

# SA Housing Trust



# Community Housing Expression of Interest Guideline

## Guideline details

---

Community Housing Expression of Interest Guideline version 1

Confidentiality level: Public

Name of applicable policy: Renewal SA Probity Policy

Policy Author: Lyndi Gepp

Date: 23/10/2017

Next review date: 01/10/2020

Comments: This guideline applies to Renewal SA staff undertaking work on behalf of the South Australian Housing Trust (SAHT).

## Approvals and review

---

**Policy Custodian** - Joe Noone      Date of approval: 23 October 2017

---

**Policy Content Architect** - Wendy Scullen      Date of review: 23 October 2017

---

**Delegate** - Michael Buchan      Date of approval:

**Endorsed** -      **Date of endorsement:**

# Community Housing Expression of Interest Guideline

## Contents

Contents .....	1
1 Guideline details .....	1
1.1 Objectives .....	1
1.2 Conflicts of Interest.....	3
1.3 Confidentiality.....	3
1.4 Probity Plans .....	4
1.5 External Probity Advisor .....	4
1.6 Communication Officer .....	5
1.9 Waiver of competitive process.....	5
1.10 Records Management .....	6
1.11 Considerations .....	6
1.12 Transactional Risk.....	7
1.13 Proponent Eligibility .....	8
1.14 Expression of Interest (EOI) .....	8
1.15 Evaluation Panel (EP) .....	9
1.16 Evaluation Criteria .....	9
1.18 Evaluation Outcome .....	11
1.19 Late Submission.....	11
1.20 Consultation and Engagement .....	12
2 Related information.....	13
2.1 Controlling documents.....	13
2.2 Other documents and resources .....	13
2.3 Date this guideline applies from.....	13



Government  
of South Australia

# SA Housing Trust

# Community Housing Expression of Interest Guideline

2.4	Version number .....	13
2.5	Disclaimer .....	13

# SA Housing Trust

# Community Housing Expression of Interest Guideline

## 1 Guideline details

These guidelines set out the objectives and the conditions against which the transfer of social housing assets to Community Housing Providers (CHPs) will be assessed to ensure a fair, transparent and consistent Expression of Interest (EOI) process.

This guideline applies to Renewal SA staff undertaking work on behalf of the South Australian Housing Trust (SAHT). These guidelines align with the principles set out in the Renewal SA Probity Policy.

These guidelines apply to small to medium scale property transfers (leasehold or title transfer) released by Renewal SA to registered Community Housing Providers (CHPs) via a competitive process. It is assumed that all required approvals have been granted in making available the property for transfer to CHPs.

These transactions are non-monetary transactions either involving full title transfer or on a leasehold basis depending upon individual program requirements. While the financial interest of the SAHT remains unchanged, the acquisition of additional stock and subsequent boost to rental revenue is of significant value to CHPs.

This guideline ensures that the transfer of these social housing assets is managed by Renewal SA in a fair and transparent manner, ensuring that all CHPs have a reasonable opportunity to compete for properties as they become available.

These guidelines **do not** apply to:

- Property transactions within the remit of the *Renewal SA Procurement Policy and Framework* (i.e. where Renewal SA or SAHT is purchasing services resulting in payment to a non-government organisation)
- EOI and land-sale processes managed by other parts of Renewal SA (e.g. properties released to the broader market)
- Large scale property transactions linked to broader Renewal SA or government strategies (e.g. through the ROSAS program) Targeted negotiations with individual community housing providers initiated by Renewal SA to facilitate broader Renewal SA or government strategies (e.g. property swaps)

### 1.1 Objectives

The objectives of the Community Housing EOI Guidelines are to ensure:

- There is a fair, transparent and consistent process in place for the transfer of these assets to CHPs
- All CHPs have a reasonable opportunity to compete for properties as they become available.

## Community Housing Expression of Interest Guideline

These guidelines are aligned with the Renewal SA Probity Policy. Observing probity means managing transactions and making decisions with the right intentions and in good faith, following Renewal SA policies and process, whilst also ensuring the rationale supporting decisions along with the evidence of all approvals, is clearly documented and maintained.

