided to assist proponents to benchmark expected costs against the estimated benefits their proposal may deliver to Government in the form of future cost savings. For the avoidance of doubt, for the SII to be viable, the estimated benefits to NSW Government must at least cover set-up¹ costs and cost of delivering the proposed services, transaction costs and any return to investors (if applicable).

Innovation: demonstrating additionality and building an evidence base of ‘what works’

SII has been used to test new and innovative programs to address social challenges. Such programs are expected to provide additionality over existing services by delivering more effective service models. By paying for outcomes instead of inputs, social impact investing enables service providers to innovate, adapt, and build an evidence base for programs tackling the most complex social challenges. As all innovations inherently have an element of risk, so too do SII. SII provides a mechanism for Government to foster innovation while sharing the risk and rewards of innovation.

How can you incorporate this in your SII proposal?

Proposals need to demonstrate the additionality of their proposal over and above existing services and provide evidence or analysis that supports the likelihood of their proposal delivering outcomes. This may include results from small-scale pilots or studies, and/or experience from other jurisdictions. Robust evidence will ensure that performance targets are set at a realistic level. At a minimum, a proposal should set out the service elements and how it seeks to achieve the proposed outcomes. The proposed program should complement and link to, rather than duplicate, existing programs and services.

Partnerships: leveraging the strengths of different sectors, and sharing risks and rewards

SII parties collaborate to work towards a common goal of achieving positive social impact, including a fair sharing of risks and rewards of the innovation trialled. The creation of diverse partnerships is an important way to achieve that common goal. SII bring together capability, experience, and resources across sectors including service providers, philanthropy, investors, and government

¹ OSII understands that each new program may need some start-up capital to set up operations. However, the allocated Government funding must primarily support service delivery (rather than support the acquisition / maintenance of physical infrastructure, machinery/equipment). Proposals should provide a breakdown of what funding is required to deliver the proposal and any other funding partnerships that can be leveraged by the social enterprise.

agencies at various levels e.g. Commonwealth and State Government. This leverages the collective expertise of all partners to increase the chances of success for the SII.

SII provide an additional incentive, framework and governance structure for collaboration, and knowledge and data sharing to support strong, purposeful relationships between partners.

How can you incorporate this in your SII proposal?

Proposals should provide evidence that service providers have the skills and capability to manage relevant partnerships. This may include outlining established approaches and past achievements in effectively managing partnerships with government, investors, and other partners.

Outcomes: designing for, measuring, and rewarding delivery of outcomes

Measuring impact is at the heart of SII. The objective is to incentivise collaborative efforts to improve social outcomes and establish an evidence base of 'what works'. SII require outcome measure(s) for stakeholders (government, service providers, philanthropy, investors, community) to understand the social impact achieved and accordingly invest based on the outcomes achieved.

The ultimate outcome of a program is the resulting positive impact on a person's life trajectory. The time period to observe this impact is often far into the future or even over multiple generations, hence challenging to measure. Proxy measures that are a reliable indicator of the desired long-term outcome are often used as an alternative way to demonstrate the program has achieved its intended outcomes when a direct measure is not available.

Outcome measures must be objective, reliable, collectable, and linked to the social and/or fiscal benefits of the program. Outcomes should also be measured against a clearly defined counterfactual, to help identify the direct, additional benefit of the program. For example, this may be a control group or an historical performance baseline. Government payments are based on the achievement of the agreed outcomes.

Evaluations are also undertaken to deepen understanding of the effectiveness, efficiency, and sustainability of programs. The purpose of program evaluation is to iteratively improve design, delivery and outcomes of public services over time.

How can you incorporate this in your SII proposal?

Proposals should consider robust ways to measure outcomes in the short to medium term. Each proposal should aim to identify at least one outcome for outcome payments to be based upon. Milestone metrics may also be included in the proposal, which indicate progress towards achieving the outcome(s). See the [outcomes section](#) for guidance on outcomes / milestones and potential metrics. In addition to the outcome payment metrics, a proposal may indicate a set of secondary outcomes which result from the proposal, to include in a program evaluation of the broader impact.

Forms of social impact investment

SII include any structure reflecting the above SII principles and are not limited to SIBs.

OSII encourages proponents to consider the most appropriate investment structure to support their proposal, including investments financed through debt, equity and/or philanthropy.

OSII seeks to deliver a range of SII models in NSW, with structures designed to be the most appropriate to the context and characteristics of the investment. To date, NSW has delivered nine SII: five social impact bonds, and four payment-by-results arrangements. For clarity, the definitions of these SII structures are provided in the Glossary and reproduced below:

- Payment-by-Result (PbR) contract: An outcome-based contract where the service provider is paid based on the outcomes achieved. Under this contract, risk is shared between the funder (e.g. government) and the service provider.
- Social Impact Bond (SIB): a financing mechanism to enable service providers to enter into outcome-based contracts with government. SIBs raise private investor capital to finance upfront service delivery costs and share in the financial risk of service providers achieving the targeted outcomes.

The above SII structures will be considered as part of this tender. Other models will also be considered based on their merit. SII structures will also be considered and refined during the Joint Development Phase.

Proposal requirements

This section outlines:

- who is eligible for this tender
- how much funding is available
- what services / programs are being sought
- how proposals will be assessed
- lodgement details.

Who is eligible to apply?

To be eligible to apply under Tender 1 of the Social Impact Outcomes Fund, your organisation must satisfy each of the below criteria:

- be a job focused social enterprise (see definition [below](#))
- be able to operate the proposed service / program in NSW
- be a legal entity (or entities in the case of a joint proposal or consortia) with the capacity to contract and not be a sole trader
- have an Australian Business Number and be registered for GST.

What is a job-focused social enterprise?

To be eligible as a job-focused social enterprise, your organisation must satisfy each of the below criteria:

- 1) Be a social enterprise, defined as a business that trades primarily for a defined social purpose consistent with a public and/or community benefit
- 2) Exist to provide employment, or pathways to employment, for those most disadvantaged in the labour market
- 3) Have a dedicated wrap-around support function for people experiencing barriers to mainstream employment.

Further eligibility considerations

For the avoidance of doubt, NSW Government entities – including departments, agencies, and state-owned corporations – and local councils are ineligible to apply.

Proposals may be submitted on behalf of a consortium. The lead service delivery organisation (that is, the organisation who will enter into an outcomes-based contract with NSW Government) must be eligible based on the criteria above.

If your organisation, or in the case of a consortium any of the consortium members, is a provider under a government services contract (e.g. an employment services contract with the Commonwealth Government under Workforce Australia), you must warrant that your organisation is able to enter a contract to deliver the services you are proposing under this Tender.

A commitment to diversity and inclusion

NSW is made up of a diverse community with different needs and NSW Treasury is committed to understanding and involving the voices of these communities that we serve. This commitment is set out in the NSW Treasury [Reconciliation Action Plan](#), [Disability Inclusion Action Plan](#) and [Gender Equality Action Plan](#).

We seek to partner with aligned organisations with inclusive and accessible management and employment practices, as well as service delivery. For the purposes of Tender 1 under the Social Impact Outcomes Fund, these include, but are not limited to, job-focused social enterprises that are also Aboriginal community-controlled organisations, support people with a disability, and are women-led.

What funding is available?

The NSW Government is looking to fund multiple initiatives delivered in NSW from a total funding pool of up to \$5 million for this tender round. Funding proposals can be for varying amounts. The NSW Government is not obligated to exhaust the total funding pool and reserves the right to amend the amount at any time as required.

Additional funding to successful contracts may be provided to extend the initiative if all of the following is satisfied:

- the initiatives are proven to be effective
- there is continued demand for the initiatives
- initiatives continue to provide value for money
- more / additional funding becomes available.

To deliver what?

To deliver economic wellbeing outcomes for women facing disadvantage across the State through an outcome-based contract. The proposal must demonstrate that it was designed with and for women.

All participants of your program / service must be women – that is, any person who holds that particular gender identity.

Proposals must be for contracts with a minimum duration of 2 years.

How will my proposal be assessed?

A panel of representatives from NSW Government will assess applications.

All applications received for this tender will be assessed against eligibility requirements and the following assessment criteria:

Assessment criteria	Weighting	Proposal Questions
Eligibility	Pass / Fail	
Service offering: Suitable and clearly defined target cohort,	25%	1, 2

and clearly articulated referral process. Well-developed service delivery model for the target cohort, demonstrating additionality and innovation.		
Social impact: Clear definition of the social outcomes proposed to be achieved through the funding sought, including quantifying the impact the service will have on its target participants, with supporting evidence and data sources.	25%	3
Community engagement: Evidence of local research, knowledge and/or experience to engage with communities. Understanding of existing needs and how to deliver the proposed service and outcomes in a culturally respectful and appropriate manner.	10%	5
Organisational capability: A strong team with experience, systems and culture to successfully deliver the proposed service and target outcomes, measure and report on those outcomes, manage risks of an outcome-based contract and foster collaborative partnerships.	20%	5
Value creation for NSW: The proposal delivers value for money. Clear evidence the proposal delivers social and economic value to its participants and the State. NSW Government's fiscal benefits are measured by the expected government service usage reduction/avoidance resulting from the proposed service / program.	20%	4

