

	REQUEST FOR PROPOSAL (The Treasury as Purchaser)
	Commercial Transactions Group: Crown Advisor - Extension of Mixed Ownership Model

TREASURY DIRECTORY	
LOCATION	The Treasury P O Box 3724 1 The Terrace – Level 5 Wellington 6140
TREASURY CONTACT PERSON	<ul style="list-style-type: none"> • All contact must be through Sam.Inglis@treasury.govt.nz • No other member of Treasury is to be directly contacted or approached regarding this RFP.
CONTRACT AUTHORITY	Managing Director, Crown Ownership Monitoring Unit (COMU)

PURPOSE
<p>The purpose of this RFP is to request proposals for the appointment of an expert Crown advisor to provide the Treasury with advisory and project management services relating to an extension of the Mixed Ownership Model.</p>

ACTION ITEMS / DEADLINES	
• Release of RFP:	24 May 2011
• Presentation by Treasury on RFP	30 May 2011
• Deadline for questions/queries (through Sam.Inglis@treasury.govt.nz):	5pm on 2 June 2011
• Answers to any questions posted to GETS:	3 June 2011
• Closing time for proposals to be received by The Treasury:	noon on 8 June 2011
• Short-listed Respondents, if any, notified:	10 June 2011
• Presentation by short-listed respondents (if any)	13 June to 14 June 2011
• Commencement of negotiations with Preferred Respondents:	15 June 2011
• Commencement of contract:	20 June 2011
<p><u>Note:</u> any of the above may be changed at the sole discretion of The Treasury</p>	

PROPOSAL SUBMISSION	
Address for proposals:	P O Box 3724 1 The Terrace – Level 5 Wellington 6140 Attn: Sam Inglis
Tenders are to be clearly labelled:	Tender ref: Commercial Transactions Group Tender name: Crown Advisor – Extension of Mixed Ownership Model
Validity period	Proposals must remain valid for a minimum of 6 months after the closing date.
Proposal contents and packaging	<ul style="list-style-type: none"> • Respondents are to submit one signed original plus 2 complete hard copies and 1 CD rom electronic copy of their proposal in a sealed package • Proposals are to be sequentially page numbered. All sections and subsections should be numbered • Proposals should be double sided • Supporting material (e.g. brochures, etc) are not required unless material to the response
Lodging a proposal	<ul style="list-style-type: none"> • Fax or email copies of proposals will not be accepted

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Terms and Conditions for this RFP

1. **Rights Reserved by The Treasury:** In addition to any other condition or procedure described in this RFP, The Treasury reserves the unrestricted right at any time to:
- exclude any Respondent or other provider from this RFP process for any reason;
 - suspend or cancel this RFP process by notice and/or decide not to enter any contract with any person;
 - amend this RFP or associated documents or any condition or procedure of this RFP process (including any proposed times or dates) and, where such change is made, The Treasury shall use reasonable endeavours to notify Respondents accordingly;
 - seek clarification or further information in respect of any proposal;
 - consider (or not consider), accept or reject any non-compliant proposal or not accept the lowest price proposal;
 - consider any alternative response;
 - liaise or negotiate with any Respondent or other person at any time without disclosing this to, or involving or doing the same with, any other Respondent or person, and upon any terms and conditions (whether before, during or after this RFP process);
 - provide to, or withhold from, any Respondent or other person any information in relation to any question, answer or other information arising in relation to this RFP or any subsequent process without any responsibility or liability on the part of The Treasury;
 - delete or change any requirement for any materials or services and/or create any number or types of contract in respect of The Treasury's requirements;
 - restrict the supply or access to any of its personnel, information or property; and/or
 - deal separately with any of the divisible elements of any proposal, unless the relevant proposal specifically states that those elements must be taken collectively.

2. **Errors and omissions:** The Treasury is under no obligation to check any proposal for errors. Acceptance of a proposal that contains errors will not necessarily invalidate any agreement formed based on that proposal.

If The Treasury discovers errors and/or omissions in the pricing submitted in the Respondent's proposal prior to entering an agreement, The Treasury may notify the Respondent as soon as practicable and may require the Respondent to either confirm or withdraw its proposal or negotiate with the Respondent to allow revised pricing to be submitted by the Respondent. Unless the Respondent confirms its proposal within one working day of having received notice, the proposal will be treated as if it had been withdrawn.

3. **Respondents to Inform Themselves:** Respondents will be considered to have:
- examined the RFP and any documents referenced by the RFP and any other information made available by The Treasury;
 - considered all the risks, contingencies, and other circumstances having an effect on their proposal; and
 - satisfied themselves as to the correctness and sufficiency of their proposal including proposed prices offered and the sustainability of its pricing.

The Treasury does not warrant or guarantee the accuracy of any of the information contained in this RFP and under no circumstances shall The Treasury be liable to the Respondent, whether in contract, tort or otherwise in respect of any direct or indirect or consequential losses arising out of the information contained in this RFP and the RFP process itself.

4. **Confidentiality:** All parties shall keep confidential any information obtained from or for The Treasury in connection with this proposal that is not publicly available. No such information shall be divulged to a third party without prior written consent of the other party. The Respondent acknowledges that The Treasury's obligations under this clause are subject to the requirements imposed on The Treasury by the Official Information Act and/or the Privacy Act.

The Treasury may, if it considers it appropriate to do so, require the Respondent to sign a confidentiality deed before releasing any confidential or commercially sensitive information to the Respondent. The Respondent agrees to sign a confidentiality deed.