Sound probity involves:

- Value for Money
- Impartiality
- Accountability and Transparency
- Identifying and managing potential and perceived conflicts of interest; and
- Confidentiality.

### **Value for Money**

Value for money does not relate solely to procurement and does not necessarily mean lowest price. It involves the consideration of all relevant factors as measures of value in achieving objectives, including non-price elements such as performance, quality and risk.

### **Impartiality**

Impartiality is important as any form of bias could jeopardise the integrity of a business transaction or decision. For example, if a process is seen not to be conducted fairly, then stakeholders may withdraw, withhold valuable ideas or decline to engage with Renewal SA in the future. As a result, competition may be lessened and the best value for money may not be achieved.

Lack of impartiality may also result in legal action. By establishing transparent open processes, Renewal SA seeks to minimise opportunities for fraud or corruption in line with the processes described in the Renewal SA Fraud and Corruption Prevention, Detection and Response Policy. This also gives stakeholders confidence in the outcome of a business transaction or decision.

### **Accountability and Transparency**

Accountability involves Renewal SA being able to justify the use of official resources by Renewal SA Officers, being responsible for past and future performance, and maintaining good records that leave an audit trail for business transactions and decisions.

Transparency refers to the willingness to open decision-making processes to scrutiny and possible criticism. This also involves providing relevant stakeholders with reasons for all decisions.

## Community Housing Expression of Interest Guideline

Accountability and transparency give stakeholder's confidence in the decisions being made by Renewal SA. They also reduce the opportunities for fraud and corruption (see *Renewal SA Fraud and Corruption, Prevention, Detection and Response Policy*).

### 1.2 Conflicts of Interest

Conflicts of interest arise when a person with an official duty is influenced, or appears to be influenced, by private interests.

It is expected that Renewal SA officers make decisions that are not influenced by private interests or personal gain. However a conflict of interest may arise even where there is no financial gain involved. Examples of non-financial interests that may give rise to a conflict include relationships based on common interests such as sporting, social or cultural activities as well as family, personal and other relationships.

Evaluation Panel (EP) members who are Renewal SA employees would have already declared Conflicts of Interest registered with Renewal SA in line with the processes described in the *Renewal SA - Disclosure of Conflicts of Interest Policy*.

[Conflict of Interest Forms and Confidentiality Declaration Forms](#) must be completed by any third party appointed to assist the EP if not already engaged under a Renewal SA Contract.

EP members and Specialist Advisors will be asked to identify and disclose any actual or potential conflicts of interest prior to the initial evaluation meeting. For example, anyone who may have a connection with a stakeholder and may potentially stand to gain from the decision should not be involved.

Should any EP members or Specialist Advisors declare such conflicts of interest, the EP in consultation with the independent probity advisor (if appointed), will determine if the conflict or potential conflict will preclude the member from partaking in the evaluation process.

### 1.3 Confidentiality

Whilst the need for transparency is paramount, certain information needs to remain confidential, such as intellectual property, pricing and profit structures, details of the assessments and deliberations of evaluation and negotiation committees, and related internal submissions and reports.

Privacy and confidentiality considerations must be balanced against transparency and accountability. Renewal SA Officers must follow Renewal SA policies and processes regarding the handling and management of records (including sensitive information) – see *Records Management Policy* and *Information Security Policy*.

Where an EP member is not an employee of Renewal SA, a *Confidentiality Declaration Form* is to be signed prior to the commencement of evaluation if not already engaged under a Renewal SA contract.

## Community Housing Expression of Interest Guideline

Renewal SA may also require proponents to complete a *Confidentiality Declaration Form* where the public release of information poses potential political or other risk.

### 1.4 Probity Plans

A [Probity Plan](#) must be prepared and appropriately authorised prior to the release of all EOIs pertaining to this Guideline.

