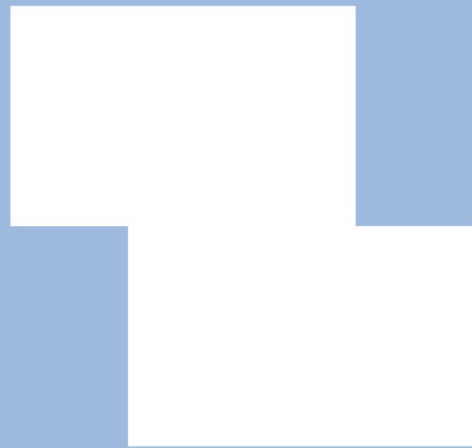


AI Vendor Evaluation Criteria

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1. Introduction

The Municipal Association of Victoria (MAV) in partnership with the City of Greater Dandenong seek to appoint a register of suppliers who can provide AI solutions to support statutory planning processes across Victorian councils (the Register). As part of the federal Housing Initiative Program and in consultation with local councils, it has been identified that AI and automation technologies can help address challenges in delivering housing targets efficiently while maintaining quality planning outcomes.

This document outlines requirements for AI suppliers seeking to join the Register to provide statutory planning solutions to Victorian councils. MAV's Appointed Panel of Assessors recognize that councils are at different stages of AI readiness and maturity, with varying technical capabilities, governance frameworks, and resources.

Our approach is flexible and outcomes-focused, allowing suppliers of all sizes to demonstrate capability through various means while providing appropriate support for councils throughout their AI adoption journey for the Statutory Planning processes. The requirements reflect the priorities and concerns identified through extensive consultation with Victorian councils, ensuring solutions address real needs while accounting for practical implementation challenges.

2. Project Goals and Objectives

This project aims to support local councils in Victoria to build capacity to deliver on housing targets by improving the efficiency of statutory planning processes. Through collaboration with councils and a broader ecosystem of experts in Planning, AI, data, automation, regulation and technology ethics, the project seeks to identify and implement responsible AI solutions that are both practical and forward-looking.

The work is part of a federally funded initiative whose overarching goal is to help accelerate the delivery of new housing by creating efficiencies in planning. At the heart of this approach is a commitment to equipping planners with tools that enhance their capacity to do their jobs more effectively. The role of technology is seen not as a replacement for planners, but as a supportive mechanism that contributes to the evolution of the planning profession.

This project also seeks to clearly articulate the role of statutory planning within local government and identify how new technologies can align with and enhance this role. The Register being established will serve as a resource for all Victorian councils, offering guidance on selecting and implementing AI solutions. The Register will also offer coordinated, sector-wide insights into the maturity of suppliers, key implementation challenges, and alignment with relevant planning and ethical standards.

3. Statement of Requirements

Through this process, the Appointed Panel of Assessors are seeking to establish a Register comprising a diverse mix of technology providers. This includes experienced AI suppliers with a demonstrated track record in statutory planning and local government, as well as emerging startups that have applied AI successfully in other domains and are eager to work closely with councils in adapting their solutions for planning purposes.

Suppliers must not only present capable technologies, but also demonstrate a commitment to human-centred, transparent, and ethical approaches to AI. The Appointed Panel of Assessors are looking for systems that support human judgment in planning, rather than automate decision-making in ways that bypass the statutory responsibilities of councils. Transparency and explainability are critical: suppliers should be clear about where AI is applied within their systems and offer meaningful explanations for system outputs.

Equally important is a supplier's approach to compliance, security, and privacy. The Appointed Panel of Assessors expect all solutions to comply with state and federal legislation, including planning, privacy, and data governance laws. Suppliers should provide clear evidence of their cybersecurity safeguards, breach response protocols, and encryption and data handling standards. Those working with First Nations or culturally sensitive data must respect principles of Indigenous data sovereignty and ensure appropriate governance is in place.

Solutions must also be adaptable and capable of integration with council systems. Suppliers should show how their technologies can align with the varied planning schemes of different councils, and integrate with commonly used software (such as TechnologyOne, Pathway, and Greenlight). A commitment to continuous improvement and responsiveness to user feedback is essential, as is alignment with councils' environmental sustainability goals.

The Appointed Panel of Evaluators place strong value on collaboration and relationship-building. The Appointed Panel of Evaluators are seeking suppliers who are open, communicative, and willing to work alongside councils and other sector stakeholders. Responses should provide a clear account of current capabilities, any gaps that exist, and how those gaps will be addressed. Suppliers should also detail the support they will provide to councils at different stages of AI maturity, including training, change management, and knowledge transfer.