Lodgement details

How do I submit my proposal?	<p>Tenderers must register a Supply Hub account and submit their proposal on www.tenders.nsw.gov.au in order to receive access details.</p> <p>Lodgement by any other method will not be accepted.</p> <p>Electronically submitted files must be free from viruses and should be checked using an up to date virus-checking program before submission.</p> <p>The NSW Government may decline to consider a proposal that cannot be effectively evaluated because it is incomplete or corrupt.</p> <p>Proponents must complete all of the proposal document and must not amend any of the questions provided. Prices, responses and other information provided in the proposal must be in writing and in English. The quoted price must be in Australian dollars and exclusive of GST.</p>
Is there a word limit?	<p>Proposals must respond to all the specified Proposal Questions. The word limit is specified under each of the questions and any content over the word limit will not be assessed.</p>

	<p>The word limit excludes the spreadsheet which should be attached separately.</p>
<p>Is there a preferred format?</p>	<p>Tenderers must submit an electronic copy of their submission in a Microsoft Office compatible format (e.g. '.docx' and '.xlsx' formats) or pdf format.</p>
<p>When is the closing date?</p>	<p>Proposals (including all supporting information, if any) must be lodged by 5.00 PM AEST on 12 September 2022.</p> <p>Late proposals will not be considered except where OSII is satisfied that the integrity and competitiveness of the tender process has not been compromised. OSII will not penalise any proponents whose proposal is received late if the delay is due solely to mishandling by the NSW Government.</p> <p>The NSW Government may, in its absolute discretion, extend the closing date and closing time of this tender.</p>
<p>Can I submit more than one proposal?</p>	<p>A proponent may submit more than one proposal, and each proposal will be considered independently.</p> <p>Intermediaries and consultants are permitted to be party to more than one proposal, provided there are adequate processes in place to manage conflicts of interest.</p>

Process and governance

This section outlines:

- the process for developing and implementing an SII
- the governance of the SII development process.

Social impact investment development process

The process for developing and implementing a SII with the NSW Government involves several stages. Indicative timings are outlined below. These are included to support proponents' understanding of the process timeframe and should be treated as a guide only.

The speed at which successful proposals progress through these stages will be guided by several factors, including the maturity and scale of the proposal, community engagement required and available resources.

Market sounding

During April and May 2022, OSII conducted various engagements with the SII market, including direct discussions and roundtables with the following types of organisations:

1. social impact intermediaries that have direct experience supporting social enterprises
2. philanthropic organisations that have an interest in partnering with NSW Government on outcome-based contract arrangements
3. job-focused social enterprises that have interest and/or experience in supporting women's economic wellbeing through an outcomes-based contract arrangement.

These engagements provided the opportunity for the market to ask questions and provide feedback to shape the tender parameters as outlined in this document. OSII has published all [market sounding materials](#), including a briefing pack and a wrap-up of Q&As arising from those engagements.

Request for proposal

The purpose of this Request for Proposal (RFP – as outlined in this current document) is to select the most appropriate partners for this tender opportunity to work with the NSW Government to develop SIIs. Proposals will be evaluated against the assessment criteria outlined above. The NSW Government intends to announce successful applicants by October – November 2022.

Stage 1 – Shortlist of proponents

- Once the RFP has closed, OSII and relevant government agencies will conduct initial assessment of proposals against eligibility and assessment criteria and shortlist proponents to progress to Stage 2.

Timing: ~2 weeks

Stage 2 – Additional information and selection

- Shortlisted proponents may be asked to attend an interview with OSII and relevant government agencies to discuss aspects of the proposal.

- Shortlisted proponents may be asked for reference checks if required by OSII and relevant government agencies.
- OSII will conduct specific data analysis bespoke to the parameters provided by proponents and proposals, including benefit estimations to determine the proposal's value creation for NSW.
- OSII and relevant government agencies complete final assessment and select successful proponent(s) to progress to the Joint Development Phase
- OSII and relevant government agencies notify outcome to all proponents and provide feedback to unsuccessful proponents.

Timing: ~4 weeks

Joint Development Phase (contract negotiation)

The purpose of the Joint Development Phase (JDP) is for successful proponents, OSII and relevant government agencies to determine if value for money is satisfied and jointly develop and negotiate terms to the level of detail suitable for contracting.

This includes refining details of the proposal including referral process, outcome metrics, payment schedule and investment structure including risk sharing and appropriate returns.

Proponents may also connect with external intermediaries or advisors to obtain legal, financial, technical or other advice as required.

If the JDP is successful, contractual terms will be formulated and agreed by parties, subject to authorisation from Treasurer and/or relevant Minister. If approved, the proponent(s) will then enter an outcome-based contract with NSW Government, through its relevant agency.

Timing: ~2-3 months

Governance

The proposal process will be overseen by the NSW Social Impact Investment Steering Committee, an interagency governance group that oversees the work of OSII. The committee includes executives from the following government agencies:

- NSW Department of Communities and Justice, including Corrective Services NSW
- NSW Department of Education
- NSW Department of Premier and Cabinet / NSW Aboriginal Affairs
- NSW Ministry of Health
- NSW Treasury, and icare.

OSII will appoint and convene the assessment panel to assess proposals received through the RFP against the assessment criteria set out in this document. During the assessment process, the assessment panel may ask proponents to clarify aspects of their proposal or provide more information. The assessment panel may also contact other government agencies to verify a proponent's capability. The assessment panel will then submit an assessment report to the NSW SII Steering Committee, which may recommend that two or more proposals proceed to a Joint Development Phase. Subject to the progress and outcome of the Joint Development Phase, the NSW SII Steering Committee may then recommend to the Treasurer and/or relevant Minister that the NSW Government, through its relevant agency, enter into an outcome-based contract with two or more proponents.

Target policy area and outcomes

This section outlines:

- the target policy area of economic wellbeing, including the current state and key barriers
- the target cohort
- an outcome measurement framework.

Economic wellbeing

The COVID-19 pandemic has had a significant impact on all aspects of life in NSW. Moreover, it is evident that particular groups are more vulnerable to the withstanding impacts. In particular, women are facing additional economic and social challenges given the gender inequalities that exist more broadly in our society.

Women, on average, earn less, save less, are more likely to be employed in the informal sector and in insecure work, continue to shoulder the weight of unpaid care and domestic responsibilities, are under-represented in leadership and decision-making, and are at increased risk to isolation, violence and abuse.² All of which heightens economic insecurity.

These challenges are exacerbated for women with experience of disadvantage and discrimination, such as younger and older women, those living with a disability, Aboriginal and Torres Strait Islanders, those from lower socio-economic backgrounds and culturally and linguistically diverse women.

As the economy and society continues to recover from the pandemic, indicators of women's economic opportunity and advancement reveal that progress still needs to be made. There is a risk that growth becomes uneven with widening gender gaps as marginalised women become entrenched in long term disadvantage.

The NSW Government is committed to ensuring that women and girls are not left behind in the post-pandemic recovery.

Supporting women's economic wellbeing has long term benefits to not only themselves but to families and communities, business, and to the economic prosperity of NSW. It requires targeted action to support education and skills development, increase opportunities in enterprise, support women's labour force participation, champion women's leadership and ensure their financial security is protected for a prosperous and more equitable future.