5. **Privacy:** Each Respondent authorises The Treasury to collect any information from the Respondent and relevant third parties (such as referees) about individuals referenced in a Respondent's proposal and to use that personal information for the purposes of this RFP process.
6. **Ownership of RFP and Proposal Documents:** The RFP documents are the property of The Treasury and may not be copied or reproduced in any way (other than for the purposes of preparing and submitting a proposal) without the prior written approval of The Treasury.
The proposals submitted to The Treasury in response to the RFP will be retained by The Treasury.
7. **No Binding Legal Relationship:** Proposals are submitted on the basis that no binding legal relations with The Treasury (the Crown) are created unless, and until, a contract between the parties is executed.
8. **Information Correct:** The Treasury may rely on any statements made or information provided by or on behalf of the Respondent in respect of this RFP. Respondents must ensure statements made and all information provided to The Treasury is complete and accurate.
9. **Payment:** Standard commercial payment practices are intended to apply: for example payment will be made by The Treasury by 20th of the month following invoicing and satisfactory delivery of service.
10. **Sub-Contractors:** The Treasury would prefer to sign contracts and agreements with preferred suppliers, with those preferred suppliers entering into their own contractual arrangements with any sub-contractors. The Treasury expects that any successful Respondent shall not, without the consent of The Treasury, assign or sub-contract in whole or part any of their rights or obligations under any agreement, once made.
11. **The Treasury Contact Person:** With regard to this RFP process, The Treasury will not be bound by any statement, written or verbal, made by any person other than the Treasury Contact Person noted within this RFP document. The Treasury Contact Person (or any other person authorised by The Treasury Contact Person) is the only person authorised to make representations or explanations to Respondents in relation to this RFP.
12. **Communication:** No communication with any of the Respondents will be entered into except in the following circumstances:
 - Respondents seeking clarification from The Treasury of this RFP document (only before the prescribed closing date);
 - Respondents submitting written (including email) questions and Treasury responding to all questions as allowed for in paragraph 3 of Schedule 2; and
 - the Treasury seeking written clarification of a Respondent's proposal; and
 - the Treasury may, in its discretion, shortlist Respondents for the purpose of presentations.All communications in relation to this proposal are to be in writing (including by email) through Sam.Inglis@treasury.govt.nz (except that the proposal itself must be hand delivered or sent by post). Respondents should not contact any other Treasury employee. Failure to adhere to these conditions may result in a Respondent's proposal document not being accepted.
13. **Proposal Validity Period:** Every proposal will be a continuing offer and irrevocable until the expiry of six (6) months from the RFP close date, or until such later date as may be agreed.

14. **Language and Price:** Proposals must be in English and prices and costs are to be quoted in New Zealand dollars, clearly specifying whether they are inclusive or exclusive of goods and services tax (GST) and other taxes and duties.
15. **Proposal Clarification:** The Respondent may be asked to clarify its proposal or provide additional information during the proposal evaluation process. These requests will require prompt action and must be responded to in writing within two working days or the time specified in the request. Otherwise, The Treasury reserves the right not to consider the proposal.
16. **Late Proposals:** In general, The Treasury's policy is not to evaluate late proposals. However, The Treasury does retain the right to accept and evaluate late proposals at its sole discretion.
17. **Respondent Meets Proposal Costs:** The Respondent must meet any costs incurred associated with the preparation of this proposal and any presentation.
18. **Advertising:** No advertisement relating to the acceptance of any proposal shall be published in any newspaper, magazine, journal or other advertising medium without prior consent of The Treasury.
19. **Liability Limitation:** The Treasury does not warrant or guarantee the accuracy of any of the information contained in this RFP and under no circumstances shall The Treasury be liable to the Respondent, whether in contract, tort or otherwise in respect of any direct or indirect or consequential loss arising out of the information contained in this RFP and the RFP process itself.
20. **Due Diligence:** The Treasury is authorised to conduct and undertake the necessary steps to assess the proposal, the accuracy of information provided, the functionality of the product proposed and the Respondent's financial stability, operational capability and technical capability by making inquiries or investigations of any organisation or person The Treasury reasonably considers appropriate or desirable, but is under no obligation to do so. Each party will be responsible for its own costs incurred during such inquiries or investigations.
21. **Acceptance:** The Treasury is not bound to accept the lowest-priced proposal and will be awarding the contract to its best advantage.
The Treasury may, at its discretion, accept non-conforming or alternative proposals.
No proposal is to be considered accepted until the relevant prospective Respondent and the Crown enter into a formal contract governing the supply of the relevant products and/or services.
22. **Interpretation:** If the Respondent is in any doubt as to the meaning of any portion of the RFP, the Respondent must set out in its response the interpretation used when submitting the response to this RFP, or seek an interpretation beforehand from The Treasury. Any assumption made in the preparation of a proposal or in the provision of any additional information to The Treasury must be documented.
23. **New Zealand Law:** The laws of New Zealand shall govern this proposal process and each Respondent agrees to submit to the non-exclusive jurisdiction of the New Zealand courts in respect of any dispute concerning this RFP or the RFP process.
24. **Acceptance of Terms and Conditions:** Respondents are required to indicate that they have read and accepted the stated RFP Terms and Conditions (i.e. 1 to 23 above) in the following statement:

We at [Respondent name] have read and accept the terms and conditions as set out in the Request for Proposal: Crown Advisor – Extension of Mixed Ownership Model.

Schedule 1: Treasury's Requirements

PART A: BACKGROUND

The Treasury is the Government's lead advisor on economic and financial policy. Treasury has an overall goal of helping the Government achieve higher living standards for all New Zealanders. More information on The Treasury can be found at www.treasury.govt.nz.

On 26 January 2011, the Prime Minister announced that the Government is considering areas where it can prioritise and reallocate its capital to reduce the rate of debt accumulation. The greatest scope to change the mix of assets lies with the Government's portfolio of commercial assets, and in particular by extending the "mixed ownership model" under which Air New Zealand currently operates. The Ministers of Finance and State Owned Enterprises wrote to the Secretary of the Treasury on 27 January 2011 requesting advice on the merits and viability of:

- extending the mixed ownership model to Mighty River Power, Meridian Energy, Genesis Energy, and Solid Energy with the Crown retaining a majority stake in these companies; and
- reducing the Crown's shareholding in Air New Zealand, again while maintaining a majority stake.

