

REQUEST FOR QUOTATION

Developing the Tasmanian Poppy Industry Social and economic factors influencing farmer decisions to grow poppies

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Attachments

- A: Quotation Declaration Form
 - B: Standard Contract for Services
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PART 1 LODGEMENT DETAILS

FORM OF LODGEMENT:

Quotations may be emailed to the contact person clearly marked "Quotation for Developing the Tasmanian Poppy Industry – Social factors driving farmer decisions to grow poppies" and include the name of the Consultant responsible for the submission. Quotations must be received by the Department before the Closing Date and Time.

CLOSING DATE AND TIME:

By 5:00pm on Wednesday 25 July 2012.

PART 2 CONTACT DETAILS

ENQUIRIES ABOUT THIS DOCUMENT SHOULD BE DIRECTED TO THE CONTACT OFFICER:

CONTACT OFFICER

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PROJECT MANAGER

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PART 3 INTRODUCTION, BACKGROUND AND CURRENT SITUATION

INTRODUCTION

The Tasmanian poppy industry has developed over the past forty years through capital investment, market development and agronomic skills, to be a significant contributor to the Tasmanian economy. The industry has an annual farm gate value of \$80-90 million and makes a considerable post farm gate contribution through contracting services, processing, transport and purchase of consumable inputs.

World demand for opiate analgesics is increasing with affluence and the associated demand for palliative care. Asian countries are currently not large consumers of opiate analgesics, however, they are expected to become significant consumers. Tasmania currently supplies about 45 percent of the global market.

The three poppy growing companies – Glaxo SmithKline (GSK), Tasmanian Alkaloids(TA) and TPI Enterprises – are concerned about Tasmania’s ability to meet the increasing demand for opiates and are looking beyond Tasmania for additional quantities of raw material. The two largest companies, GSK and Tasmanian Alkaloids, have been trialling poppy growing in other areas of Australia and New Zealand. GSK has recently signalled a more serious intent to move some of its production to Victoria by applying to the Victorian Government for a licence to grow poppies.

BACKGROUND

In 2011, the Tasmanian Institute of Agriculture (TIA) completed a desk-top study of Tasmania’s land area suitable for poppy cultivation. The study demonstrated that approximately 60 000 hectares could sustainably support poppy production on an annual basis. This potential area is about twice that currently used to grow poppies annually, so theoretically, there is sufficient land available to double the industry without increasing yield per area. This study did not include an analysis of the social and economic factors influencing poppy growing.

CURRENT SITUATION

The Australian and Tasmanian Governments and private investors are investing considerable capital in irrigation infrastructure that will deliver high surety irrigation water to large areas of the State which currently have little or no access to such water. Increasing the volume of available irrigation water reduces the risk of growing crops such as poppies and allows them to be grown in areas previously limited by rainfall. Consequently, increased availability of irrigation water should increase the area of land available for reliable poppy production.

Season 2011/12 was a record planting year for poppy production with close to 24 000 ha harvested state-wide by the three companies. Season 2012/13 will be another record planting year with a combined area of over 36 000 ha approved by the Poppy Advisory and Control Board. Based on previous performances, it is reasonably expected that approximately 27 000 ha will be harvested during the 2012/13 season. .

Understanding the factors influencing the decision of farmers to grow poppies in newly established irrigation areas may help ensure the economic viability of these areas. In contrast, significant areas of traditional and well proven high value cropping soils along the north coast are not used for poppy production. These observations suggest that a range of social, risk, and/or economic factors are influencing farmers' decision to grow poppies. Understanding these factors and developing strategies to address them may lead to increased land area becoming available for poppy production.

PART 4 PROJECT SCOPE

The Department of Primary Industries, Parks, Water and Environment (DPIPWE) is seeking expressions of interest from appropriately qualified consultants or organisations to undertake social research so that the Tasmanian Government can better understand the socio-economic factors driving land owners' decisions about growing poppies.

The Consultant should provide the following outputs identified in points 1 to 3.