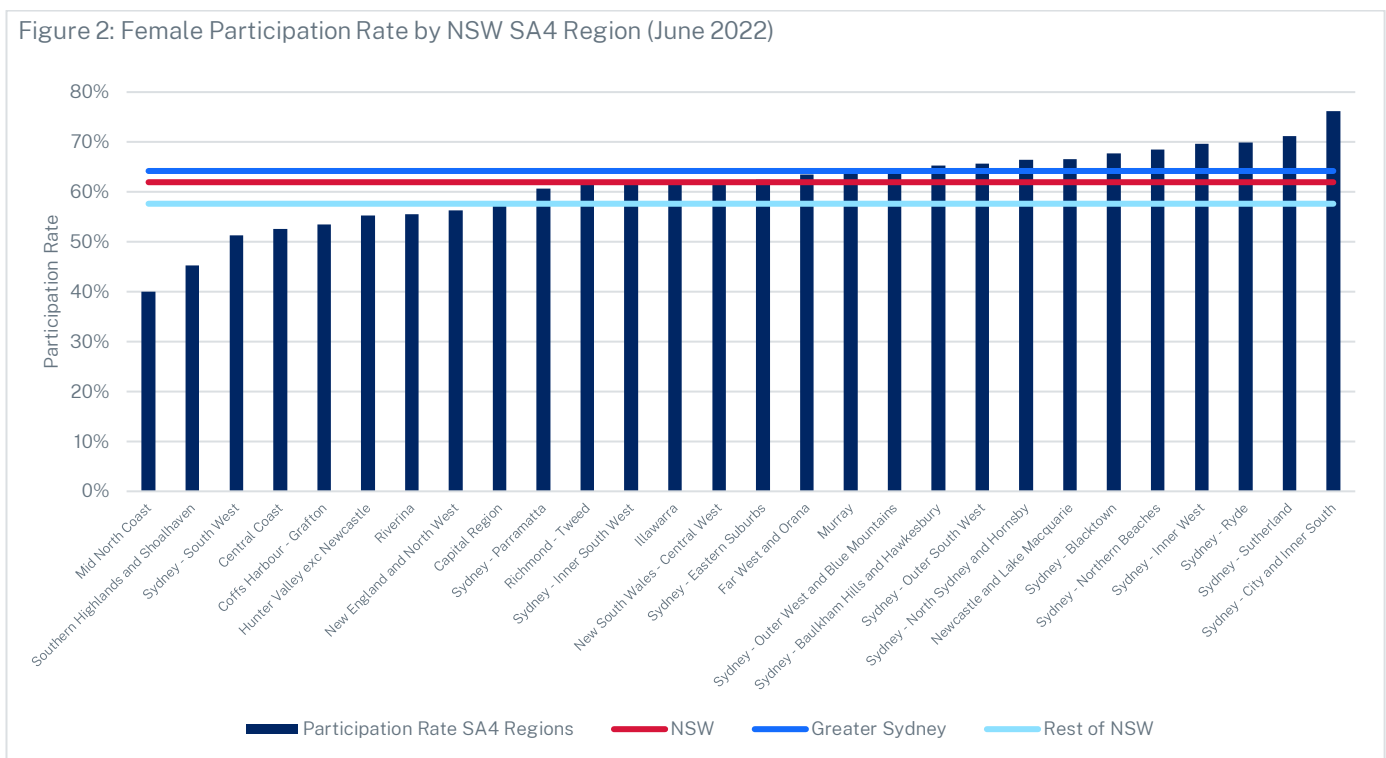
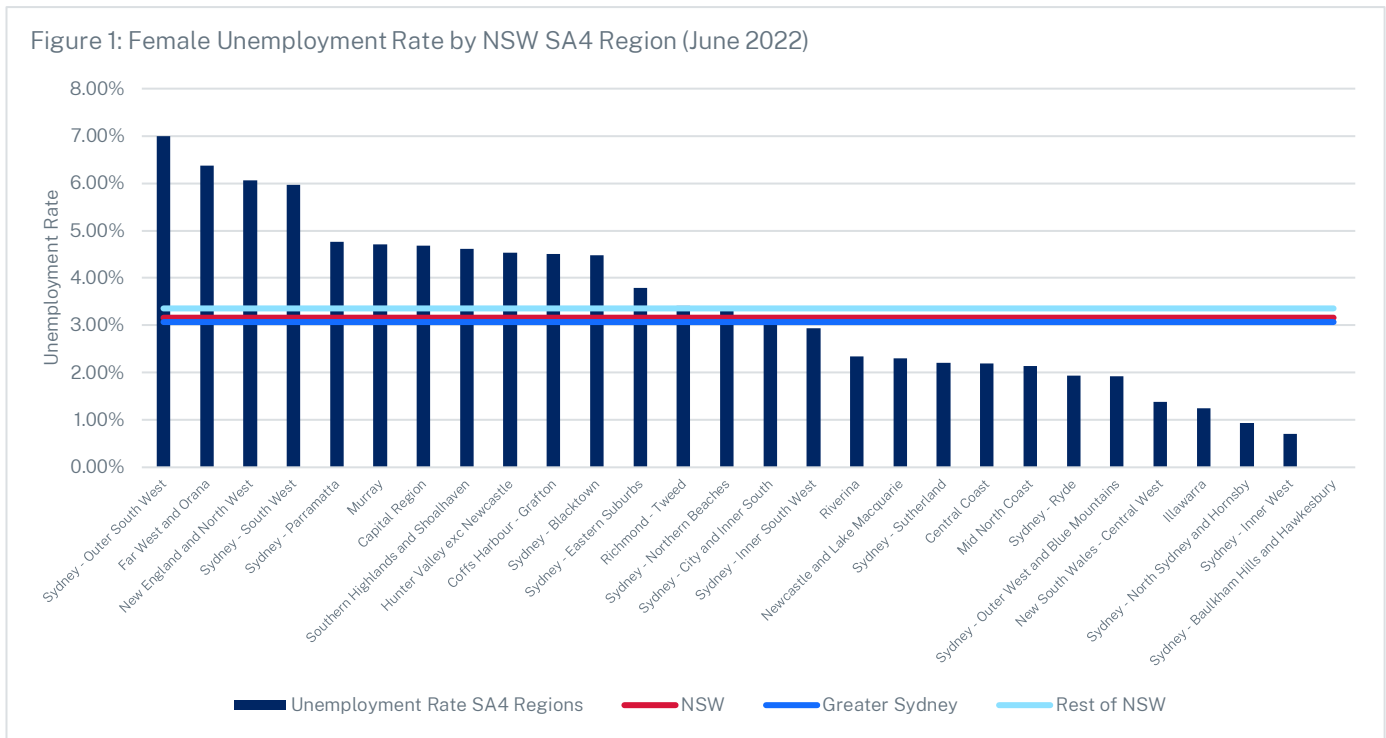
The purpose of this SII opportunity is to fund services / programs that aim to advance the economic wellbeing for women who, even before the pandemic hit, faced increased barriers to individual economic security, independence and workforce participation. We are seeking solutions that are not only for women but that are driven by women. Through the programs funded and taking a SII approach, we seek to learn what works best for specific groups of women, what barriers they face and what supports have the largest impact. In doing so, this can inform future efforts as governments work towards equitable opportunity, access, and security for women.

² Gendered impact of COVID-19, Workplace Gender Equality Agency, May 2020, www.wgea.gov.au/publications/gendered-impact-of-covid-19

Current state of women’s economic wellbeing

Employment and financial security are interrelated and critical contributors to women’s wellbeing across the course of their lives.

Opportunities for women’s economic opportunity exists all over NSW, and OSII is open to considering proposals in different geographic areas across the state which support a range of cohorts. It is important however that proposals consider the case for SII in a proposed geographic area and accounts for the level of economic advantage or opportunities by location. Figure 1 and Figure 2 below outline potential geographic areas where the greatest impact can be made, specifically those with higher female unemployment and lower labour force participation.



Women participation in the paid workforce continues to increase but remains lower than men. In NSW, the workforce participation rate is 61.8 per cent for women and 70.4 per cent for men, an 8.6 percentage point difference.³ This equates to about 300,000 fewer working-age women in the workforce than if they participated at the same rate as men.

To indicate the potential size of this opportunity, lifting the rate of women's paid workforce participation to equal men's over the next 20 years would increase employment growth and lead to an NSW economy that is 8 per cent larger by 2061 – equivalent of increasing household income by \$22,000 (in 2019–20 dollars).⁴

Compared to the average unemployment rate for women in NSW of 3.2 per cent in June 2022, rates of unemployment are higher among younger women (6.0 per cent)⁵, women in regional and remote areas (for instance 6.4 per cent in the Far West and Orana region of NSW) and women from lower socio-economic backgrounds (4.4 per cent)⁶. Historical data indicates that rates are exacerbated for diverse cohorts of women, such as those living with a disability (9.4 per cent in 2018 compared to the rate for women with no reported disability of 4.9 per cent)⁷, Aboriginal and Torres Strait Islanders (17 per cent in 2016 compared to the rate for all women of 6 per cent)^{8, 9}, and culturally and linguistically diverse women (8.7 per cent in November 2019 compared to the rate for all women of 4.7 per cent)¹⁰.

Supporting women's engagement in the workforce is also critical to address labour shortages across many industries, helping to ease supply constraints. This will also lift the State's economic productivity by ensuring we do not lose the benefit of women's education, skills, creativity and enterprise. The number of jobs vacancies reported in NSW rose by 83 per cent in the past two years, from 79,300 in February 2020 to 145,100 in May 2022.¹¹

Further, despite the prevalence of small businesses in NSW, only one-third of these businesses are owned by women.¹²

Key barriers to employment and economic wellbeing

Women hold a central and invaluable role in our communities however, for many, systemic and structural inequalities based on gender and race have put up barriers to attaining and sustaining appropriate forms of employment.

Figure 3 below reveals the main reasons preventing women from looking for work or for more hours. Women also identified being able to vary / work part time hours, getting a job that matches skills or availability of training to improve skills, and access to affordable childcare as the most important incentives to workforce participation.¹³

³ Labour Force, Australia, ABS Cat No 6202.0, Table 4. Labour force status by Sex, New South Wales, June 2022.

⁴ NSW Treasury, 2021-22 NSW Intergenerational Report, 2021, www.treasury.nsw.gov.au/sites/default/files/2021-06/2021-22_nsw_intergenerational_report.pdf.

⁵ Labour Force, Australia, Detailed, ABS Cat No 6291.0.55.001, LM1 - Labour force status by Age, Greater Capital City and Rest of State (ASGS), Marital status and Sex, New South Wales, June 2022 (Female, Age 15-24)

⁶ Labour Force, Australia, Detailed, ABS Cat No 6291.0.55.001, LM1 - Labour force status by Age, Greater Capital City and Rest of State (ASGS), Marital status and Sex, New South Wales, April 2022 (Female, SA4 Regions with lowest ranking of Index of Relative Socio-economic Disadvantage)

⁷ Disability, Ageing and Carers, Australia: Disability and the Labour Force, ABS Cat No 4430.0.30.002, 2018

⁸ Census of Population and Housing, 2016 ABS Cat No 2071.0 Table 20 Labour Force Status by Age, Aboriginal and Torres Strait Islander people (Female, Age 15 – 64)

⁹ Census of Population and Housing, 2016 ABS Cat No 2071.0 Table 2. Labour Force Status by Sex and Age (Female, Age 15 – 64)

¹⁰ Characteristics of recent migrants, Australia, ABS Cat No 6250, November 2019.

¹¹ Job Vacancies, Australia, ABS Cat No. 6354.0, May 2022.

¹² Women NSW, Getting down to business: A profile of women in small business in NSW, 2020.

¹³ Barriers and Incentives to Labour Force Participation, Australia, ABS Cat No 6239.0, 2018-2019

Figure 3: Female main reason not looking for a job or more hours



For the self-employed, key barriers include access to networks and capital. Women are less likely to have formal business growth networks which help set higher aspirations and raise confidence, develop better long-term growth plans, build capability and provide access to funding.¹⁴ Women also often find it harder to raise finance to start and grow a business. Wholly women-led start-ups received just 6.5 per cent of venture capital in NSW in FY2021.¹⁵ This trend is despite evidence that women-led start-ups generate more than twice as much revenue per dollar invested than those companies founded by men.¹⁶ Existing entrepreneurial networks have a significantly smaller proportion of women leading to fewer entry points for women to access equity options such as venture capital.