This advice has now been provided and the Government has agreed to extend the mixed ownership model to Genesis Energy Limited, Meridian Energy Limited, Mighty River Power Limited, and Solid Energy Limited, and to further reduce the Crown's shareholding in Air New Zealand Limited (together referred to as "the extension of the Mixed Ownership Model"), over a 3-5 year programme beginning in 2012, subject to the current Government receiving a mandate in the 2011 general election. The exact timing and composition of the programme will depend on market conditions and the outcome of detailed scoping studies.

The Government has previously stated that it will only proceed with an extension of the Mixed Ownership Model if it meets the following objectives (the Government's Objectives):

- the Government will need to retain a majority controlling stake in each of the companies;
- New Zealand investors will need to be at the front of the queue for shareholdings, and the Government will need to be confident of widespread and substantial New Zealand share ownership;
- the companies will need to present good investment opportunities for investors;
- the capital freed up will need to be used on behalf of taxpayers to fund new public assets thereby reducing the pressure on the Government to borrow; and
- the Government will need to be satisfied that industry-specific regulations adequately protect New Zealand consumers.

A Commercial Transactions Group within The Treasury has recently been established to provide advice to the Government on the extension of the Mixed Ownership Model and other major commercial transactions.

The Treasury is seeking to appoint a Crown Advisor to provide the Commercial Transactions Group with advisory and project management services as detailed in the service requirements set out in Part B below.

Separate Requests for Proposals will be issued by The Treasury for:

- a panel of individual experts to provide advice on the extension to the Mixed Ownership Model; and
- consultant(s) to undertake scoping studies on each of the companies.

Please note that each Respondent will be required to disclose any real or potential conflicts of interest if it were to perform the Services in this RFP. In particular, each Respondent will be required to disclose how they would manage any real or perceived conflicts of interest if they wish to be considered for any subsequent Joint Lead Manager role.

PART B: SERVICE REQUIREMENTS

1. Advisory Services

The Respondent must confirm its ability to provide the following services (the "Services"):

1.1 Project Management

1.1.1 project management services on all issues relating to the extension of the Mixed Ownership Model to meet the Government's Objectives, including:

- the development of a project plan and timetable to enable the extension of the Mixed Ownership Model to be implemented as soon as possible following the November 2011 election, should the elected Government choose to do so
- the development of a risk assessment and management plan
- advising on the appointment of consultants for scoping studies on each of the companies, and legal, accounting and other consultants to provide advice on the extension of the Mixed Ownership Model
- assisting with the co-ordination and management of project meetings with the Treasury's advisors
- working closely with the Treasury's probity advisor to manage and address any probity issues
- assistance with the identification and management of any real or perceived conflicts of interest
- liaising with each of the companies as required
- assistance with managing key stakeholders
- preparing and making presentations to Ministers, Treasury, the companies and other key stakeholders as required.

1.1.2 independent advice on the preparation of one or more request(s) for proposals for the appointment of consultant(s) for scoping studies on each of the companies; and

1.1.3 managing the timely delivery of the services by the scoping study consultant(s).

Respondents should note that, in order to ensure that the Treasury receives independent advice on the scoping studies, the Crown Advisor will not be eligible to apply for a role as a scoping study consultant.

1.2 Development of Sale Programme

1.2.1 the development of a sale programme to implement the extension of the Mixed Ownership Model as soon as possible following the November 2011 general election, should the elected Government choose to do so, including:

- reviewing and providing independent advice on the scoping studies
- the preparation of a detailed report, including advice on:
 - a detailed sale programme and implementation plan for the extension of the Mixed Ownership Model that meets the Government's Objectives and which maximises value for the Crown

- any policy, regulatory and legal issues to be addressed prior to, or as part of, a sale programme to maximise value
- any restructuring of the companies to be addressed prior to, or as part of, a sale programme to maximise value
- any ownership and/or governance restrictions to meet the Government's Objectives;
- sequencing of offers and the timing of any sale programme
- valuations of each of the companies (note, however, that valuations will be provided by the scoping study consultant(s))
- potential investor demand and market capacity over the duration of the programme
- allocation policy
- incentives for retail investors
- optimal offer structures
- risk analysis.

1.3 Possible Follow-on Implementation Work

- 1.3.1 if required by the Treasury, advice on the implementation of the extension of the Mixed Ownership Model, provided the Government decides to proceed with such work following the 2011 general election.

Such advice is expected to include:

- project management services, including the establishment of project teams and working groups to implement the sale programme;
- participation in all committees formed by the Joint Lead Manager(s);
- managing the timely delivery of services by the Joint Lead Manager(s) and other advisors;
- advising on the implementation of any company restructurings to take place prior to sale
- advising on the governance structures of the companies prior to sale
- advising on the offer process, including offer structure, marketing, book building, pricing, allocation and listing.

It is not envisaged that the Crown Advisor will assist with the appointment of any Joint Lead Manager(s) to implement the sale programme.

2. Capability

- 2.1. The Respondent must demonstrate:
- extensive expertise in advising on sale processes of a similar nature, scale and complexity in New Zealand; and :
 - a detailed knowledge and understanding of New Zealand capital markets and the sectors in which the companies operate.
- 2.2. Given the complexity of the role of the Crown Advisor, it is anticipated that only organisations (not individuals) with sufficient expertise and resources to provide the Services will respond to this RFP. The Treasury notes, however, that it expects to also appoint a panel of expert individuals to provide advice on the Mixed Ownership Model and this will be addressed in a separate RFP.

3. Personnel

- 3.1. The Respondent must identify the key personnel that will provide the Services, including their relevant experience, and what their role in the provision of the Services will be. The Respondent must also be able to provide a commitment:
- that sufficient personnel will be made available to ensure delivery of the Services, advice and documentation within agreed timeframes;
 - that key personnel will only be changed with the prior consent of the Treasury; and
 - to provide work in progress reporting as required by the Treasury.