The Probity Plan must:

- document and explain the arrangements for ensuring a prudent and fair process
- document the tasks, procedures and treatment options for managing the assessed probity risks; and
- confirm if a Probity Advisor or Specialist Advisor is to be appointed.

It should also include:

- timeframes;
- the rationale for any select tender approach
- the evaluation plan including evaluation methodology, criteria and assessment measures; and
- the personnel and advisors engaged in the evaluation process.

### 1.5 External Probity Advisor

An external Probity Advisor provides independent opinion and advice regarding probity in a business transaction or decision making process and works actively with the evaluation panel to ensure key probity issues are considered and actioned during the process.

When determining whether to appoint an external probity advisor, all relevant risks should be considered including those associated with the:

- Value of the transaction or business decision and level of competition anticipated
- Sensitivity surrounding the transaction/decision – for example, potential for media exposure and/or significant impact on tenants or the general public/ potential or perceived conflict of interest
- General complexity of the transaction/decision
- Expertise and Experience – level of expertise and experience within Renewal SA in similar transactions/decisions; and
- Commercial value – where the EOI sets only the desired outcomes, and welcomes a broad range of responses from proponents to meet these objectives. In such cases the assessment is more complex, and there may be considerable commercial value and/or intellectual property attached to the responses which amplifies the need for confidentiality and potentially complicates the aspects of transparency.

## Community Housing Expression of Interest Guideline

The engagement of an external Probity Advisor must be properly planned and include clear and comprehensive terms of reference, which include:

- fairness and impartiality are observed throughout
- the *Evaluation Criteria* are consistently applied during the process
- comment and advice on compliance issues
- review and confirm compliance with the approved *Probity Plan*
- a statement in respect of probity procedures during the evaluation process.

If deemed necessary, a Probity Advisor may be appointed at any stage of the EOI process.

### 1.6 Communication Officer

The Communication Officer, or their delegate, is the only person authorised to publicly discuss the outcome of the EOI. Any media releases or responses will be authorised by this person. Following approval of the recommendation, the Communication Officer, or their delegate, will advise the successful proponents by telephone of the acceptance of their EOI.

Upon advice to the successful proponent, the Communication Officer or their delegate will advise the unsuccessful proponents in writing that they have been unsuccessful.

### 1.7 Specialist Advisor

An external *Specialist Advisor* may be engaged as needed to provide comment on certain elements of the decision to be made by the Panel. A Specialist Advisor may be called upon where Renewal SA has limited internal expertise and experience in similar transactions/decisions. The role of the Specialist Advisor must be clearly articulated in the Probity Plan and the role they will play in the decision making process.

This appointment is separate from an external *Probity Advisor*.

### 1.8 Lead Contact Officer

The Lead Contact Officer will take responsibility for developing the EOI documents, compiling Minutes of Evaluation panel meetings and make contact with proponents throughout the EOI process. All communications and actions undertaken will be recorded on a [Communication log](#).

### 1.9 Waiver of competitive process

Approval to waive a competitive EOI process and make either a direct approach to a specific contracted community housing provider or to limit the EOI to a select call may be considered

## Community Housing Expression of Interest Guideline

in special circumstances, with Renewal SA Director authorisation in, for example, the following situations:

- Timing Risk – urgent and unforeseen requirements where, for example, it is necessary to contract a property manager to meet a particular deadline which could not have been reasonably foreseen/planned, or arising from an unanticipated government policy decision or in the interest of existing tenants.
- Monopoly or single source of supply – where there are specialised skills required to manage particular tenant needs which cannot be sourced elsewhere – for example, where a community housing provider has an inherent body of knowledge with a particular project, client group, physical location or process.
- Excessive cost associated with a competitive EOI process given the nature and value of the transaction e.g. very low leasehold transactions involving a small number of properties for a short term lease.
- Limited leasehold period available – where future planning intent is known and there is no possibility of extension of lease or options for redevelopment
- Stakeholder preferences – where, for example, Renewal SA (on behalf of the SAHT) is working in partnership with a particular organisation to deliver broader project objectives that include, but are not limited to, social or economic outcomes (e.g. ROSAS).
- Public risk – where there may be significant public risk and/or disruption if the process is delayed, such as emergency situations.
- Compatibility – with existing infrastructure or services.
- Intellectual property or contract obligations have resulted in single supply source obligations on Renewal SA.
- Market factors would not provide fair and competitive bidding, e.g. regional locations.

