Targets for Major ICT Projects

Australian Skills Guarantee guidance for potential suppliers

The Australian Government has introduced the Australian Skills Guarantee (Skills Guarantee) to leverage its significant purchasing power to help address skills shortages and gender segregation in the construction and Information and Communication Technology (ICT) sectors.

This resource is aimed at Potential suppliers of Major ICT projects as defined in the Skills Guarantee Procurement Connected Policy (PCP) and covers what information they should provide as part of their response to an approach to market. This resource should be read in conjunction with the Skills Guarantee PCP.

Overview

Recognising the numerous entry-level pathways into digital roles, and that apprenticeship pathways are less common, targets for Major ICT projects can be based on any combination of apprentice or ICT cadet labour hours.

Where the Relevant entity has determined that it is reasonable to apply targets to the project, targets will be negotiated on a project-by-project basis with the preferred supplier, based on workforce information provided by the supplier during the procurement process. Where a procurement is subject to Skills Guarantee requirements, this will be noted in the procurement's approach to market. The agreed targets should achieve a genuine and meaningful increase in the proportion of apprentices and ICT cadets engaged in the supplier's workforce (including subcontractors). If any component of your procurement will be delivered overseas, refer to the guidance for Australian Skills Guarantee Procurements with an overseas component available on the Skills Guarantee website.

Preparing your submission – proposing ICT targets

This section explains how Potential suppliers can work out their proposed targets. Potential suppliers should:

1. Estimate the total workforce labour hours for the ICT project (this is used when calculating the overarching apprentice and ICT cadet target).

2. Consider your current workforce (including that of any proposed subcontractors) and how the proportion of apprentices and ICT cadets engaged can be increased.

3. Using this information, consider the labour hours that apprentices and ICT cadets will undertake on the project.

4. Calculate the overarching apprentice and ICT cadet target using this formula:

$$\frac{Total\ apprentice\ and\ ICT\ cadet\ labour\ hours}{Total\ estimated\ workforce\ labour\ hours} \times 100$$

5. Consider your current workforce (including that of any proposed subcontractors) and how the proportion of women apprentices and ICT cadets engaged can be increased.

6. Using this information, consider the labour hours that women apprentices and ICT cadets will undertake on the project.

7. Calculate the apprentice and ICT cadet target for women using this formula:

$$\frac{Total\ women\ apprentice\ and\ ICT\ cadet\ labour\ hours}{Total\ apprentice\ and\ ICT\ cadet\ labour\ hours} \times 100$$

8. In your submission, include up-to-date workforce data explaining how you set the targets, an explanation of why you are setting the targets at the proposed levels, and how you are demonstrating an increase in the proportion of apprentices and ICT cadets engaged in the workforce.

9. While not mandatory, you are encouraged to develop a Gender Equality Action Plan (see separate guidance for details).

As shown in the previous steps, the apprentice and ICT cadet target for women is calculated as a proportion of the overarching apprentice and ICT cadet target. See example below.

Example showing calculations to work out the targets

Company A:

- Company A has estimated the total labour hours for a *major ICT project* would be 90,000.

- Company A already have two ICT cadets, who would be able to contribute 4,800 labour hours to the project.

- If they are the successful supplier, Company A plan to increase the size of their workforce, bringing on an additional two ICT cadets (ensuring at least one is a woman) to work on the project, who would contribute an additional 4,800 labour hours to the project. This would increase the total apprentice and ICT cadet labour hours contributing to the project to 9,600 in total.

- Therefore, Company A propose an **overarching apprentice and ICT cadet target of 10.6%.**

$$\frac{9,600}{90,000} \times 100$$

- As the two ICT cadets they already have are women, and they will ensure at least one of the new ICT cadets is a woman, they propose an **apprentice and ICT cadet target for women of 75%**.

$$\frac{7,200}{9,600} \times 100$$

Evaluating submissions

When evaluating submissions, Relevant entities should consider the ICT target information provided by Potential suppliers and determine if it meets the requirements outlined in section 5.4 if the PCP, in conjunction with other assessment criteria, to determine the submission that demonstrates the most value for money, in accordance with the *Commonwealth Procurement Rules*.

Relevant entities should have regard to the extent to which a Potential supplier is able to demonstrate it will meet the proposed targets and adjust the Potential supplier's scores against the relevant evaluation criteria accordingly.

The ICT targets will then be agreed between the Relevant entity and successful Supplier during the contract negotiation stage and included in the contract.

Need more information?

- Visit the Australian Skills Guarantee website for more resources: www.dewr.gov.au/australian-skills-guarantee
- Read the Australian Skills Guarantee Procurement Connected Policy
- Email ASG@dewr.gov.au