4. Consortiums

- 4.1. The Treasury accepts that not all Respondents may have the resources to deliver all the Services. Accordingly, the Treasury is open to receiving:
- responses from one Respondent organisation seeking to provide all the Services; or
 - joint responses from two or more Respondents seeking to work as a consortium to provide the Services.
- 4.2. The Treasury reserves the right to select:
- a single Respondent to provide all the Services; or
 - a combination of different Respondents to deliver the Services (who would be required to work together collaboratively to provide coordinated advice in relation to the Services).

5. Conflicts of Interest

- 5.1 The Respondent must provide details of any work it is currently undertaking, and has undertaken in the past 2 years, for any of the companies that are the subject of the proposed extension of the Mixed Ownership Model.

Each Respondent must also confirm:

- 5.2 it would have no conflict of interest or potential conflict of interest if it was to perform the Services set out in this RFP; or
- 5.3 it would have a conflict of interest or potential conflict of interest if it was to perform the Services set out in this RFP, indicating the nature of that conflict, whether that conflict is manageable and if so, how it might be managed.

The Treasury expects Respondents to demonstrate an ability to provide independent advice in performing the Services. However, the Treasury is aware that some Respondents may wish to subsequently tender for a Joint Lead Manager role if the Government decides to implement a sale programme. Each Respondent should indicate:

- 5.3 whether it is prepared to commit exclusively to acting as the Crown Advisor and rule itself out of any subsequent Joint Lead Manager role; or
- 5.4 if it is appointed the Crown Advisor and wishes to subsequently tender for any subsequent Joint Lead Manager role, how it would manage any real or perceived conflicts of interest.

6. Term

The Respondent must:

- 6.1 agree to provide the Services through to 26 November 2011 (the Initial Term);
- 6.2 acknowledge that, if the follow on work set out in Schedule 1, Part B, paragraph 1.3 of this RFP is required, the Treasury will have the option of renewing the agreement for rolling one (1) year terms until the sale programme is completed (the Extended Term(s));
- 6.3 acknowledge that the Treasury may terminate the appointment of the Crown Advisor at any time and for any reason by giving 20 working days prior written notice.

7. Pricing

- 7.1 The Respondent must provide an outline of how it would approach the fees for the Services described in this RFP, and its invoicing procedures. If the Respondent anticipates charging daily or monthly rates, then it must please provide:
- a maximum daily or monthly rate for the personnel that will provide the Services;
 - any discount applied;
 - a maximum fee to be charged for the Initial Term; and

- details of the fees to be charged (including a maximum amount) for the first two years of any Extended Term(s).
- 7.2 The Treasury expects that the rates will be inclusive of all service charges and travel costs. Respondents may elect to provide separate rates for Wellington and Auckland based staff.
- 7.3 The Respondent must acknowledge that the pricing, including all daily/monthly rates, and service charges, and variable costs specified, for the Services must remain firm for a period of at least six (6) months from the closing date of this RFP.

8. Security

If appointed, the Respondent will have access to confidential and sensitive information at the Treasury that must be protected. Therefore a high level of security is required at all times whilst the Services are being provided.

The Respondent must confirm its ability to:

- 8.1 maintain a high level of security at all times during the provision of the Services; and
- 8.2 provide for the secure disposal of surplus sensitive material and waste.

The Respondent may also be required to demonstrate its ability to comply with the Treasury's security requirements.

9. Draft Consultancy Contract

The Treasury has prepared a draft consultancy contract attached as Schedule 4 to this RFP. Respondents are required to respond to the draft consultancy contract as specified below.

- 9.1 Respondents must confirm whether they accept the terms and conditions of the consultancy contract, including the Standard Terms and Conditions (Schedule 2 SERVICES | Public Service | Government Model Contract | First Edition July 2010 available at: www.procurement.govt.nz)
- 9.2 If the Respondent thinks it will be unable to accept any of the terms and conditions of the draft consultancy contract, it must state the reasons it is unable to do so and provide alternative wording, by way of marked-up changes. General objections, statements of position or attempts to defer a response (such as "This will need further discussion") are not acceptable.
- 9.3 the Respondent must acknowledge that the extent of any changes and/or non-acceptance of terms and conditions in the draft consultancy contract by a Respondent will be a factor taken into account when evaluating proposals.
- 9.4 The schedules to the draft consultancy contract are currently presented in "skeleton" or "place holder" form. The Treasury expects that these schedules will be fleshed out with information provided in the successful Respondent's proposal, by the Treasury and during contract negotiations.

10. Location

10.1 The Respondent will be expected to attend frequent meetings with Treasury's Commercial Transactions Group at their premises at 1 The Terrace, Wellington. The Respondent must confirm its ability to co-locate with the Commercial Transactions Group, if required, for intensive periods of work.

PART C: PRESENTATION, EVALUATION CRITERIA & CONTRACT NEGOTIATION

1. Presentation

The Treasury intends to provide a presentation on this RFP and the role of the Crown Advisor on Monday, 30 May 2011 in Auckland.

Respondents who wish to attend the presentation must email Sam.Inglis@treasury.govt.nz no later than 27 May 2011 and provide names of the proposed attendees. Details of the time and venue of the presentation will be provided at that point. Please note that the Treasury reserves the unrestricted right to change the date, time and venue of the presentation and to decline any request to attend the presentation.

