



Appendix three – The definition and nature of unsolicited proposals

Unsolicited Proposals Guide extract	Audit Office comment
<p>An unsolicited proposal is an approach to Government from a Proponent with a proposal to deal directly with the Government over a commercial proposition, where the Government has not requested the proposal.</p>	<p>Nothing came to the audit's attention to suggest that the specific proposal submitted by IFM and AustralianSuper was requested by government.</p> <p>However, the government had sought proposals from the market for the lease of Ausgrid. It initiated the leasing transaction in November 2015. On 19 August 2016, the day the Australian Government announced its decision to reject the NSW Government's preferred proposals, the Premier and Treasurer announced the immediate relaunch of a competitive process to lease Ausgrid.</p>
<p>The unsolicited proposals process is not a substitute for routine competitive procurement by Government.</p>	<p>The NSW Government had sought bids to lease Ausgrid through a competitive process, but was unable to conclude the transaction due to an unexpected decision of the Australian Treasurer. It is not evident that a relaunched competitive process was not possible. The Premier and Treasurer had announced the immediate relaunch of a competitive process via the 19 August media release.</p>
<p>(Unsolicited) proposals are by definition outside the normal planning and procurement processes of Government.</p>	<p>The government's policy was for the proceeds of the partial lease to be spent on other infrastructure. It therefore planned to lease Ausgrid and first initiated the sale process in November 2015.</p>
<p>The NSW Government is continually seeking to capture value, and unique and innovative ideas from industry that provide real and tangible benefits to the people of New South Wales. In order to achieve this it procures projects, goods and services.</p>	<p>A lease is not procurement of a project, good or service.</p>

Source: Guide for Submission and Assessment of Unsolicited Proposals, DPC, 2014 and Audit Office analysis.