Further research also reveals how to set women seeking employment up for success. For instance, according to the atWork Australia Job Seeker Wellbeing Index¹⁷, service providers can better support female job seekers by identifying sectors and employers that value connection and view their employees as members of a community. Establishing a personal connection, listening to and appreciating their experiences, and maintaining hope for the future are just some of the ways to address female job seeker needs and support their wellbeing.

Incentives and barriers to employment vary by demographics and should be reflected in the proposals. Resources to support this include:

- The [atWork Australia Job Seeker Wellbeing Index](#) identifies insights on the needs of the different job seekers across key subgroups which can be used by proponents to identify key opportunities to focus on continuously improving participants overall wellbeing.
- The Australian Human Rights Commission 2020 Report *Wiyi Yani U Thangani (Women's Voices): Securing Our Rights, Securing Our Future*, outlines that high unemployment rates and low workforce participation can be due to determinants such as lower levels of educational attainment (sometimes due to limited appropriate training options), ill health and disability (with women also taking on the burden of care, filling the gaps in a system of fragmented with inaccessible services) and history with the justice system.

¹⁴ Organisation for Economic Co-operation and Development (OECD) 2017, Policy Brief on Women's Entrepreneurship, www.oecd.org/cfe/smes/Policy-Brief-on-Women-s-Entrepreneurship.pdf.

¹⁵ Techboard, Female Founder Funding Report 2018-2021, www.techboard.com.au/wp-content/uploads/2021/09/Techboard-Female-Funding-Report-FY2018-toFY2021-1.pdf.

¹⁶ Abouzhar, K, Krentz, M, Harthorne, J, Brooks Taplett, F, 2018, Why Women-Owned Startups Are a Better Bet, Boston Consulting Group, www.bcg.com/publications/2018/why-women-owned-startups-are-better-bet.

¹⁷ atWork 2021, atWork Australia Job Seeker Wellbeing Index: Measuring the Wellbeing of Job Seekers Across Australia, Huber Social, Sydney.

- The *Gari Yala: Gendered Insights Report* identifies barriers that come from workplaces themselves, with Aboriginal women identifying significantly lower levels of support available to them compared to men if they encounter racism, and the lack the appropriate flexibility required due to extensive family and community roles which are rarely recognised.¹⁸
- Key barriers to employment for women who have migrated to Australia and recommendations for employment service providers can be found in the Refugee Council of Australia’s report *Not Working: Experiences of refugees and migrants with Jobactive*¹⁹
- The *NSW Budget 2022-23 Women’s Opportunity Statement* summaries key barriers faced by diverse groups of women with lower levels of workforce participation.
- The *NSW Gender Equality Dashboard* is an interactive tool that makes valuable data collected by Women NSW more easily accessible to researchers, policy and decision makers and the general public.

Proposals under this SII opportunity must take a strengths-based approach, supporting women’s agency and control over their lives. The intersectional experiences of women should be understood and reflected by taking into account their unique experiences and needs.

Target cohort

The target cohort for this SII opportunity are priority groups of women with experience of disadvantage and discrimination. Social determinants and identities which mutually constitute structural disadvantage includes, but is not limited to:

- Aboriginal and Torres Strait Islander women
- women with disability, including mental health conditions
- women from culturally and linguistically diverse (CALD) backgrounds
- women who are single parents
- women aged 50 years and over who are unemployed or at risk of homelessness
- young women between the ages of 16-24 years, specifically those with lower rates of employment or educational qualification
- women experiencing or who are victim-survivors of domestic and family violence
- women who have interacted with the justice system.

Proposals must describe the target cohort, with a preference for proposals designed for a specific group of women as far as possible.

The defined eligibility criteria of your proposed service must reflect the target cohort. All participants must be women – that is, any person who holds that particular gender identity.

Outcome Measurement Framework

Proposals must focus on achieving primary outcomes that advance the economic wellbeing of the target group of women. This includes greater access to employment for disadvantaged groups (sustainable jobs), building individual capacity (education and skills) and increased economic

¹⁸ Evans, O, 2021, *Gari Yala (Speak the Truth): gendered insights*, Workplace Gender Equality Agency Commissioned Research Report in partnership with the Jumbunna Institute of Education and Research and Diversity Council Australia, Sydney, Australia

¹⁹ Tahiri, S 2017, *Not Working: Experiences of refugees and migrants with Jobactive*, Refugee Council of Australia

opportunity (entrepreneurship and training for in-demand industries).

Potential indicators that could be used to measure and pay for these outcomes include:

Table 1: Outcome Measurement Framework

Outcome Domain	Outcome	Indicator	Milestone Payment Metric	Outcome Payment Metric
Economic	Greater access to employment for women experiencing disadvantage	<ul style="list-style-type: none"> – Increase in employment rate and/or hours worked 	<ul style="list-style-type: none"> – Number of completions of pre-employment / job-readiness training 	<ul style="list-style-type: none"> – Number of participants being placed in meaningful jobs and achieving sustained 26- and 52-weeks employment outcomes²⁰ (above the baseline), and transitioning to mainstream employment (if applicable) – Number of hours worked in full-time, part-time or casual work
	Progress is made towards closing the gender pay gap	<ul style="list-style-type: none"> – Increase in disposable income / reduction in welfare payments – Increase in employment income through finding work at a higher pay level, during or after participating in the program 		<ul style="list-style-type: none"> – Average gross annual earnings of full-time, part-time, or casual employees
	Women are equipped to meet in-demand skills for the future of work	<ul style="list-style-type: none"> – Increase in the number of job-readiness training commenced and completed 	<ul style="list-style-type: none"> – Hours of work experience achieved – Hours completed in an industry mentorship 	<ul style="list-style-type: none"> – Number of completions of recognised vocational training (above the baseline)
	Greater gender diversity in traditionally 'male dominated' sectors	<ul style="list-style-type: none"> – Increase in the number of apprenticeships and traineeships completed – Increase in the rate of work experience achieved and connections made with employers and mentors 	<ul style="list-style-type: none"> – Number of completions of pre-employment / job-readiness training – Number of completions of relevant industry-specific courses 	<ul style="list-style-type: none"> – Number of participants commencing and completions of apprenticeships and traineeships (above the baseline)

²⁰ We define employment as paid employment for one hour or more in a week at a rate equal to or greater than the minimum Award wage (though this may differ for those that are self-employed). Employment outcomes must only include those for participants in the program and not include other people in your social enterprise that are not from the target cohorts (see above). Achieving sustained employment outcomes can include participants either directly employed by your social enterprise or employed by another organisation (including self-employment) as a result of your social enterprise's support.

Outcome Domain	Outcome	Indicator	Milestone Payment Metric	Outcome Payment Metric
	Women-led social enterprises grow and thrive	– Increase in enterprises created	– Number of completions of incubator / accelerator programs for entrepreneurship	– Number of start-up enterprises created and generating revenue (or relevant metric towards running a business)
Education and Skills	Women facing disadvantage develop the skills and qualifications they need to enjoy active and productive lives	– Increase in the number of vocational training commenced and completed	– Admission rates into university or TAFE – Increase in minimum standards of literacy, numeracy, financial literacy, and IT skills	– Number of completions of recognised vocational training (i.e. Certificate III and above)

These outcomes and milestones reflect that enabling people to actively participate in and benefit from the economy is what underpins a person’s economic wellbeing. **However, we are flexible to what economic wellbeing means to your cohort and community and are open to considering different definitions and domains** – please outline them in your proposal.

Note that the payment metrics outlined above would require the service provider to collect evidence to measure and verify performance. OSII will also work with proponents who proceed to JDP to explore what government data sources are available to make the outcome verification process more streamlined.

Additional information is available in OSII’s research paper [*Review of outcome-based employment programs*](#) which explores how different outcome-based employment programs nationally and globally define, measure, and pay on employment outcomes.

The NSW Government acknowledges that wider social outcomes are enabling factors to support the achievement of economic opportunity outcomes. The inclusion of secondary outcomes for program evaluation purposes can be included in proposals and further developed in JDP. These may include:

- Physical and mental health outcomes, including greater access to relevant health services leading to long-term reduction in acute care and hospital admissions
- Housing outcomes, including access to safe and stable housing and an increase in successful transitions from crisis Specialist Homelessness Services to long-term accommodation
- Safety outcomes, including access to domestic and family violence services and a reduction in re-offending or reincarceration rates
- Community services outcomes, including improved accessibility to affordable food, transport, childcare, housing and medical services and required work clothing and technology / equipment
- Wellbeing and connection outcomes, such as increased connectedness to community and culture, increased levels of confidence, being proud of one’s achievements, being heard and respected by others, having a sense of purpose and increased skills to build healthy relationships.

Developing a social impact investment

This section outlines:

- guidance on outcome-based payment structures
- guidance on NSW Government benefits for SII suitability.