2. Evaluation Criteria

Whilst price is one consideration, other criteria will also influence The Treasury's decisions in evaluating the proposals. In evaluating proposals, The Treasury will consider and evaluate to its satisfaction, but not be limited to, the following criteria:

Criteria	Description
Quality of Response	An assessment of the completeness, quality and robustness of the response provided by the Respondent and the response to any subsequent requests by The Treasury for additional information.
Service Requirements	Without restricting any other criteria set out in this table, an assessment of the Respondent's capability to meet the requirements set out in Part B 1 of this Schedule 1.
Capability	The extent to which the Treasury is satisfied that the Respondent has the capability to provide the Services.
Personnel	The extent to which The Treasury is satisfied that the Respondent has sufficient personnel to deliver the Services within agreed timeframes.
Consortiums	An assessment of the nature and quality of any consortiums proposed by the Respondent.
Conflict of Interest	The extent of any conflicts of interest, including whether the Respondent proposes to be involved in any future Joint Lead Manager role, and how these might be managed.
Term	The extent to which the Treasury is satisfied that the Respondent agrees to provide the Services for the Initial Term and any Extended Term(s).
Pricing	An assessment of the Respondent's pricing for the Initial Term and the first two years of any Extended Term(s) and the extent to which The Treasury is satisfied with this.
Security	The extent to which The Treasury is satisfied that the Respondent will meet all security requirements.
References	The extent to which The Treasury is satisfied of the results from any reference checks.
Location	The extent to which the Respondent is willing to co-locate with the Commercial Transaction Group, if required, for intensive periods of work.
Draft Consultancy Contract	The extent to which the Respondent is willing to accept the draft consultancy contract.

The above criteria are not in any particular order, are not exhaustive and will not necessarily be accorded equal weight. The Treasury is not obliged to inform Respondents of progress during the proposed evaluation process.

3. Notification

The Treasury reserves the right to short-list and require presentations from one, more than one, or no Respondents.

Respondents who have not been shortlisted (and therefore not invited to make a presentation) will be notified as soon as practicable after they have been excluded from consideration, expected to be on or around 10 June 2011.

Once the tender process is complete, unsuccessful Respondents will be entitled to know the name of the successful Respondent. On request from an unsuccessful Respondent, The Treasury shall promptly provide pertinent information concerning:

- the relative advantages of the proposals that were accepted; and
- why a Respondent's own response was unsuccessful.

4. Tender Negotiations

The Treasury reserves the right to negotiate without restriction after the close of proposals on any matter contained in a Respondent's proposal.

When all proposals have been evaluated (re-negotiations of tenders notwithstanding) and preferred suppliers have been selected, each preferred supplier and the Crown will negotiate in good faith with a view to entering into formal agreements based on this RFP and each preferred supplier's tender.

In the event that, in the opinion of The Treasury and at The Treasury's sole discretion, none of the proposals submitted are acceptable, The Treasury reserves the right to enter into further negotiations with one or more of the Respondents or any other party. The Treasury will exercise this right only after notification that Respondents' proposals have been unsuccessful.

The tender may be re-negotiated with selected Respondents without the need to:

- re-tender; or
- submit an altered RFP to all responders.

Schedule 2: Proposal Requirements

1. Format of Response

Proposals must be delivered in hard copy form in the manner and by the time indicated on page 2 of this RFP. The Treasury may (but is not obliged to):

- decline to consider a proposal that does not follow the format prescribed or does not contain the information required;
- require any proposal to be modified so as to follow the prescribed form and contain the information required.

All Respondents must acknowledge in their proposal that they agree to the terms and conditions set out in this RFP in the manner indicated in those terms and conditions. The Treasury reserves the right to reject proposals that fail to give such an acknowledgement.

2. Response Documents

Please ensure that your response includes:

- a signed cover letter which includes:
 - a statement that the Respondent has read the stated terms and conditions in the RFP in accordance with term 24 in those terms and conditions;
 - contact information of the person in your entity who has the authority to represent your entity in ongoing discussions and any resulting agreements; and
 - contact information of two referees for whom you have provided similar services;
- the response templates set out in Schedule 3 to this RFP; and
- entity profile information, including expertise and relevant personnel.

3. Questions about the RFP

Respondents may email written questions about this RFP to: Sam.Inglis@treasury.govt.nz

The final deadline for questions is **5pm** on 2 June 2011. The Treasury will use reasonable endeavours to combine all the questions and post answers to GETS by **5pm** on 3 June 2011. The Treasury reserves the right to not answer any question.

4. Proposal Contents

The Respondent must ensure that all information submitted as part of the proposal is of sufficient detail to substantiate its ability to meet or exceed the requirements of this RFP.

5. Withdrawal

If, after sending in the proposal, a Respondent decides to withdraw from the selection process, an authorised person from your company should notify Sam.Inglis@treasury.govt.nz.

6. Delivery of Proposals

All proposals must be received in the prescribed manner by **noon** on 8 June 2011.

Schedule 3: Tender Form

GUIDE TO CONTENT OF TENDERS SUBMISSIONS

Responses to requirements

Respondents must:

- Complete the Respondent Details substantially in the form as set out in Section A;
- Complete the Tender Response Template substantially in the form as set out Section B and where applicable replicating the numbering used to identify each requirement;
- Address each requirement stated in Section B of the RFP, including all subcomponents of each requirement. Provide a response in the 'Detailed Response' column, to every item;
- Explicitly identify any respect in which implementing the Respondent's proposal would result in less than full compliance with a requirement or sub-component thereof;
- Provide evidence that the Respondent would be able to deliver the particular services set out in this RFP; and
- Respond to the draft consultancy contract in the manner stipulated in paragraph 9 of Part B of Schedule 1 to the RFP.

Proposals must be based precisely on the requirements stated in this RFP.

Treasury reserves the right to reject any proposal that does not, in its opinion, comply with these requirements.

SECTION A: RESPONDENT DETAILS	
1. RESPONDENT'S FULL LEGAL NAME	
2. RESPONDENT'S TRADING NAME (if any)	
3. RESPONDENT'S CONTACT PERSON	Name: _____ Phone: _____ Position: _____ Fax: _____ Address: _____ Email: _____ Mobile: _____
4. RESPONDENT'S GST REGISTRATION NO.	