1. A detailed scientifically sound methodology for collecting and analysing information that focuses on the socio-economic factors and perceptions of risk associated with growing poppies based on geographic location. The methodology should include tools to estimate the land area controlled by farmers which would be used to grow poppies annually in the future if the factors preventing them from doing so are removed.
2. A report setting out the key findings from the information collected and which sets out the changes that would need to occur so that those with land suitable for growing poppies will do so in the future. The report must also include an estimate of the land area controlled by farmers which would be used to grow poppies annually in the future if the factors preventing them from doing so are removed.
3. A PowerPoint presentation outlining the findings of this project.

At a minimum, DPIPWE expects the report to address the following:

- a) The reasons why landowners with area suitable for growing poppies do or do not do so;
- b) Details of the major risks perceived by growers for growing poppies on their farms and regions;
- c) The relationship between geographical location and landowner attitude to growing poppies; and
- d) For those who grew poppies in the 2011-12 season, collection of agronomic practice, site and crop yield data, and correlation of this data with attitudinal data and best cultural practice (to be identified by the three processing contractors).

DPIPWE reserves the right to appoint one or more consultants to work collaboratively on this project.

The proposed budget for the project is expected to be in the order of \$35-45 000 (GST exclusive).

DPIPWE will make payments to the consultant according to the following milestone schedule:

Milestone	Percentage of accepted quote
Signing project contract	10%
Acceptance of the project methodology by DPIPWE	50%
Provision of a draft report to DPIPWE	20%
Acceptance of the final project report and PowerPoint presentation	20%

DPIPWE will provide the following information to the successful consultant:

- A verbal briefing on the Tasmanian poppy industry;
- A list of stakeholders to be used in conjunction with the agreed methodology. This list remains the property of DPIPWE and must not be used or passed on by the Consultant for any other purpose.
- A copy of the report Potential Land Area suitable for Poppy Production in Tasmania. Roger Orr, Peter Simmul and, Mathew Webb, May 2011.

PART 5 INFORMATION TO BE SUBMITTED BY THE CONSULTANT

GUIDING NOTE

All information contained in the outputs should be suitable for release into the public domain, including DPIPWE and FarmPoint websites and at the discretion of DPIPWE.

The deliverables set out in Part 4 of this document are to be completed in a format agreed with the Contact Officer and submitted to DPIPWE on or before the 31 December 2012.

OWNERSHIP AND COPYRIGHT

The ownership and copyright of any information provided by the successful contractor or prepared by a Consultant in response to this brief shall be vested in the State Government. DPIPWE reserves the right to reproduce any or all documents provided by the successful Consultant at its sole discretion.

INFORMATION TO BE SUBMITTED BY THE CONSULTANT

The Consultant is required to submit a detailed description of the proposed project approach and methodology. (The final methodology must be agreed to by DPIPWE prior to commencement of the project.)

In order to be eligible for assessment a quotation must include the following specific information in addition to the proposed project approach and methodology:

- Nomination of the proposed individual/team and all key personnel that will be available to provide the services required, including the qualifications and details of relevant experience of the individual or individual team members;
- The hourly charge out rate for each team member and the number of hours to be committed;
 - any specific fixed rates for services (that is, those not subject to the hourly rate of individual team members)
 - any general charges and disbursements that would apply.
- Details of any additional services the Consultant believes will add value to this project.
- The names of two (2) referees that DPIPWE can contact in regard to previous relevant experience in the conduct of agricultural social research. (Refer to Part 8 of this document).

PART 6 CONDITIONS OF QUOTATION

The Conditions of Quotation are the conditions upon which DPIPWE is prepared to receive and evaluate submissions. Failure to strictly observe these conditions may result in a submission being refused without evaluation.

CONDITIONS OF PARTICIPATION AND ACCEPTANCE PROCEDURES

6.1.0 MANDATORY CONDITIONS OF PARTICIPATION

- 6.1.1 All submissions will be assessed against mandatory Compliance Criteria (see Part 7 for a full list of criteria).
- 6.1.2 The Compliance Criteria include:
- (a) Mandatory insurance policies; and
 - (b) Preparedness to adhere to Government policies, including those relating to procurement, publishing, intellectual property rights, confidentiality and disclosure of information.
- 6.1.3 Submitters must sign and return the Quotation Declaration Form (Attachment A) that accompanies this documentation, certifying that the Terms set out in points 6.2 through to 6.13 below are understood and accepted.