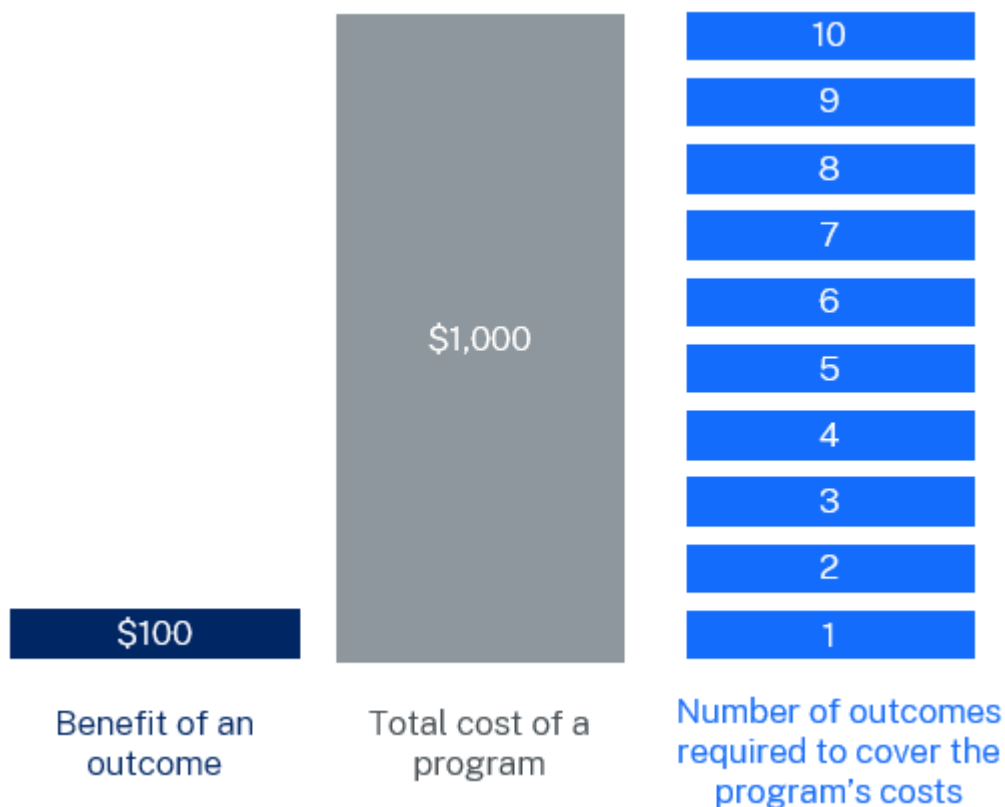
Guidance on outcome-based payment structures

As indicated in this tender, SII provides an approach for funding and delivering services using an ‘invest to save’ philosophy. This means, a program’s total costs should be at least covered, if not exceeded by the estimated benefits that the program will deliver.

The benefits delivered by a proposal are based on the estimated savings that each outcome it achieves generates through lower or avoided NSW Government service usage - such as usage of justice, health, child protection, homelessness and/or social housing services.²¹

For a simple example, Figure 4 illustrates that if the benefit delivered by an outcome is \$100 and a program cost \$1,000 to deliver, the program would need to achieve at least 10 outcomes to cover its costs.

Figure 4: Outcomes required to cover program costs



²¹ Note: when determining the value of an outcome that is used in an SII, the NSW Government may retain a portion of the expected savings.

Three common payment structures are outlined below.

1. Payment structure: outcome payments only

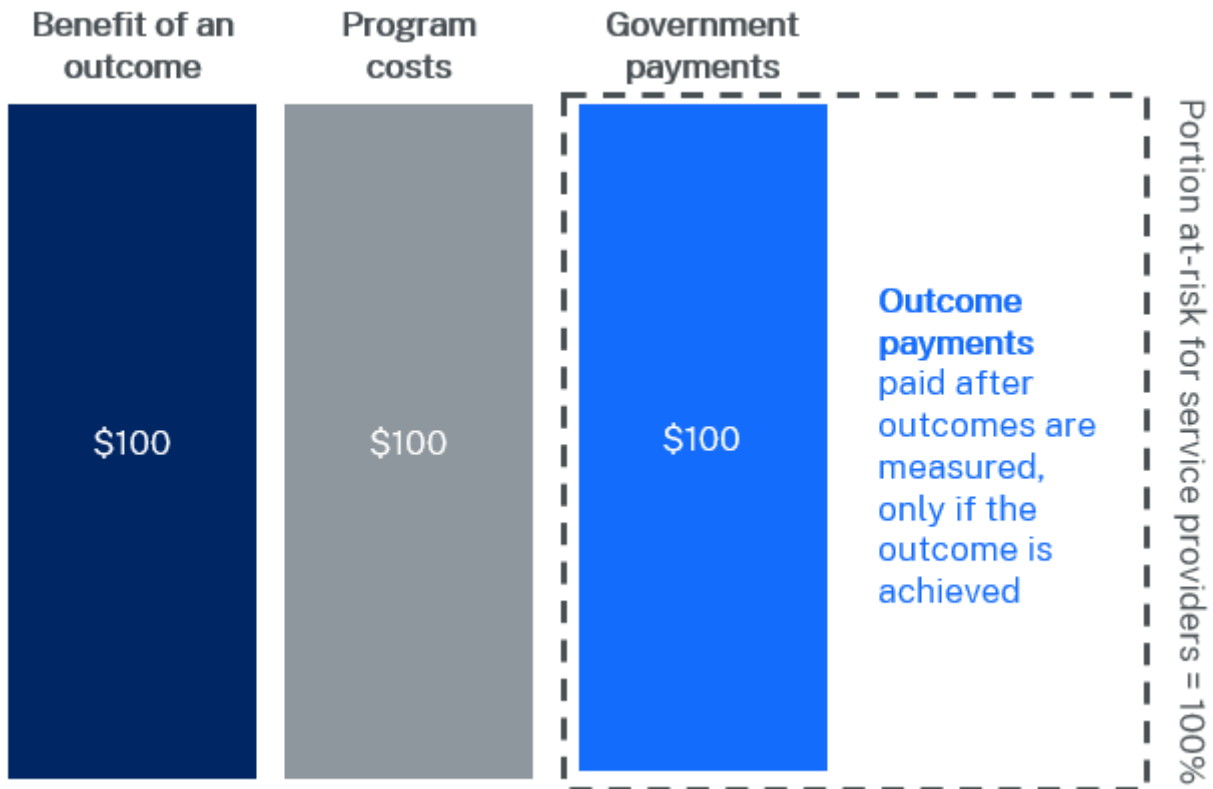
SIIIs are designed, measured, and paid with outcomes at the centre. Under a ‘pure’ outcome-based structure, Government payments are only made when outcomes are achieved.

This means that the service provider is required to cover its program costs up until the outcomes are measured, verified and paid on. In doing so, they take on the risk that the outcomes may not be achieved (i.e. the performance risk).

The risk that the service provider takes on will be reflected in the return generated above program costs if it achieves its intended outcomes. In the examples below, for simplicity it is assumed there is no return above program costs.

For example, the benefit delivered by an outcome is \$100. A program costs \$100 to deliver and is seeking to achieve one outcome. The service provider pays for program delivery until the outcome is measured. If the outcome is achieved, Government pays the service provider the benefit of the outcome (\$100). If the outcome is not achieved, the program does not receive an outcome payment and recover its costs.

Figure 5: Government outcome payments only



2. Payment structure: advance and outcome payments

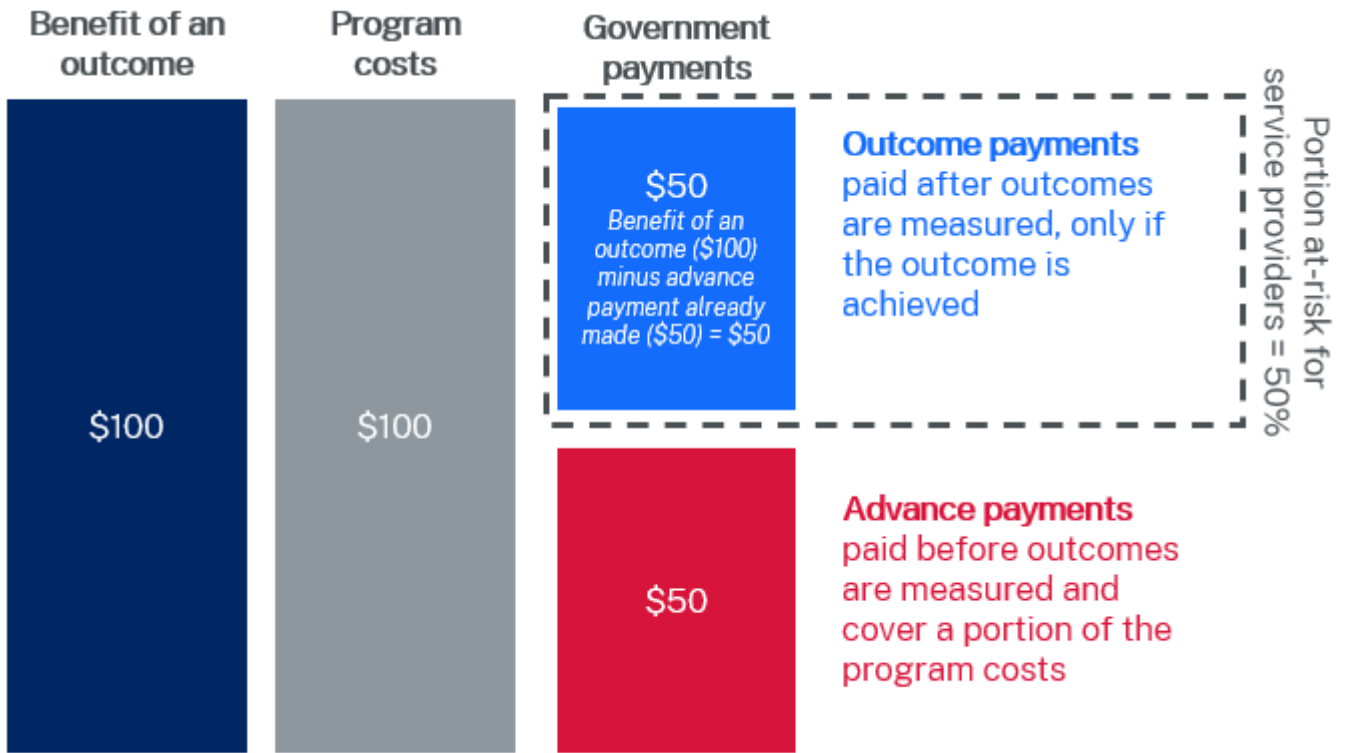
Advance payments can be used to reduce the risk that a service provider takes on and improve cash flow by introducing earlier government payments. Advance payments are paid before outcomes are measured, verified, and paid on (either upon commencement of service delivery or periodically throughout a contract term). These payments cover a portion of the program’s expected costs and are not contingent on performance.