The following section outlines the full supplier requirements and assessment framework that will be used to evaluate submissions and determine inclusion on the Register. Note this does not override any individual council processes, procurement policies, or contracts for any council wishing to engage a supplier from this Register.

4. Detailed Statement of Requirements

The Appointed Panel of Assessors asks suppliers to provide a comprehensive response to six categories of assessment for the Register.

Suppliers who do not currently meet all capabilities in this category may still receive a strong score if they provide a clear, time-bound improvement plan. This may include:

- A committed roadmap for developing features or meeting standards, including what commitment from Councils might make it possible to roll out roadmap stages
- Governance or integration plans in progress
- Planned pilot projects or partnerships
- Specific milestones and timeframes
- Supporting evidence of feasibility and intent

Instructions for Suppliers

- Please respond to each of the categories using the detailed questions and prompts provided.
- In some instances, where you cannot currently meet a requirement, there is scope to describe your roadmap, relevant pilot projects, partnerships, or planned development.
- Provide specific examples, documentation, or references wherever possible.
- Responses should be concise but complete. You may use tables, links to supporting material, or diagrams where appropriate.
- Clearly indicate any dependencies (e.g. council data availability or required system access) that councils should be aware of prior to engaging your services.
- If shortlisted, MAV may contact you for a follow up demo or questions/clarifications
- Please include schedule of rates.

Assessment Category 1: Strategic Relevance & Capability

Core capabilities this section seeks to understand:

Industry experience in planning, regulatory or public sector domains
 Demonstrated AI capabilities relevant to statutory planning
 Adaptability of the system to council-specific planning schemes
 Track record of successful implementations or pilots

Service Categories

Please indicate which capabilities your solution or service can offer:

Planning Guidance & Application Support

- Pre-application triage and guidance
- Application completeness checking
- Fee assessment and payment validation
- Planning inquiry chatbot/virtual assistant
- Planning information self-service tools

Application Intake & Processing

- Planning scheme interpretation
- Application classification and routing
- Referral management automation
- Application complexity and risk scoring for triage
- Application pre-assessment for compliance

Assessment & Decision Support

- Site analysis
- Visual impact assessment
- Templated report drafting and condition generation
- Objection and referral synthesis into reports
- Historical decision pattern identification
- Development scenario modelling
- Planning policy interpretation and summarisation

Communication & Engagement

- Application status tracking
- Automated notification systems
- Stakeholder sentiment analysis
- Community feedback analysis
- Automated permit and notice generation
- Referral communication automation
- Customer service messaging
- Multilingual and accessible support for customer communications and self-service tools
- Translation of planning language into accessible, everyday language

Data, Documentation & Integration

- Document classification and workflow automation
- Document compliance checking
- Information extraction from planning documents
- Automated report generation
- Data analytics and reporting
- Aerial change detection for compliance to permit conditions
- System integration with existing council tools

Detailed response requirements

- Describe your experience in AI for planning or regulatory/public sector applications.
- Provide examples of relevant projects or transferable expertise.
- Demonstrate your system's core planning capabilities (e.g., scheme interpretation, zoning compliance).
- Describe how your solutions or services account for statutory planning processes under the *Planning and Environment Act 1987 (Vic)*

Alternative Pathways

Suppliers without direct experience in statutory planning may still be considered if they can demonstrate:

- How your technology can be adapted to achieve efficiencies in the statutory planning system; and
- How you propose to work with Victorian Local Government to do this.

In your response, please focus on:

- Transferable expertise from regulatory or public sector environments
- Relevant domain knowledge from adjacent sectors
- Strong technical capabilities with a clear roadmap for planning-specific adaptation
- Pilots or prototypes showing application of their solution in Planning contexts

Assessment Category 2: Governance, Ethics & Human-Centred AI

Core capabilities this section seeks to understand:

- Human-AI oversight and human-in-the-loop mechanisms
- Explainability of system outputs
- Fairness, bias detection, and mitigation strategies
- Ethical risk management and transparency

Detailed response requirements: How do you ensure human oversight is maintained for all planning decisions?

- Describe how your system supports independent auditing, including transparency features (logs, access records, override documentation, version tracking, etc.).”
- Describe your approach to ethical risk assessment and harm minimisation, include references to fairness metrics, benchmarks, or audit tools if available.
- How do you ensure outputs are explainable to planners, residents, and developers?

Alternative Pathways

If your system is still developing any of the above capabilities, provide a time-bound development plan with specific milestones for implementing human oversight workflows, explainability features, or ethical risk management practices relevant to planning applications.