6.2.0 RIGHT TO NEGOTIATE TO VARY THE SCOPE OF THE CONSULTANCY CONTRACT

- 6.2.1 During the period of the evaluation process, DPIPWE reserves the right to negotiate with the Consultants that have submitted a Quotation, to vary the scope of the consultancy, either on the grounds of cost and or effectiveness. This may include negotiating with different Consultants to undertake parts of the project, i.e. some of the deliverables.
- 6.2.2 DPIPWE also reserves the right to negotiate with the successful Consultant(s) to finalise the commercial terms to form a contract.
- 6.2.3 A Standard Contract for Services is included as attachment B for the information of Consultants intending to submit a Quotation.

6.3.0 CONDITIONS RELATING TO THE OPERATION OF THE *PROFESSIONAL STANDARDS ACT 2005*

6.3.1 Conditions of Appointment

DPIPWE will only appoint a Consultant(s) who agrees to the following conditions, when relevant.

6.3.2 Waiver of rights

(a) No scheme in force

If no scheme is in force under the *Professional Standards Act 2005* (Tas) applying to the Consultant submitting the Quotation, DPIPWE will require that Consultant to waive all present and future rights, as against the Crown, to claim any limitation of liability provided by any future scheme under the *Professional Standards Act 2005* (Tas), in relation to future legal liability, claims or proceedings arising from, or attributable to, the Consultant delivering DPIPWE's requirements including a wrongful (including negligent) act or omission.

(b) Scheme in force

If a scheme in force under the *Professional Standards Act 2005* (Tas) applies to the Consultant submitting the Work Proposal and Quotation, the Consultant will obtain a higher maximum liability for cases to which the scheme applies and for a level of liability not lower than \$5,000,000.00.

6.4.0 GOVERNMENT'S POLICIES ON PROCUREMENT

6.4.1 To access the Treasurer's Instructions relating to Government Procurement refer to (www.purchasing.tas.gov.au) and follow the direct link.

6.5.0 GOVERNMENT'S POLICY ON CONFIDENTIALITY AND DISCLOSURE OF INFORMATION RELATING TO REQUESTS FOR QUOTATION

6.5.1 The Quotation remains the property of DPIPWE.

6.5.2 A person receiving the Quotation must not, except to the extent that the information is available to the public generally, disclose any of its content to another person, or copy all or part of its content, or allow it to be disclosed or copied, except for the purpose of preparing a response.

6.5.3 Companies intending to lodge a Quotation must keep confidential all information concerning the Crown, received as a result of, or in connection with, their Quotation.

6.5.4 All Quotations and accompanying documents become the property of DPIPWE and DPIPWE will have the right to reproduce the whole or any portion of the submission for the purposes of evaluation.

6.5.5 Despite any copyright or other intellectual property right that subsists in the Quotation documents, the successful Consultant agrees that the Crown may publicly disclose (on the Internet, in Annual Reports, or otherwise) the following details of any contract awarded as a result of this process:

- (a) a description of the services;
- (b) the date of the contract and its commencement date, duration and expiry date;
- (c) a description of any option to extend;
- (d) the name and business address of the parties;
- (e) the total contract price including the price that would be payable for the extended term, if any option to extend is exercised; and
- (f) the procurement method used.

6.5.6 Subject to the previous paragraph, the Quotation will be held in confidence, so far as the law permits.

6.6.0 GOVERNMENT'S POLICY ON CONFIDENTIALITY AND DISCLOSURE OF INFORMATION RELATING TO CONTRACTS FOR SERVICES

6.6.1 Consultants should particularly note the contents of Clause 12 of the Standard Contract for Services (Attachment B) in which it states that, "Despite any confidentiality or intellectual property right subsisting in this Agreement or a schedule, appendix, annexure or attachment to it, either party may publish all or any part of it without reference to the other".

6.7.0 COMPLAINTS PROCESS

6.7.1 Consultants that have submitted a Quotation may lodge a complaint if they believe DPIPWE's procurement process has not complied with the Tasmanian Government's procurement policies. Complaints can be lodged in writing, or by phoning the Contact Officer.

6.7.2 Further information on the formal complaints process is available from the Tasmanian Government website at (www.purchasing.tas.gov.au), or may be obtained in hard copy from the Contact Officer.