Outcome payments for any outcomes achieved are reduced by the advance payments already made. Specifically, the **total government payments are determined as follows:**

<p>Advance payments - <u>paid before outcomes are measured</u>, and cover a portion of the expected program costs</p> <p>PLUS</p> <p>Outcome payments - <u>paid after outcomes are measured and achieved</u> based on the total benefits delivered by the outcomes achieved less the advance payments already made</p>

For example, the benefit delivered by an outcome is \$100. A program costs \$100 to deliver and is seeking to achieve one outcome. A \$50 advance payment is paid by Government before the outcome is measured to cover a portion of the program’s costs. The remaining costs are covered by the service provider until the outcome is measured. If the outcome is achieved, an outcome payment of \$50 (\$100 less \$50 advance payment) is paid by Government to the service provider. If the outcome is not achieved, the service provider does not receive the \$50.

Figure 6: Government advance and outcome payments



3. Payment structure: advance, milestone and outcome payments

Milestone payments can further reduce the risk that a service provider takes on and support cash flow by shifting a portion of the payments to be made earlier. Milestone payments are based on metrics that are early indicators that the program is on track to achieving its target outcomes. For example, the completion of job readiness training, before achieving sustainable employment.

Outcome payments for any outcomes achieved are reduced to reflect the advance and milestone payments already made. Specifically, the **total government payments are determined as follows:**

Advance payments - paid before outcomes are measured and cover a portion of the expected program costs

PLUS

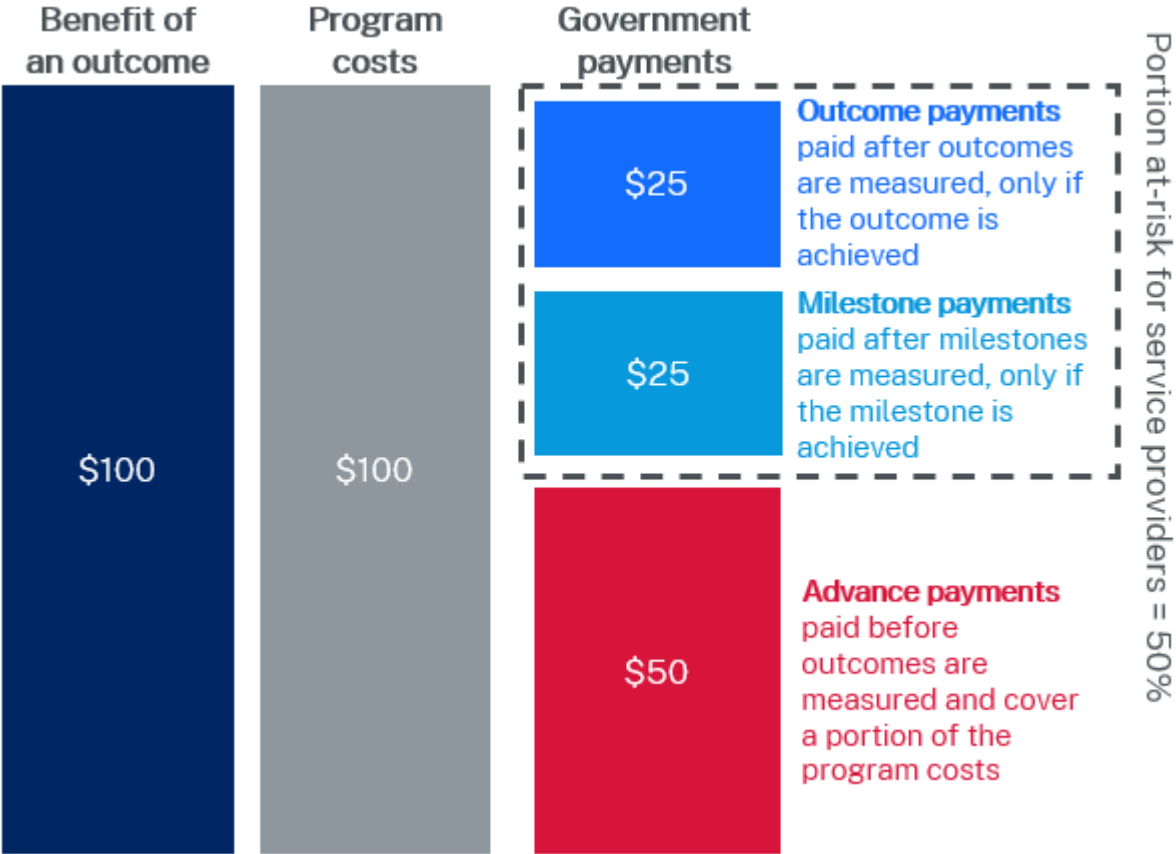
Milestone payments – paid after milestones are measured and achieved, based on an agreed price for each milestone that is achieved

PLUS

Outcome payments - paid after outcomes are measured and achieved, based on the total benefits delivered by the outcomes achieved **less** the advance and milestone payments already made

For example, the benefits delivered by an outcome is \$100. A program costs \$100 to deliver and is seeking to achieve one outcome. A \$50 advance payment is paid by Government upfront to cover a portion of the program’s costs. The remaining costs are covered by the service provider until the milestone and outcomes are measured. If the milestone is achieved, a milestone payment of \$25 is paid. If the outcome is achieved, an outcome payment of \$25 (\$100 minus \$50 advance payment minus \$25 milestone payment) is paid. If the milestone and/or outcome is not achieved, the service provider does not receive these additional payments. While the portion at risk is the same as in Figure 6, the level of risk is lower as milestone payments occur earlier and are generally expected to have a higher probability of being achieved.

Figure 7: Government advance, milestone and outcome payments



Guidance on NSW Government benefits for SII suitability

For SIOF Tender 1 use only

Indicative benefits are provided to assist you to benchmark your expected program costs against the estimated benefits your proposal will deliver in terms of lower or avoided future NSW Government service usage – that is, the future cost savings that will be generated by the outcomes that your proposal will achieve. This section aims to provide guidance on whether your proposal is suitable to be funded as an SII.

For a service / program to be suitable to be funded as an SII, the estimated benefits to the NSW Government must be greater than the government payments (upfront, milestone and outcome) required to cover the total cost of delivering and financing (if relevant) the proposed service / program.

The benefits in Table 2 provide indicative guidance on the difference, on average, in costs to the NSW Government between an employed person and an unemployed person, based on the working age population who identifies as female. This difference in costs reflects, at a high level, the benefit to NSW Government per person who sustains employment – arising from future costs reduced or avoided across health, housing, justice, child protection and productivity domains.

Table 2: Indicative average benefits per outcome for working age females who have sustained employment

Indicative average benefits to NSW Government per outcome	\$15,000
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We appreciate the average benefit per outcome for your program may differ from the indicative benefit value of \$15,000. When considering the average benefit per outcome for your program, please consider:

- the complexity of your cohort's needs (i.e. sustained employment for those with multiple barriers to employment such as young mothers with experience of domestic and family violence or interactions with the justice system is expected to result in larger benefits). As the benefit in Table 2 relates to the average cost-to-government per person, your magnitude of benefits per client may exceed the \$15,000 value for supporting clients with very complex needs.
- outcomes sought (i.e. services with an education / skills outcome but no employment outcome may derive a benefit value lower than services that will deliver both education / skills and employment outcomes).

OSII will work with proponents proceeding to the Joint Development Phase of the tender process to refine the projected benefits of their program as appropriate.

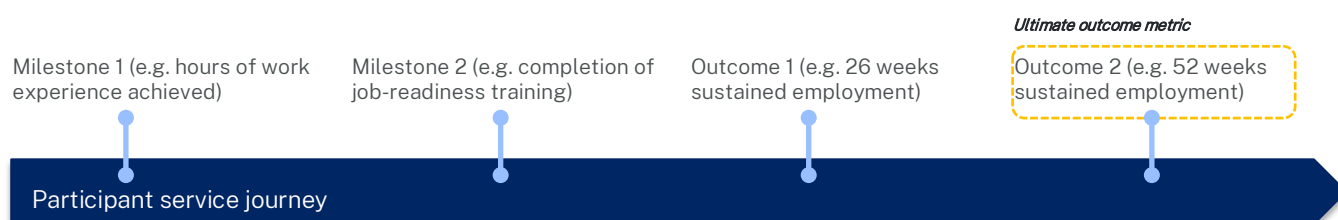
If you find that the total indicative benefits do not cover your proposed costs, you may consider options such as adapting your proposal or funding partnerships (e.g. with philanthropy) to share proposed costs.