5. PROFILE OF RESPONDENT (attach information if not enough room)	
2. Details of owners/ controllers/Partners	Names: _____ Country of residence: _____
3. Legal status	Partnership YES/NO Other? Limited liability company YES/NO (specify)
4. Legal actions	Provide details of any potential or pending legal actions against the Respondent for any reason. (Informational)
Experience in area	Major customers and referees: (Treasury may contact these people) Provide information on work that has been undertaken for similar services. At least two referees are required. You must provide the following information Name, business and location of the organisation Name and contact phone number of a referee at the organisation The period of time the work was undertaken Key factors in selecting this referee for this RFP
5. Insurance	Types of cover held and \$ cover: Insurers name(s): Expiry date(s) of cover: Premiums paid to: (Insert date)

6. WILL ANY SUBCONTRACTORS BE INVOLVED?
YES/NO If yes, specify for each subcontractor: Who?: Value involved?: Extent of tasks involved?: (Attach information if not enough room here)

7. WHAT DOES YOUR PROPOSAL COVER?	Treasury's entire requirement? If no, specify	YES/NO
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8. Consultancy Contract	
<p>Following Treasury evaluation, discussions may be conducted to verify any preferred supplier's proposal and its capability to provide the services. Subject to these discussions, a Consultancy Contract may be negotiated with each preferred supplier.</p> <p>A draft Consultancy Contract is attached and changes (if any) are marked up in accordance with the requirements of this RFP.</p> <p>Should a satisfactory final agreement be unable to be reached, The Treasury reserves the right, at its sole discretion, to progressively enter such discussions and negotiations with other Respondents until achievement of an acceptable Consultancy Contract.</p>	
Noted and accepted	YES/NO
<p>Would the Respondent require consideration of any special contractual provisions?</p> <p>If yes, specify below or attach</p>	YES/NO
<p>Other than as provided above, Respondent confirms it accepts the terms and conditions of the draft consultancy contract attached as Schedule 4.</p> <p>Confirmed: YES/NO</p>	

The Respondent **TENDERS AND OFFERS** to Her Majesty the Queen in right of New Zealand, acting by and through the Secretary to The Treasury ("**Crown**") to supply the Services on the basis of this Proposal which, if accepted in writing by Treasury, will form part of the contract between the Respondent (as the "Contractor") and Treasury.

<p>The information provided in this proposal, including Section B is true and accurate at the time of submission of this proposal and will remain valid for at least 6 months from submission of this Proposal.</p>	SIGNED FOR THE RESPONDENT	
	<p>_____</p> <p>(Signature)</p> <p>Full name:</p> <p>Title:</p> <p>Location:</p>	
	DATED	

SECTION B: RFP RESPONSE TEMPLATE

RESPONDENT NAME:

SERVICES AND SERVICE DELIVERY

REQUIREMENT NO.	SERVICE REQUIREMENTS (AS SET OUT IN PART B OF SCHEDULE 1)	DETAILED RESPONSE
1.	Services	
1.1	<i>Project Management</i>	
1.1.1	<p>Confirm your ability to provide project management services on all issues relating to the extension of the Mixed Ownership Model, including:</p> <ul style="list-style-type: none"> • the development of a project plan and timetable to enable the extension of the Mixed Ownership Model to be implemented as soon as possible following the November 2011 general election, should the elected Government choose to do so • the development of a risk assessment and management plan • advising on the appointment of consultants for scoping studies on each of the companies, and legal, accounting and other consultants to provide advice on the extension of the Mixed Ownership Model • assisting with the co-ordination and management of project meetings with the Treasury's advisors • working closely with the Treasury's probity advisor to manage and address any probity issues • assistance with the identification and management of any 	

REQUIREMENT NO.	SERVICE REQUIREMENTS (AS SET OUT IN PART B OF SCHEDULE 1)	DETAILED RESPONSE
	<p>real or perceived conflicts of interest</p> <ul style="list-style-type: none"> • liaising with each of the companies as required • assistance with managing key stakeholders • preparing and making presentations to Ministers, Treasury, the companies and other key stakeholders as required. 	
1.1.2	Confirm your ability to provide independent advice on the preparation of one or more request(s) for proposal for the appointment of consultant(s) for scoping studies on each of the companies.	
1.1.3	Confirm your ability to manage the timely delivery of the services by the scoping study consultant(s)	
1.2	<i>Development of Sale Programme</i>	
1.2.1	<p>Confirm your ability to develop a sale programme to implement the extension of the Mixed Ownership Model as soon as possible following the November 2011 general election, should the elected Government choose to do so, including:</p> <ul style="list-style-type: none"> • reviewing and providing independent advice on the scoping studies • the preparation of a detailed report, including advice on: <ul style="list-style-type: none"> ○ a detailed sale programme and implementation plan for the extension of the Mixed Ownership Model that meets the Government's Objectives and which maximises value for the Crown ○ any policy, regulatory and legal issues to be addressed prior to, or as part of, a sale programme to maximise value ○ any restructuring of the companies to be addressed prior to, or as part of, a sale programme to maximise value ○ any ownership and/or governance restrictions to 	

REQUIREMENT NO.	SERVICE REQUIREMENTS (AS SET OUT IN PART B OF SCHEDULE 1)	DETAILED RESPONSE
	<p>meet the Government's Objectives;</p> <ul style="list-style-type: none"> ○ sequencing of offers and the timing of any sale programme ○ valuations of each of the companies (note, however, that the valuations will be provided by the scoping study consultant(s)) ○ potential investor demand and market capacity ○ allocation policy ○ incentives for retail investors ○ optimal offer structure ○ risk analysis. 	
1.3	<i>Possible Follow-on Implementation Work</i>	
1.3.1	<p>Confirm your ability to provide, if required by the Treasury, advice on the implementation of the extension of the Mixed Ownership Model, provided the Government decides to proceed with such work following the 2011 general election.</p> <p>Such advice is expected to include:</p> <ul style="list-style-type: none"> • project management services, including the establishment of project teams and working groups to implement the sale programme; • participation in all committees formed by the Joint Lead Manager(s); • managing the timely delivery of services by the Joint Lead Manager(s) and other advisors; • advising on the implementation of any company restructurings to take place prior to sale • advising on the governance structures of the companies prior to sale • advising on the offer process, including offer structure, 	