6.8.0 DEBRIEFING

6.8.1 Companies whose bids have been unsuccessful may request a debriefing from DPIPWE to discuss the reasons for their non-selection. A debriefing can be requested through the Contact Officer.

6.8.2 If requested to do so, DPIPWE will provide a debriefing for interested Consultants after either:

- (a) a contract has been executed for the supply of DPIPWE's requirements; or
- (b) DPIPWE decides not to award a contract for the supply of DPIPWE's requirements.

6.9.0 TREATMENT OF LATE QUOTATIONS

6.9.1 Late Quotations will not be accepted unless DPIPWE is of the view (and its decision will be absolute and final) that:

- (a) circumstances beyond the bidding Consultant's control were the cause of the lateness; and
- (b) accepting a late Quotation will not compromise the integrity of the procurement process or provide any unfair advantage to the Consultant lodging the late submission.

6.9.2 Late Quotations that are not accepted will be marked with the time and date of receipt, and be returned to the submitter.

6.10.0 CONTRACT MANAGEMENT

6.10.1 The Successful Consultant will be required to sign a Crown Law approved Contract for Services (Attachment B). The contract will be managed within DPIPWE.

6.11.0 MONITORING OF PERFORMANCE

6.11.1 The Contact Officer will monitor:

- a. the timely completion of project outputs;
- b. that constructive discussions and meetings are held with all parties; and
- c. that documents are prepared to a high quality, with particular consideration given to conciseness, readability, and appropriateness of any recommendations.

6.12.0 PREPARATION OF QUOTES

6.12.1 DPIPWE will neither be responsible for, nor pay for, any expense or loss incurred by a Consultant for:

- a. preparing or lodging a Quotation; or
- b. providing additional information or clarification during the evaluation of a Quotation.

6.13.0 VALIDITY

6.13.1 A Quotation constitutes an irrevocable, unalterable offer by the Consultant to the Crown which must remain valid and open to be accepted for 90 days from the closing date and may be extended by written agreement.

PART 7 PROCEDURES FOR EVALUATING THE QUOTATION

Each Quotation will be assessed against:

- **Mandatory Evaluation Criteria;**
- **Selection Criteria**

Note that the mandatory criteria must be satisfactorily addressed in the Quotation, or the submission will not be considered further.

Submissions that satisfy the mandatory criteria will be assessed to determine which represents the best value-for-money.

MANDATORY EVALUATION CRITERIA

The following documents must be provided to the contact officer (see also Part 9):

- One original Quotation;
- Signed Quotation Declaration Form (Attachment A);
- Referee contact details (Part 8); and
- Current Certificates of Currency for Public Liability (\$20,000,000), Professional Indemnity (\$10,000,000) and Workers' Compensation Insurances.

SELECTION CRITERIA

Selection criteria will be based on responses to the following qualitative criteria and price.

Qualitative Criteria

- Understanding of the task and ability to develop methodology suitable to deliver outputs within the timeframe. 40%
- Experience of personnel.
Qualifications, experience, expertise and availability of personnel to be assigned to the task. Personnel with agriculture industry and social science expertise are required. Skills may include:
 - General understanding of Tasmanian agriculture and poppy production. 50%
 - Social science and data analysis.
 - Interpersonal communication and ability to empathise with a diversity of people.

- Project management skills and capacity

10%

Value for Money

Price will be balanced against the benefits and risks offered in the qualitative criteria. Bids must be able to demonstrate sufficient expertise or satisfactory performance in all of the qualitative criteria in order to be shortlisted for value for money considerations.

PART 8 REFEREES UNDER PART 5

Please provide details of two referees for whom you have undertaken projects of a similar nature that DPIPWE can contact.	
Referee:	
Referee Contact Telephone No.:	
Description of service provided:	
Date service provided:	

Client:	
Client Contact:	
Contact Telephone No.:	
Description of service provided:	
Date service provided:	

PART 9 INFORMATION TO BE PROVIDED WITH THE QUOTATION TO THE CONTACT OFFICER

- One original Quotation;
- Signed Quotation Declaration Form – Attachment A;
- Referee contact details (Part 8); and
- Current Certificates of Currency for Public Liability (\$20,000,000), Professional Indemnity (\$10,000,000) and Workers' Compensation Insurances.