How can you incorporate this in your SII proposal?

When developing the payment structure for your program (**Attachment B: Financial template**), the above indicative benefit can be used as a tool to check the suitability of your service / program for funding through SII (indicated if the estimated government benefits exceed the projected costs of your service / program).

For example: You anticipate that \$15,000 in benefits per outcome will be delivered to the NSW Government if your cohort achieves 52-weeks sustained employment. Your target is to ultimately achieve 50 people attaining 52-weeks sustained employment outcomes (out of 100 program participants). The estimated total benefits delivered by your program = 50 x \$15,000 = \$750,000. Your program costs = \$500,000, which is less than the estimated benefits, therefore indicating suitability for SII funding.

The diagram below illustrates what is meant by ultimate outcome.



The total amount of NSW Government payments under the outcome-based contract, including any advance, milestone and outcome payments will be based on the NSW Government benefits from the outcomes being achieved.

As stated above, the benefits in Table 2 are derived from the difference in government costs between an individual being employed and unemployed. However economic wellbeing outcomes other than employment may be sought under this tender, in which case the benefits will need to be adjusted to reflect the relevant outcome.

Legal requirements

Ownership of proposals

All proposals become the property of the NSW Government on submission. The NSW Government may use and make copies of the proposals (including providing access to the tender to any third parties) for any purpose related to this RFP and for the NSW Government's internal procurement purposes.

The proponent's proposal is to be valid for twelve months from the closing date of tender.

Confidentiality

Any information received by the proponent in connection with the tender, in whatever form it is received, is confidential to the NSW Government and its relevant agencies. The proponent and its personnel must keep this information confidential and must not use or disclose to any person such information, in whole or in part, except to the minimum extent necessary for the purposes of preparing its proposal and, if successful, subsequently developing its proposal. The proponent may disclose such information to a bona fide independent consultant retained by the proponent for the purposes of preparing or submitting their proposal and the independent consultant must also keep this information confidential.

Without limitation, the proponent will not in any way publicise that they propose to submit or that they have submitted a proposal or the content of any proposed or submitted proposal in response to this tender. The proponent and their personnel must not at any stage make any public statement or in any way disclose information about the tender process or any aspect of that process, including selection for entry into any development phase or the outcomes-based contract under this tender, to any person without the express written permission of the NSW Government.

The restrictions under the above paragraphs do not apply to the extent that:

- the information is generally available to the public (other than as a result of the wrongful disclosure by the proponent or its independent consultants)
- the information is required to be disclosed by any law or under the lawful compulsion of any court, tribunal, authority or regulatory body.

Failure to comply with these confidentiality requirements may be taken into account by the NSW Government when considering the proponent's proposal and may result in the proposal being passed over.

Proponent to Inform Itself

Before submitting its proposal, a proponent must:

- examine the tender and all information relevant to the risks and contingencies and other circumstances having an effect on its proposal
- satisfied itself as to the truth, correctness and sufficiency of its proposal, that the proposal including any price offered is correct and that its proposal covers the tender conditions and all financial and practical matters and things necessary for the due and proper performance and completion of the work described in the tender.

Where a proponent has made assumptions in preparing its proposal, such assumptions must be set out in a supporting statement and submitted with the proposal.

Electronic Responses

A proposal submitted electronically will be treated in accordance with the *Electronic Transactions Act 2000* (NSW), and given no lesser level of confidentiality, probity and attention than proposals lodged by other means.

A proponent, by lodging a proposal (electronically or otherwise), is taken to have accepted conditions shown in the Conditions and rules at www.tenders.nsw.gov.au.

The NSW Government will not be responsible in any way for any loss, damage or corruption of electronically submitted proposals.

Variations of the proposal

At any time after the closing date and closing time, and before the NSW Government accepts any proposal for entry to the Joint Development Phase, a proponent may vary its proposal:

- by providing the NSW Government with further information by way of explanation or clarification but not by way of introducing new information, as noted below
- by correcting a mistake or anomaly
- by documenting agreed changes.

Such variations may be made either at the request of the NSW Government or with the consent of the NSW Government at the request of the proponent, but only if:

- in the case of a variation requested by the proponent to provide information by way of explanation or clarification or to correct a mistake or anomaly, it appears to the NSW Government reasonable in the circumstances to allow the proponent to provide the information or correct the mistake or anomaly
- in the case of a variation to document agreed changes negotiated, the NSW Government has confirmed that the draft documented changes reflect what has been agreed.

If a proposal is varied in accordance with the above provisions, the NSW Government will provide all other proponents whose proposals have similar characteristics with the opportunity to vary their proposals in a similar way.

The NSW Government may refuse a request to vary a proposal. Variations will not be permitted if the NSW Government is satisfied that:

- it would substantially alter the original proposal and would give a proponent an unfair advantage over other proponents
- in the case of a variation requested by the proponent to provide information by way of explanation or clarification or to correct a mistake or anomaly, it would result in the revising or expanding of a proposal in a way that would give the proponent an unfair advantage over the other proponents.

Non-complying proposals

A proposal that does not address the Proposal Requirements stated in this tender document may be considered non-compliant. Before making any determination as to acceptance or rejection of a

proposal, OSII (in its role as compliance assessors) may, provided it is satisfied that the integrity and competitiveness of the tender process has not been compromised, give a proponent of a non-complying proposal the opportunity to rectify any non-compliance.

Acceptance or rejection of proposals

Proponents acknowledge that:

- it is entirely their responsibility to obtain all information necessary or convenient for the preparation of their proposals
- they have not relied on any express or implied statement, representation or warranty as to the truth, accuracy or completeness of the information contained in this tender, or otherwise provided to a proponent by the NSW Government or on the NSW Government's behalf.

It is not intended by the NSW Government, and the proponent should not consider, that the issuing of this tender or a submission of a proposal to it commits, obligates or otherwise creates a legal relationship in respect of entry into a contract with the proponent. Nothing in this tender or in the proponent's proposal obliges the NSW Government to enter into any agreement with the proponent, creates a "process contract" or other implied contract, obliges the NSW Government to consider or accept any proposal, stops the NSW Government from considering a non-complying proposal, or prevents the NSW Government from changing the way it manages this tender or evaluates proposals.

In the event that a court were to find that this tender has given rise to some form of contractual relationship between the State of New South Wales and a proponent, the proponent acknowledges that the State's liability for any breach of the terms of such contract is limited to the proponent's costs of participation in the tender process, and does not include liability for any lost profit, lost opportunity or other losses of the proponent.

The NSW Government is not bound to select any proposal to proceed to the next phase. If the NSW Government rejects all proposals received, it may invite fresh proposals based on the same or different criteria. Selection of a proposal for participation in the development phase will be subject to the issue of a letter of selection to the proponent and entry into a development phase agreement.

Any proposal lodged with the NSW Government will constitute an irrevocable offer by the proponent, which remains open and capable of acceptance until twelve months from the tender closing date.

The NSW Government is not bound to accept the lowest price or any tender proposal.

Acceptance of a proposal or part proposal will be subject to the issue of a letter of acceptance by the NSW Government to the successful proponent and the signing of an agreement by both parties to enter into a Joint Development Phase (negotiations).

If the NSW Government rejects all the tenders received it may invite fresh tenders based on the same or different criteria (specifications and details contained in non-complying proposals will not be used as the basis for the calling of new tenders).

If no tenderer has satisfied the assessment criteria of this procurement, the NSW Government expressly reserves the right to accept, in its discretion any non-complying proposal or part of a non-complying proposal.

Entry into a Joint Development Phase agreement must not be construed as an indication or representation to the proponent by the NSW Government that the proponent will be selected as a

successful proponent and that an outcome-based contract will be entered into with the proponent to give effect to the social impact investment proposed.

The NSW Government will not, in any circumstances, be responsible for any costs incurred by a proponent arising out of or in connection with the tender including without limitation:

- in preparing and submitting a proposal
- participating in a Joint Development Phase (including negotiating the terms of the outcome-based contract)
- not being selected as a successful proponent
- discontinuance of this tender round.

Tender negotiations

Before making any determination as to acceptance or rejection of proposals the NSW Government may, at its discretion, elect to conduct negotiations with preferred or down-selected tenderers, including those who have submitted non-complying proposals, to mutually improve outcomes.

The NSW Government may at its absolute discretion elect to conduct tender negotiations with multiple tenderers in the event that it decides that the closeness of the tenders or timing constraints warrants doing so.

If the NSW Government deems it necessary, the NSW Government may elect to run a Best and Final Offer (**BAFO**) process as part of the tender. BAFO means a final, revised proposal submitted by short listed proponents in response to a request by the NSW Government to improve the quality of their proposal (whether in whole or part).

Communication and clarification

The NSW Government acknowledges that information gaps may exist, and further information may be required by proponents to develop proposals in response to this tender.

Any such queries can be directed to the OSII by email to socialimpactinvestment@treasury.nsw.gov.au. Applicants may request a meeting with OSII during the tender period to discuss the tender requirements. These meetings are not mandatory and any information that arises from these meetings may be disclosed to all applicants by way of an addenda / clarification. OSII will not respond to any questions received after **5.00 PM AEST on 5 September 2022**. Information that OSII can and cannot provide is listed below:

OSII can	OSII cannot
<ul style="list-style-type: none"> • provide general information about social impact investing • provide general information on NSW Government activity and priorities in social impact investing • provide information on RFP processes, timing and requirements • facilitate contact with other NSW Government agencies and market participants • consider and facilitate information and data requests 	<ul style="list-style-type: none"> • develop and implement proposals outside a formal RFP process • give detailed advice or feedback on proposals prior to or during a formal RFP process • advocate or promote potential proponents or their proposals to other government agencies and market participants

Any additional information made available in response to a request will also be distributed to all proponents who have registered an interest in this tender (via www.tenders.nsw.gov.au).

