

7 TASMANIAN INDUSTRY PARTICIPATION PLAN

7.1 TENDERERS ARE REQUESTED TO COMPLETE A TASMANIAN INDUSTRY PARTICIPATION PLAN (REFER PAGE 20 OF THIS TENDERER'S RESPONSE FORM). (SECTION 4, PARAGRAPH 4.12 OF THE SPECIFICATION)

The Tasmanian Government is committed to maximising opportunities for local SME¹ businesses to compete for and win Government procurements. Suppliers/proponents are requested to prepare a Tasmanian Industry Participation Plan:

- For all procurements with a value exceeding \$5 million;
- For nominated procurements (at the discretion of the procuring Government entity) greater than \$2 million and up to \$5 million; and
- For private sector projects valued at over \$5 million that receive support, including in-kind support, valued at or greater than \$500 000 from the Government.

This Plan is your opportunity to demonstrate how your submission will positively impact on the local industry/economy. You do not need to answer all of the questions below and your submission may not necessarily be limited to these issues (which are provided as prompts). You will need to ensure you can verify the information you submit and where possible should provide actual numbers of staff (full-time equivalent)/values of goods and/or services.

For procurements, the Tasmanian Industry Participation Plan is an essential part of your submission and will be used by the procuring entity to evaluate your submission. In these circumstances, the Plan will contribute a minimum of 10% of the procurement evaluation. Suppliers that fail to submit a Plan will receive a zero score in relation to this criterion.

Procurement details

Procurement Reference No.	TRMF 2014-2
Procurement title	TASMANIAN RISK MANAGEMENT FUND – FUND ADMINISTRATION AGENT
Name of Responsible Agency/Entity	DEPARTMENT OF TREASURY AND FINANCE

Supplier details

Name of supplier	Jardine Lloyd Thompson Pty Ltd (JLT)
Contact details for supplier	Level 3, 2-8 Kirksway Place, HOBART, TAS, 7000

Local SME industry impact

What is the direct local impact of your business?

¹ Local SME are Australian and New Zealand businesses employing less than 200 people.

Examples: Are you a local SME (how many people do you employ, where is your business located, what is the ownership)? How many people do you employ in Tasmania? Would any new SME jobs be created by the proposed contract - how many?

JLT is committed to boosting the local economy and supporting job creation and retention in Tasmania.

JLT employs three people in our Tasmanian office located in Hobart. We are not an SME; however, as the FAA provider, we will maximise where possible opportunities to engage local SME business to fulfil the duties as required under the Contract.

- We estimate that, to service the Fund and Agencies' needs appropriately, we will need to create 16 jobs in order to provide the necessary services:
 - 1 x Branch Manager
 - 1 Divisional Broking Manager
 - 2 x Claims Managers
 - 3 x Senior Claims Consultants
 - 3 x Claims Consultants
 - 5 x administration staff to assist with workers' compensation claims administration duties
 - 1 x administration staff to assist with the general claims administration duties.

Goods and services to be utilised in the contract

Identify the goods and/or services you expect to purchase in order to complete the contract and provide the requested information in relation to same, where known.

Identified goods or services	Total estimated value	Name of supplier anticipated to be used (if already determined through existing supply chain arrangements)	Location of supplier (where already determined through existing supply chain arrangements)	If supplier not yet determined, is there a local SME market for same? (Yes/No)
Rental of additional office space (including outgoings)	\$90,000 p.a.			YES
Office fitout (if leased space not suitably fitted), e.g. chairs, desks, filing, signage	\$120,000			YES
1 x additional printer	\$1,295			YES
Additional travel expenses	\$8,000			YES
Training expenses (catering expenditure)	\$12,000			YES
Outsourced printing and graphics	\$5,000			YES
Additional stationery requirements	\$7,500			YES
Secure offsite storage for	\$12,000			YES

claim files				
Staff recruitment	\$10,000			YES
Office cleaners	\$5,000			YES

Opportunity for local SME involvement

Will you source components of your offer from other local SME companies/sub-contractors or is there new work to be undertaken locally as a result of you fulfilling the contract or workers travelling to the local area to undertake the work? How much?