### 1.10 Records Management

Renewal SA Officers ensure that a complete record is kept of the Renewal SA business transaction and decision making process. All documents relating to the business transaction and decision making process should be stored in a Renewal SA Official Records Management System in accordance with the Record Management Framework.

### 1.11 Considerations

Depending upon whether the transfer involves full title transfer or is the transfer of a management lease only, the process for determining a suitable CHP will vary.

- All *Title Transfers* require the preparation of a full *Probity Plan* and the release of an Expression of Interest ('EOI') to ensure the measures of probity are adequately met.
- *Leasehold* transactions, depending on assessed *value* (refer to the table below) of the transaction and the transactional *risk*, may require a less rigorous process or in



# SA Housing Trust

## Community Housing Expression of Interest Guideline

certain circumstances, may even warrant the waiver of a competitive process altogether e.g. where the cost of running an EOI process outweighs the value attached (refer 1.9).

Value takes into account a number of aspects including (but not limited to):

- actual value of the property to CHP ;
- the income earning potential to the CHP (including likelihood of lease extension);
- the rental outlay by the CHP (e.g. peppercorn rental vs 50-100% market rent); and
- other value to the CHP (e.g. positioning themselves in a new growing market).

Renewal SA will therefore determine the process on a case by case basis, using the following as a guide:

Assessed Value	Example	Process
Title Transfer	1 property or more transferred with title, with up to 100% SAHT interest	Full Probity Plan and EOI
High Value Lease	> \$100,000/pa >10 properties 3 year term or more	Full Probity Plan and EOI
Medium Value Lease	\$50,000-\$100,000/pa 5-10 properties 3 year term or more	Full Probity Plan and EOI
Low Value Lease	\$20,000-\$50,000/pa 2-4 properties 3 year term	Basic Probity Plan and EOI
Very Low Value Lease	<\$10,000/pa 1 property OR larger number of properties on short term lease <18 months with no possibility of extension	Basic Probity Plan and EOI.

Note: \$ amounts above refer to net rental income after cost of lease

### 1.12 Transactional Risk

Risk associated with the transaction will be assessed using the *Renewal SA Risk Management Framework: Transactional Risk Rating Guidelines* as a guide which include assessment against the following risk consequence criteria:

## Community Housing Expression of Interest Guideline

- economic
- social and people
- programs and services
- environmental
- reputation and image.

All medium to high risk leasehold transactions regardless of value will require a full Probity Plan and EOI.

### 1.13 Proponent Eligibility

As a general rule Expressions of Interest under these guidelines will be open to all registered community housing providers. In such cases, clear guidance on required organisational capacity and capability to meet set objectives will be included in the EOI to assist providers in selecting which EOIs they respond to.

Approval to waive a competitive EOI process and make either a direct approach to a specific contracted community housing provider or to limit the EOI to a select call, may be approved in special circumstances (refer 1.9).

The Probity Plan will clearly articulate any additional requirements and associated rationale applied in determining proponents eligible for a select tender.

### 1.14 Expression of Interest (EOI)

An EOI released under this guideline will be prepared using the approved [EOI template](#) .

The following key elements will be covered in the EOI (Renewal SA reserves the right to vary this as required):

- outline of the property release
- evaluation criteria
- terms and conditions
- the submission process
- the nominated Lead Contact Officer for the EOI process
- the nominated Communication Officer for the EOI process
- timeframe for consideration by proponents (period of time should be commensurate with the value and complexity with 5 working days considered a minimum for low value/low risk transactions)
- timeframe allowed for the evaluation process and release of final decision;
- composition of the Evaluation Panel; and
- appointment of an external Probity Advisory and/or Specialist Advisor (where applicable).

