Sourcing negotiation plan

Template

(Insert procurement activity and reference number)

|  |
| --- |
| **When to use this template**  This template can be used to prepare for post-offer negotiations with a prospective supplier.  **Please delete this text box and remove any User note before use.**  Use of this template is optional – remember to check your agency’s policies and procedures to check whether your agency has a standard template available that you are required to use.  **For more information on the *Buy Queensland* approach to procurement please visit** [www.qld.gov.au/buyqueensland](http://www.qld.gov.au/buyqueensland).  Get involved! This document is part of the Procurement Resource Centre. We would love to hear what you think, so please email your feedback to [betterprocurement@hpw.qld.gov.au](mailto:betterprocurement@hpw.qld.gov.au).  **Disclaimer**  This document is intended as a guide only for the internal use and benefit of government agencies. It may not be relied on by any other party. It should be read in conjunction with the Queensland Procurement Policy, your agency’s procurement policies and procedures, and any other relevant documents.  The Department of Housing and Public Works disclaims all liability that may arise from the use of this document. This document should not be used as a substitute for obtaining appropriate probity and legal advice as may be required. In preparing this document, reasonable efforts have been made to use accurate and current information. It should be noted that information may have changed since the publication of this document. Where errors or inaccuracies are brought to attention a reasonable effort will be made to correct them. |

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# Introduction

[User note: refer to the [Negotiation](https://www.hpw.qld.gov.au/__data/assets/pdf_file/0012/3351/procurementguidenegotiation.pdf) guidance for more information.]

Invitation to Offer (insert reference number) was released to the market on (insert date). A total of (insert number) offers were received in response to this invitation.

Following an evaluation process, it was decided to proceed to post-offer negotiations with:

* (insert supplier name)
* (insert supplier name).

Any amendment to the offer occurring as a result of post-offer negotiations, or as a result of a request for further information or clarification between the parties, will form part of the offer.

# Purpose and objectives

The purpose of the procurement process was to (insert relevant details).

The objective of post-offer negotiations is to clarify and/or discuss a number of issues to obtain a better outcome for the Queensland Government.

# Roles and responsibilities

## Agency representatives

The agency’s negotiation team consists of the below representatives.

[User note: roles may include lead negotiator, technical expert, administration support. It is important to note who has the decision-making authority when entering a negotiation.]

|  |  |  |  |
| --- | --- | --- | --- |
| **Name and position title** | **Role** | **Responsibility** | **Decision maker (Y/N)** |
| (Insert details) | (Insert details) | (Insert details) | (Y/N) |
| (Insert details) | (Insert details) | (Insert details) | (Y/N) |
| (Insert details) | (Insert details) | (Insert details) | (Y/N) |

## 

## Supplier representatives

The supplier’s negotiation team consists of the below representatives.

[User note: wherever possible, confirm in advance who will be representing the supplier at the negotiation. It is also important to identify who from the supplier has decision-making authority wherever possible.]

|  |  |  |  |
| --- | --- | --- | --- |
| **Name and position title** | **Role** | **Responsibility** | **Decision maker (Y/N)** |
| (Insert details) | (Insert details) | (Insert details) | (Y/N) |
| (Insert details) | (Insert details) | (Insert details) | (Y/N) |
| (Insert details) | (Insert details) | (Insert details) | (Y/N) |

# Negotiation details

## Logistics

[User note: the negotiation process may be made up of multiple meetings.]

|  |  |
| --- | --- |
| **Item** | **Details** |
| Location | (Insert details) |
| Timing and frequency of negotiations | (Insert details) |
| (Insert details other relevant logistical items) | (Insert details) |

## Key messages

[User note: key messages are the main points you want the supplier to hear. They may relate to the outcomes sought, value for money, key technical requirements or other details specific to the procurement. Each member of the negotiation team should understand the key messages and maintain these throughout the negotiation.]

The following key messages will be relayed during the negotiation and repeated as necessary:

* (insert key message)
* (insert key message)
* (insert key message).

## Negotiation points

[User note: insert the key points to be negotiated into the table below, noting the Most Desired Outcome (MDO), the Least Acceptable Agreement (LAA) and Best Alternative to a Negotiated Agreement (BATNA) for both the agency and the supplier. It may be necessary to populate the supplier outcomes based on assumptions, however, this can be updated as more information becomes available. Where there is overlap between the agency and supplier’s positions may indicate the best points of negotiation.]

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Agency outcomes** | | | **Supplier outcomes** | | |
| Key points to be negotiated | Most Desired Outcome (MDO)  (the best possible scenario) | Least Acceptable Agreement (LAA)  (the minimum agreement you are willing to accept) | Best Alternative to a Negotiated Agreement (BATNA)  (a planned course of action in the event you cannot reach an agreement) | Most Desired Outcome (MDO)  (the best possible scenario) | Least Acceptable Agreement (LAA)  (the minimum agreement they are willing to accept) | Best Alternative to a Negotiated Agreement (BATNA)  (a planned course of action in the event you cannot reach an agreement) |
| (Insert details) | (Insert details) | (Insert details) | (Insert details) | (Insert details) | (Insert details) | (Insert details) |
| (Insert details) | (Insert details) | (Insert details) | (Insert details) | (Insert details) | (Insert details) | (Insert details) |
| (Insert details) | (Insert details) | (Insert details) | (Insert details) | (Insert details) | (Insert details) | (Insert details) |

[User note: consider which points may be negotiable and which are not negotiable, along with the priority of the various points. In some instances, it may be possible to concede certain items to get a greater overall value for money outcome.]

# Strategies and tactics

[User note: there are a range of different styles and tactics that can be used during a negotiation. Refer to the [Negotiation](https://www.hpw.qld.gov.au/__data/assets/pdf_file/0012/3351/procurementguidenegotiation.pdf) guidance for more information.]

## Agency approach to the negotiations

(Insert information about the style of negotiation and any tactics the agency may employ.)

## Supplier strategy and tactics

[User note: it is good practice to document the potential strategies and tactics the supplier may employ and consider strategies in advance to counter any such approaches.]

It is anticipated the following strategies/tactics may be used by the supplier.

|  |  |
| --- | --- |
| **Potential strategy or tactic** | **Possible counter approach** |
| (Insert details) | (Insert details) |
| (Insert details) | (Insert details) |
| (Insert details) | (Insert details) |

# Risks

The following risks have been identified in relation to the negotiation process.

[User note: refer to your agency’s risk management framework in order to determine the likelihood, consequence and risk ratings your agency uses.]

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Risk** | **Likelihood** | **Consequence** | **Risk rating** | **Mitigation strategy** | **Responsibility for risk** |
| (Insert risk) | (Insert the likelihood of the risk occurring) | (Insert the consequence if the risk occurs) | (Insert the risk rating) | (Insert the identified risk mitigation strategy (or strategies)) | (Insert who is responsible for managing the risk) |
| (Insert risk) | (Insert the likelihood of the risk occurring) | (Insert the consequence if the risk occurs) | (Insert the risk rating) | (Insert the identified risk mitigation strategy (or strategies)) | (Insert who is responsible for managing the risk) |
| (Insert risk) | (Insert the likelihood of the risk occurring) | (Insert the consequence if the risk occurs) | (Insert the risk rating) | (Insert the identified risk mitigation strategy (or strategies)) | (Insert who is responsible for managing the risk) |

# Approval

[User note: approval for the negotiation plan should always be obtained prior to commencing negotiations.]

|  |  |
| --- | --- |
| **Signatory details** |  |
| **Name** |  |
| **Position title** |  |
| **Division and department** |  |
| **Signed** |  |
| **Date** |  |