As above, we anticipate that there will be a minimum of 16 new positions established to ensure we fulfil the requirements of the Contract. If appointed, we will in the first instance discuss with the incumbent FAA provider (Marsh) the option of retaining some of their incumbent personnel to occupy the required positions. This will assist with continuity of service and ensure local job retention is maximised.

- We recognise the importance of regional hubs and, where possible, we will source personnel from local SMEs based in Hobart and / or other regional centres. We will promote these opportunities and alert SMEs to them via three principal means:
 - By making direct contact with known service providers
 - By alerting industry bodies
 - Through a more formalised tender process.

What differentiates JLT from our competitors is that the management of claims is an in-house function, rather than being disjointed from the day-to-day service delivery. While some brokers may enter partnerships with insurers to provide services, in the instance that we cannot hire locally we will look to second claims personnel from other JLT offices. This will ensure the services required are delivered by claims personnel who are highly skilled and know our business.

Detail how you intend to identify and engage with sub-contractors and/or other SMEs in relation to the delivery of the contract including your supply chain ie use of existing supply chains, advertising of sub-contracting or supply opportunities, liaison with industry groups and ICN etc.

We acknowledge that the current FAA provider has engaged a number of suppliers in executing their Fund duties. We are committed to maintaining current relationships where it continues to be of the utmost benefit to the Fund and its Agencies.

JLT will work with the Industry Capability Network (ICN) to source the appropriate personnel to fulfil Fund duties. We will also use the services of the ICN to establish relationships with certain industry groups and will implement clauses in our agreements with subcontractors to promote ICN services.

We envisage the SMEs gaining business through the contract will be providers of factual investigations and surveillance, independent medical professional organisations, rehabilitation providers and contractors to assist with the office fit out. We anticipate it is likely that such organisations will have an established team of staff members to perform such services, and will be performing similar services under contracts with other organisations. We also anticipate that such SMEs may need to engage additional staff to support the delivery of services.

Detail the process that you are to undertake to ensure that local SMEs are not to be disadvantaged where competing with other suppliers in the provision of goods or services to be used as part of this contract (ie unpacking of procurements into smaller components so that local SMEs can compete more effectively etc).

Our procurement processes and evaluation criteria are transparent and fair. In the instance that we issue a tender for the provision of services, we will grade responses based on the supplier's capabilities and value-for-money proposition. We would seek to issue each request for tender to at least one SME. Where it is effective to do so we will work with the Agencies to seek local SMEs to ensure they are aware of the opportunities and provide them the ability to tender based on their individual specialities.

Broader economic opportunities

Are there any other impacts that your business and/or this specific supply will provide to the local/regional economy?

Examples: Your supply may lead to: new skills being developed locally; trainees/apprentices being appointed; cross transfer skills to a local SME partner/sub-contractor; your company (if you are not a local SME) setting up an office/employing local staff; scale for you to take your products/services interstate/overseas; local community sponsorship etc.

JLT has, and will continue to, provide opportunities that benefit the local / regional economy both through the provision of services required by the Contract and outside the scope of services:

- Office space – our appointment as FAA will require us to occupy further office space within the Hobart CBD. We have investigated several options and as such, will engage the relevant local contractors to assist us with this task
- Transferrable training – all personnel recruited to provide services as FAA provider will undergo rigorous training to ensure quality of service. Such training will provide necessary skills that can be transferred to other jobs; this training has been outlined in 6.3.1c).
- Conferences and forums – we hold annual conferences and forums in Tasmania that that not only create local jobs for industries such as hospitality but encourage knowledge sharing. In August 2014, we held a best practice MAV forum in Sorrell for local governments and councils, where JLT experts spoke on topics such as risk management and claims
- Graduate program – this program will offer placement to young Tasmanians, encouraging them to remain in the state.

Note: *Where determined appropriate by the procuring entity, the supplier's obligations under this Plan are to be captured in the contract and monitored as part of the contract performance.*