REQUIREMENT NO.	SERVICE REQUIREMENTS (AS SET OUT IN PART B OF SCHEDULE 1)	DETAILED RESPONSE
	marketing, book building, pricing, allocation and listing.	
2.	Capability	
2.1	<p>Provide an outline of your capability to provide the Services, demonstrating:</p> <ul style="list-style-type: none"> • extensive expertise in advising on sale processes of a similar nature, scale and complexity in New Zealand; and • a detailed knowledge and understanding of New Zealand capital markets and the sectors in which the companies operate. 	
3.	Personnel	
3.1	<p>Identify the key personnel within your organisation that will provide the Services, including their relevant experience and role in the provision of the Services and confirm your commitment:</p> <ul style="list-style-type: none"> • that sufficient personnel will be made available to ensure delivery of the services, advice and documentation within agreed timeframes; • that key personnel may only be changed with the prior approval of the Treasury; and • to provide work in progress reporting 	
4.	Consortiums	
4.1	<p>Provide details of any consortiums that you propose entering into.</p> <p>Acknowledge that the Treasury may select a combination of different Respondents to deliver the Services (who would be required to work together collaboratively to provide coordinated advice in relation to the Services).</p>	
5.	Conflicts	
5.1	Provide details of any work you are currently undertaking, and	

REQUIREMENT NO.	SERVICE REQUIREMENTS (AS SET OUT IN PART B OF SCHEDULE 1)	DETAILED RESPONSE
	have undertaken in the past 2 years, for any of the companies that are the subject of the proposed extension of the Mixed Ownership Model.	
5.2	Confirm whether you would have no conflict of interest or potential conflict of interest if you were to perform the Services set out in the RFP; <u>or</u>	
5.3	Confirm whether you would have a conflict of interest or potential conflict of interest if you were to perform the Services set out in the RFP, indicating the nature of that conflict, whether that conflict is manageable and if so, how it might be managed.	
5.4	Confirm whether you are prepared to commit exclusively to acting as the Crown Advisor and rule yourself out of any subsequent Joint Lead Manager role; <u>or</u>	
5.5	Confirm whether, if you are appointed the Crown Advisor and wish to subsequently tender for a possible Joint Lead Manager role, how you would manage any real or perceived conflicts of interest.	
6.	Term	
6.1	<p>Confirm that you:</p> <ul style="list-style-type: none"> • agree to provide the Services through to 26 November 2011 (the Initial Term); • acknowledge that, if the follow on work set out in Schedule 1, Part B, paragraph 1.3 of the RFP is required, the Treasury will have the option of renewing the agreement for rolling one (1) year terms until the sale programme is completed (the Extended Term(s)); • acknowledge that the Treasury may terminate the appointment of the Crown Advisor at any time and for any reason by giving 20 working days prior written notice. 	

REQUIREMENT NO.	SERVICE REQUIREMENTS (AS SET OUT IN PART B OF SCHEDULE 1)	DETAILED RESPONSE
7.	Pricing	
7.1	<p>Provide an outline of how you would approach the fees for the Services described in the RFP, and your invoicing procedures. If you anticipate charging daily or monthly rates, then provide:</p> <ul style="list-style-type: none"> • a maximum daily or monthly rate for the personnel that will provide the Services; • any discount applied; • a maximum fee to be charged for the Initial Term; and • details of the fees to be charged (including a maximum amount) for the first two years of any Extended Term(s). 	
7.2	Indicate whether the rates set out in 7.1 are inclusive of all service and travel costs.	
7.3	Please acknowledge that you understand that any pricing details you have provided in response to 7.1 and 7.2, must remain firm for a period of at least six (6) months from the closing date of the RFP.	
8.	Security	
8.1	Confirm your ability to maintain a high level of security at all times during the provision of the Services.	
8.2	Confirm your ability to provide for the secure disposal of surplus sensitive material and waste.	
9.	Draft Consultancy Contract	
9.1	Confirm whether you accept the terms and conditions of the draft consultancy contract.	
9.2	If you think you will be unable to accept any of the terms and conditions of the draft consultancy contract , please state the reasons why you would be unable to do so and provide alternative wording, by way of marked up changes. General	

REQUIREMENT NO.	SERVICE REQUIREMENTS (AS SET OUT IN PART B OF SCHEDULE 1)	DETAILED RESPONSE
	objections, statements of position or attempts to defer a response (such as "This will need further discussion") are not acceptable.	
9.3	Please acknowledge that you understand that any changes requested and/or non-acceptance of terms and conditions in the draft consultancy contract will be a factor taken into account by The Treasury when evaluating proposals.	
10.	Location	
10.1	Confirm your ability to co-locate with the Commercial Transactions Group, if required, for intensive periods of work.	

Schedule 4: Draft Consultancy Contract

Contract for Services

[short title for Contract (e.g. project name)]



THE TREASURY
Kaitohutohu Kaupapa Rawa

The Parties to this Contract

The Treasury

(Buyer)

and

[insert the legal name of the Supplier]

[insert the registered office address for a company]

[for others the physical business address]

(Supplier)

The Buyer and the Supplier are each a Party to the contract and are together the Parties.

The Contract

The Buyer appoints the Supplier to deliver the Services described in this Contract and the Supplier accepts that appointment. This Contract sets out the Parties' rights and obligations.

Contract documents

This Contract consists of:

1. this page
2. the Contract Details and Description of Services
3. the Standard Terms and Conditions

Page 1
Schedule 1
Schedule 2

Schedule 2 SERVICES | Public Service | Government Model Contract | First Edition July 2010 available at: www.procurement.govt.nz

4. any other attachments described at Schedule 1.

How to read this Contract

Together the above documents form the Contract. If there are any differences between the documents, Schedule 1 overrides Schedule 2. Clause numbers refer to clauses in Schedule 2. Words starting with capital letters have a special meaning, as stated in Schedule 2 Definitions section (clause 17).