If a question is not of a general nature, but relates to proprietary aspects of a proposal, proponents must identify the question(s) as such. If, in the opinion of the NSW Government, the question is not proprietary in nature, the relevant proponent will be advised and will have the option to withdraw the question(s). If the proponent continues to request a response, the question(s) and the response may be circulated to all proponents of this tender.

Ethical conduct

Proponents must comply with the requirements of the Supplier Code of Conduct, available at: www.buy.nsw.gov.au/policy-library/policies/supplier-code-of-conduct.

Proponents must disclose any findings of dishonest, unfair, unconscionable, corrupt or illegal conduct against them, their directors or management in the proposal document.

Proponents must disclose any conflicts of interests in the proposal document.

A proponent's proposal may not be considered further if a proponent or any of its officers, employees, agents or subcontractors is found to have:

- offered an inducement, rebate, uncommercial/inflated pricing or reward to any public servant or employee, agent or subcontractor of the NSW Government in connection with this RFP or the submitted proposal
- committed “corrupt conduct” within the meaning of the *Independent Commission Against Corruption Act 1998*
- a record or alleged record of unethical behaviour, or alleged unethical or collusive or biased behaviour, or not complied with the requirements of the Business Ethics Statement referred to above
- any findings of dishonest, unfair, unconscionable, corrupt or illegal conduct against them or any actual or perceived conflicts of interests
- not complied with the requirements of NSW Government Procurement Board Direction - PBD 2017-07 Conduct by Suppliers or the Supplier Code of Conduct
- not complied with the requirement to disclose any findings of dishonest, unfair, unconscionable, corrupt or illegal conduct against them, their directors or management, or any conflicts of interests.

The NSW Government may, but is not required to, invite a relevant proponent to provide written

comments within a specified timeframe before the NSW Government excludes the proponent and its proposal on this basis.

If the NSW Government becomes aware of any of the above conduct or an improper conflict of interest by a proponent after relevant agreements have been executed, then the NSW Government reserves the right to terminate any of those agreements.

Probity

The NSW Government has engaged a probity adviser for the duration of the tender process. The probity adviser is not a member of the assessment panel but an independent observer of the assessment process. The probity adviser will not be involved in the assessment of any proposals. Proponents who have any concerns about the conduct or probity of the tender process should, notwithstanding any other restrictions contained in this document, promptly bring their concerns to the attention of the probity adviser.

The probity advisor's contact details are:

Sarah Mullins, Partner

OCM

Email: SMullins@ocm.net.au

Phone: 1300 882 633

Mobile: 0413 443 374

Exchange of information between NSW Government agencies

By lodging a proposal, the proponent will authorise the NSW Government to make information available, on request, to any NSW Government agency. This includes information dealing with the proponent's performance on any prior contract that has been awarded. Such information may be used by the recipient NSW Government agency for assessment of the suitability of the proponent for pre-qualification, selective tender lists, expressions of interest or the award of a contract.

The provision of the information by the OSII to any other NSW Government agency is agreed by the proponent to be a communication falling within section 30 of the Defamation Act 2005 (NSW), and the proponent shall have no claim against the OSII and the State of New South Wales in respect of any matter arising out of the provision or receipt of such information, including any claim for loss to the proponent arising out of the communication.

The provision of the information by the OSII to any other NSW Government agency is agreed by the proponent to be a communication falling within section 30 of the *Defamation Act 2005*, and the proponent shall have no claim against the OSII and the State of New South Wales in respect of any matter arising out of the provision or receipt of such information, including any claim for loss to the proponent arising out of the communication.

The proponent will be given an opportunity to respond if the information received is negative or could be detrimental to a proponent's submission.

Disclosure information

Following the NSW Government's decision, the proponent will be notified in writing of the outcome of their proposal. Details of this proposal and the outcome of the RFP process will be disclosed in accordance with the *Government Information (Public Access) Act 2009*.

The NSW Government may require persons and organisations wishing to access or obtain a copy of this tender or certain parts of it, to execute a deed of confidentiality (in a form required by or satisfactory to the NSW Government) before or after access is granted or a copy is provided.

Regardless of whether a deed of confidentiality is executed in relation to this tender, all persons obtaining or receiving this tender must:

- keep, and must ensure that its representatives keep, the content of this tender and any other information provided to proponents by or on behalf of the NSW Government in connection with the tender confidential; and
- not disclose or use that information except as required for the purpose of developing a response to the tender.

The proponent shall ensure that any of its representatives, or any other person to whom it supplies this tender and any other documents issued in relation to the tender, will, in relation to use of, return of and liability for that material and documentation, be bound by the same terms in or to the same effect as those contained in this tender.

The obligations of the proponent under this section survive termination or expiration of this tender.

Anti-competitive conduct

Proponents and their representatives must not engage in any anti-competitive conduct or any other similar conduct with any other person in relation to their participation in the tendering process. Any breaches of these requirements may result in a proponent being removed from the tender process.

Anti-lobbying, improper interference and solicitation

Proponents and their representatives are prohibited from engaging directly or indirectly in lobbying, improper interference or solicitation of the NSW Government, including but not limited to Ministers, and their advisers, Members of Parliament, public servants and department representatives and NSW Government's advisers with respect to any aspect relating to the proposal process or any activities which are likely to give rise to the perception that they have engaged in lobbying, improper interference or solicitation of the NSW Government or its advisers.

Any breaches of these requirements may result in a proponent being removed from the tender process.

Acknowledgement and disclaimer

Proponents acknowledge and agree that the NSW Government, its officers, employees, advisors and agents:

- make no express or implied representation or warranty as to the currency, accuracy, reliability correctness, or completeness of the information contained in this tender;
- make no express or implied representation or warranty that any estimate or forecast will be achieved or that any statement as to future matters will prove correct; and
- to the extent permitted by law, expressly disclaim all liability arising from information contained in or omitted from this tender or otherwise provided to a proponent.

Proponents acknowledge that, notwithstanding any other provision of this tender, the NSW Government reserves the right:

- at any time, to alter, amend or vary this tender and the process outlined in this tender
- if it is in the public interest to do so, to suspend, discontinue or terminate this tender process or any part of it
- to accept or agree to variation or amendments to a proposal
- to re-advertise for new proposals
- to terminate at any time further participation in the process by any or all proponents
- to amend or terminate the proposal and/or JDP process
- to extend the closing date for RFP proposals
- to extend the closing date for clarification questions
- to require additional information or clarification from any proponent or anyone else, or provide additional information or clarification to any proponent or anyone else
- to allow, or refuse to allow, the successful proponent to enter into the proposed contract in the name of a different legal entity from that which provided a response to this tender
- to invite one or more proponents for an interview as required
- to elect not to select any proponent to proceed to the Joint Development Phase
- to withdraw the formal RFP process
- to alter, amend or vary the terms of any draft contract associated with this tender at any time
- to take such other action as it considers, in its absolute discretion, appropriate in relation to the tendering process.

For the avoidance of doubt, the NSW Government may exercise its rights under this section and elsewhere in this tender at any time and in its absolute discretion, unless this tender or the *Public Works and Procurement Act 1912* expressly provides otherwise.

Addenda to Tender

If, for any reason the NSW Government, at its sole discretion, requires the Tender to be amended before the Closing Date and Time, an addenda will be issued. In each case, an addenda becomes part of the tender.

The NSW Government, during the tender period may issue addenda altering the tender. In such cases, it is the obligation of the tenderer to verify if any addenda were issued prior to the Closing Date, even if a tender has already been submitted.

Proponents must check the web site address, <https://tenders.nsw.gov.au> and download the addenda.

If the addendum is issued after the Closing Date and Time, only proponents of the tender will be notified of the addendum and given an opportunity to amend their proposal.

Clarifications

At any time after the Closing Date and Time and before the NSW Government accepts any responses, the NSW Government may ask the proponent to provide additional information or to clarify any aspect of their proposal and consider the proponent's responses as part of their tenders.

Any instruction resulting from such requests may, at the NSW Government's sole discretion, be issued in writing to all proponents in the form of an addendum, which shall then become part of the tender.

Proponents must provide a response to any questions within two (2) business days or as otherwise requested.

Proponents must not use clarification requests as an opportunity to gain an advantage over other proponents by reviewing or materially enhancing their responses.

Complaints procedure

It is the NSW Government's objective to ensure that industry is given every opportunity to win Government contracts. Should any entity feel that it has been unfairly excluded from response or unfairly disadvantaged by the tender process and in accordance with NSW Procurement Board Complaint Management Guidelines, it is invited to write to:

Chief Procurement Officer
NSW Procurement
The Treasury
52 Martin Place, Sydney NSW 2000
Tel 1800 679 289

NSW Government agencies are responsible for resolving complaints concerning their procurement actions at the appropriate agency level, usually commencing at the area undertaking the procurement. Any complaint will be handled in accordance with *Public Works and Procurement Act 1912* and Procurement Board Complaint Management Guidelines.

52 Martin Place
Sydney NSW 2000

GPO Box 5469
Sydney NSW 2001

W: treasury.nsw.gov.au

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