All EOIs must be lodged via the electronic Renewal SA submission portal before the EOI close of date. No paper submissions will be accepted.

## Community Housing Expression of Interest Guideline

The requirements of Renewal SA's Procurement Policy and Framework in relation to Tender Opening will be observed.

### 1.15 Evaluation Panel (EP)

A minimum of three panel members (usually Renewal SA staff) will be nominated by the Manager, Industry Partnerships ensuring appropriate experience and expertise in:

- Financial analysis
- Provider business models
- Development applications and requirements

In some circumstances, it may be appropriate to include non-staff members (e.g. where another organisation has an interest in the outcome). In such circumstances, the EP member will be required to sign a [Confidentiality Deed](#).

Where possible and to avoid any perceived conflict of interest, EP members will be disclosed as part of the EOI, providing opportunity for potential proponents to raise concerns.

A Chairperson shall be appointed at the first meeting of the EP.

The EP is responsible for:

- determining the *Evaluation Criteria* and associated weightings
- preparing the *Probity Plan*
- appointing *Specialist Advisor/s* where deemed necessary
- undertaking the evaluation; and
- preparing recommendations and obtaining required approvals.

### 1.16 Evaluation Criteria

The EP will determine the Evaluation Criteria on the basis of:

- required outcomes; and
- the aspects that are likely to differentiate each proponent's ability to deliver the required outcomes.

The EP will determine weightings for the criterion by consensus.

Where an external Probity Advisor has been appointed, they will also attend the evaluation meeting to observe proceedings and provide comment and guidance as required. A copy of the determined weightings are to be provided to the Independent Probity Advisor in order to evidence that the weightings have in no way been established in order to favour any particular proponent.

Where possible the weightings will be provided as part of the EOI or, at a minimum, the order of importance of the evaluation criteria however this is not a requirement and there may be instances where these are not disclosed to proponents.

## Community Housing Expression of Interest Guideline

### 1.17 Scoring

Where a Specialist Advisor has been appointed they may be provided with extracts only of the components for which they have been appointed to assess prior to the calling of a meeting of the EP.

Where possible, local Specialist Advisors will peruse the extracts at the office of Renewal SA in order to minimise the risk of unauthorised access to information.

EP members are also to determine individual ratings against each of the Evaluation Criteria prior to the calling of a meeting of the EP.

The Chairperson of the EP shall call a meeting at which an overall rating will be determined via group consensus.

Each response received is scored out of 5 for each criterion. The points score table is:

Score	Rating	Description
5	Excellent	Claims are fully supported by comprehensive and complete information. Offers a level of performance that exceeds Renewal SA requirements. Represents industry best practice.
4.5		
4	Above Average	Above average. Satisfies the selection criterion in all aspects. Highly competent.
3.5		
3	Average	Average, acceptable and compliant. Satisfies all requirements. Successful completion highly probable.
2.5		
2	Adequate	Generally meets the requirements but there are some deficiencies. May have some shortcomings in the scope and details of supporting information and/or there is some concern regarding ability to successfully fulfil the contractual requirements.
1.5		
1	Marginally Adequate	Does not fully satisfy all requirements. Successful completion uncertain. Supporting information contains deficiencies in both scope and detail.
0.5		
0	Inadequate	Likely to fail to meet specified requirements.

## Community Housing Expression of Interest Guideline

The EP shall review relative to the established evaluation criteria, and assign ratings to each criterion by group consensus utilising the evaluation matrix. Where the final agreed rating differs markedly from an individual's weighting, the rationale for the difference and the final rating applied should be explained in the assessment records.

Where an external Probity Advisor has been appointed they are required to attend all evaluation meetings of the Evaluation Panel to ensure that any probity matters are effectively managed and to provide probity advice where required.

### 1.18 Evaluation Outcome

At the conclusion of the evaluation process, the Chair of the EP or their delegate shall prepare a panel report including nomination of a preferred CHP. The Chair or their delegate will also prepare minutes of the evaluation panel. The minutes and evaluation matrix will be distributed to all EP members and their formal approval of the documents will be obtained. This recommendation will be formally approved according to the *Renewal SA Instrument of Financial Delegations relating to SAHT operations*.