Acceptance

The date of execution of this Contract is the later of the two dates below.

In signing this Contract each Party acknowledges that they have read and agree to be bound by it.

For and on behalf of the **Buyer**:

For and on behalf of the **Supplier**:

Signature

Signature

Name:

Name:

Position:

Position:

Date:

Date:

Schedule 1

Contract Details and Description of Services

Start Date		Reference Schedule 2 clause 1
End Date		Reference Schedule 2 clause 1

Contract Managers		Buyer's Contract Manager	Supplier's Contract Manager
Reference Schedule 2 clause 4 (i.e., the person administering contract)	Name:		
	Title / position:		
	Address:		
	Phone:		
	Fax:		
	Email:		

Addresses for Notices		Buyer's address	Supplier's address
Reference Schedule 2 clause 14	For the attention of:	[name of Senior Manager]	[name of Senior Manager]
	c.c.	[name of Contract Manager]	[name of Contract Manager]
	Delivery Address:		
	Postal address:		
	Fax:		
	Email:		

Supplier's Reporting Requirements	Report to:	Type of report	Due date
Reference Schedule 2 clause 5	Contract Manager	[Interim Progress Report – only if required]	[insert date]
		[Monthly Progress Report - only if required]	[insert date]
		[Project completion report - only if required]	[insert date]

Supplier's Approved Personnel	(this is OPTIONAL)	Approved Individual
Reference Schedule 2 clause 2.5	Name:	
	Position:	
	Specialisation:	

Description of Services

[Insert a concise description of the Services to be provided. Use the questions as prompts]

Description of Services

[What is the nature of the Services?]

[What are the overarching goals, objectives and outcomes you want to achieve?]

[How should the Services be delivered?]

[Refer to any proposal prepared by the Supplier only if this helps describes any aspects of the Service]

Deliverables

[What are the key Deliverables or outputs?]

[What are the specific tasks the Supplier must complete?]

[What are the specific Milestones? Describe each Milestone and its due date]

[Describe any specific records that need to be created and delivered to the Buyer at the end of the Contract]

Performance Standards

[What quality standards apply?]

[How will these be measured?]

[When will they be measured and by whom?]

Fees

Reference Schedule 2
clause 3

The Supplier's fee for the work done must be calculated on the following basis:

[Choose one option, insert relevant details and delete remainder]

Fixed Fee

A fixed Fee of \$[] excluding GST.

OR

Hourly Rate

For each hour worked an hourly rate of \$[] excluding GST, up to a total maximum of \$[] excluding GST.

OR

Daily Rate

For each day worked a daily rate of \$[] excluding GST, up to a total maximum of \$[] excluding GST. One day's work is defined as eight hours. If the Supplier works less than a full day the fee shall be calculated based on the time worked at the agreed daily rate ÷ 8 x hours worked.

OR

Personnel Rates and/or Approved Personnel Rates

[Hourly/daily rates] for each of the [Approved] Personnel, to a total maximum of \$[] excluding GST, in accordance with the following table of rates:

[Approved] Personnel	[Hourly/daily rate] (exc GST)	Total hours	Total fees
Total chargeable hours		[Insert total]	
Total chargeable fees (excluding GST)			[Insert total]

Expenses Reference Schedule 2 clause 3	[Choose one option, insert relevant details and delete remainder]		
	No expenses are payable. OR		
	Actual and reasonable — general expenses The Buyer will pay the Supplier's actual and reasonable expenses incurred in delivering the Services up to a total maximum amount of \$[] excluding GST provided that: <ul style="list-style-type: none"> a. the Buyer has given prior written consent to the Supplier incurring the expense b. the expense is charged at actual and reasonable cost, and c. the claim for expenses is supported by GST receipts. 		
	OR Actual and reasonable — specified expenses The Buyer will pay the Supplier's actual and reasonable expenses incurred in delivering the Services up to the total maximum amounts stated:		
	Item of expense	Number of items	Cost (exc GST)
			Total max cost (exc GST)
	Total maximum costs (excluding GST)		[total costs]

Daily Allowance Reference Schedule 2 clause 3	[Choose one option, insert relevant details and delete remainder]		
	No allowances are payable. OR The Supplier is entitled to charge the following allowances: []		

Invoices Reference Schedule 2 clause 3.2.	The Supplier must send the Buyer an invoice for the Charges at the following times: [Choose one option, insert relevant details and delete remainder]		
	On completion of the Services. OR		
	On the last day of each month for Services delivered during that month. OR		
	On the following dates subject to completion of relevant Deliverables or Milestones.		
Deliverable	Milestones	Due date	Amount (exc GST)
[Insert following clause only if invoice is to be sent to someone other than the Buyer's Contract Manager] The Supplier's invoice must be sent to the Buyer for the attention of [insert name of position/person, and address if necessary] .			

<p>Changes to Schedule 2</p> <p>Standard Terms & Conditions</p>	<p>Clause 13.1 is deleted and replaced with the following:</p> <p>13.1 Each Party undertakes not to use or disclose the other Party's Confidential Information to any person or organisation other than:</p> <ul style="list-style-type: none"> a. to the extent that use or disclosure is necessary for the purposes of providing or, in the case of the Buyer, using the Services b. if the other Party gives prior written approval to the use or disclosure c. if the use or disclosure is required by law (including under the Official Information Act 1982) or parliamentary convention, or d. in relation to disclosure, if the information has already become public, other than through a breach of the obligation of confidentiality by one of the Parties. <p>[set out any other changes to clauses in Schedule 2 of this Contract, for example are the time periods set for the meditation/termination processes in clauses 10 and 11 appropriate]</p>
<p>Additional clause/s</p>	<p>[set out any new clauses that are in addition to Schedule 2 of this Contract – otherwise state 'None']</p>
<p>Attachments</p> <p>Reference 'Contract documents' described at page 26</p>	<p>[describe any attachments to this Contract – otherwise state 'None']</p>