The decision by Renewal SA when made and approved in accordance with this guideline, will be final. There are no grounds for appeal regarding the evaluation outcome.

### 1.19 Late Submission

The Chairperson of the EP (as nominated in the Probity Plan), will determine whether to accept a late submission. The primary aim must be to ensure that acceptance of a late submission does not affect the probity of the process.

If appointed, the external probity advisor should be consulted and the following matters taken into consideration:

- Whether the proponent has gained an unfair advantage over others (e.g. obtained critical information or significant time to improve their submission after close).
- Whether SAHT was forewarned about the late submission and afforded the opportunity to delay the opening of the other submissions until the late submission was submitted.
- If there was ambiguity in the process or a discrepancy in the documentation which may have contributed to some or all of the proponents misinterpreting the deadline.
- There is a good and substantial reason for the late submission.

All other submissions received must be quarantined and remain unopened until a decision is made about a late submission. The EP must be advised of the decision regarding a late submission.

Any contact with a late proponent may ordinarily be made by the Lead Contact Officer as long as this Officer has not seen or participated in the opening of submissions. If opening of submissions has commenced or been completed, any contact with a late proponent must be

## Community Housing Expression of Interest Guideline

made by a person independent of the opening process, i.e. a person who has not seen or handled any received submissions.

### 1.20 Consultation and Engagement

Any contact with potential proponents during an EOI process must be made through the Lead Contact Officer (as nominated in the Probity Plan).

In the case of more complex property transactions, Renewal SA may schedule programmed briefings where required to:

- Explain the nature of a property transaction and expected outcomes; and/or
- Allow potential proponents to view detailed specifications/plans, physically inspect sites, and raise questions about the scope of the EOI.

The following guideline will apply to programmed briefings:

- The need for a briefing is ideally included in the EOI documentation.
- Details of the briefing are included in the EOI documentation, but will this not preclude Renewal SA from calling a briefing where determined necessary during a process, provided all potential proponents are notified in writing and provided sufficient notice.
- Attendance at a briefing (if required) is usually a mandatory condition. A statement to this effect should appear in the EOI documentation.
- The briefing will be overseen by an external Probity Advisor (where appointed).
- Statements made by Renewal SA Officers (acting on behalf of the SAHT) and replies to any questions during these briefings, must be consistent with the EOI documentation.

If changes are required to the EOI documentation as a result of matters raised at a briefing, a copy of the amended procurement documentation is forwarded to all potential proponents present at the briefing not less than five working days prior to close.

### 1.21 Outcome of EOI

Following approval of the recommendation from the appropriate delegate, the Communication Officer will advise the successful proponents by telephone of the acceptance of their EOI.

Upon advice to the successful proponent, the Communication Officer or their delegate will advise the unsuccessful proponents in writing that they have been unsuccessful.

# SA Housing Trust

# Community Housing Expression of Interest Guideline

## 2 Related information

### 2.1 Controlling documents

Community Housing Providers (National Law), (South Australia) Act 2013.

Master Community Housing Agreement (2016)

This guideline is based on and complies with:

- Renewal SA Probity Policy
- Renewal SA Records Management Policy and Information Security Policy
- Renewal SA Fraud and Corruption Prevention, Detection and Response Policy
- Renewal SA - Disclosure of Conflicts of Interest Policy.

### 2.2 Other documents and resources

- State Procurement Board Probity and Ethical Procurement Guidelines
- Expression of Interest template
- Probity Plan
- Conflict of Interest form
- Confidentiality Declaration Forms
- Other supporting information can be located at [www.sa.gov.au/communityhousing](http://www.sa.gov.au/communityhousing)

### 2.3 Date this guideline applies from

1 October 2017

### 2.4 Version number

1

### 2.5 Disclaimer

This guideline can be changed, withdrawn or replaced at any time.