Assessment Category 3: Regulatory & Legislative Compliance

Core capabilities this section seeks to understand

- Basic awareness of Victorian planning and privacy legislation requirements
- Understanding of anti-discrimination and human rights obligations in AI system design
- Recognition of data sovereignty, security, and governance requirements for local government
- Acknowledgment of compliance responsibilities when working with public sector clients

Detailed response requirements:

- **Planning legislation awareness:** Demonstrate your understanding of how the *Planning and Environment Act 1987* (Vic) and Victorian Planning Provisions apply to your AI solutions in planning contexts.
- **Compliance framework approach:** Describe your compliance approach through recognised standards (such as ISO/IEC 27001, SOC 2, ISO/IEC 42001, NIST AI RMF) and explain how these address Victorian privacy legislation (*Privacy and Data Protection Act 2014* (Vic), *Privacy Act 1988* (Cth)) and anti-discrimination requirements (*Equal Opportunity Act 2010* (Vic), *Charter of Human Rights and Responsibilities Act 2006* (Vic)).
- **Data security and sovereignty standards:** Confirm your alignment with recognised cybersecurity and data management standards (ISO/IEC 27001, ISO/IEC 27017, Australian Government Information Security Manual) and how these meet Australian data hosting and encryption requirements for local government.

- **AI governance and ethics standards:** Describe your approach to AI risk management through standards like ISO/IEC 42001, NIST AI Risk Management Framework, or Australian Voluntary AI Safety Standard, and how these address bias detection, fairness, and transparency obligations.
- **Compliance development planning:** If your system does not currently hold relevant certifications or meet all regulatory requirements, provide a specific timeline and plan for achieving compliance before any council implementation.
- **Important notice to suppliers:** Councils will be advised to independently verify detailed compliance requirements including: full alignment with all applicable privacy legislation and council-specific data governance; complete supply chain transparency and third-party risk assessments; comprehensive cybersecurity certifications; integration capabilities with cultural heritage data and Traditional Owner rights; and all technical, legal, and operational compliance specific to their implementation needs.

Alternative Pathways

No Alternative Pathways *All suppliers must demonstrate basic awareness of regulatory requirements and a credible compliance approach. Suppliers unable to meet these fundamental requirements should not be included on the Register.*

Assessment Category 4: Data Usage, Security & Technical Standards

Core capabilities this section seeks to understand:

- Data sovereignty, with data processing and storage located in Victoria or (with the council's consent, elsewhere in Australia).
- Use of AES-256 encryption and secure transfer protocols (e.g. TLS) for data at rest and in transit.
- Data ownership remains with councils; no unauthorised reuse for training, model development, or third-party benefit.
- Alignment with recognised cybersecurity and cloud standards such as ISO/IEC 27001, ISO/IEC 27017, SOC 2, and CSA STAR.
- Support for external auditing of decisions, data access, and system performance.
- Governance aligned with AI risk and safety standards, including ISO/IEC 42001, NIST AI RMF, and the Australian Voluntary AI Safety Standard.

Detailed response requirements:

- Please detail your compliance to recognised cybersecurity, data protection and encryption, and AI management frameworks.
- Describe your approach to data governance, including data breach procedures and retention policies.
- For items above present evidence of certification in place or in the process of obtaining
- Who owns the data and any derivative works generated during system use?
- For data usage and training questions, suppliers may demonstrate a clear opt-out or permission-based policy, with safeguards and user controls in place.
- What contractual or technical mechanisms do you use to ensure council and user data is not used outside its original purpose (e.g. model retraining or data use beyond operational deployment?)

Assessment Category 5: System Adaptability & Improvement

Core capabilities this section seeks to understand:

- Compliance with Victorian Government data standards
- System adaptability to changing planning processes
- Continuous improvement and monitoring processes

Detailed response requirements:

- To what extent does your system comply with the Victorian Government's Data Policies and Standards?
- Describe your system's ability to adapt to changes in Planning processes and feedback from users.
- What processes are in place for continuous monitoring and improvement of your system?

Note on System Integration: Specific implementation and integration capabilities with individual council systems (such as TechnologyOne, Pathway, or other enterprise systems) will be assessed by councils during their specific procurement processes.

Assessment Category 6: Sustainability & Implementation Support

Core capabilities this section seeks to understand:

- Flexible and scalable pricing models that accommodate councils of different sizes and ensure long-term maintainability
- Environmental sustainability and low-emission operations
- Training, support, and change management for council teams

Detailed response requirements

- Describe your training, capability building, and change management support for councils.
- Provide details on your pricing models and how they cater to councils of various sizes.
- How does your system support collective procurement or shared deployment across councils, while allowing for local flexibility?
- How does your organisation align with council environmental policies and reduce tech-related emissions?

5. Scoring and Assessment Overview

To ensure a clear and consistent approach to evaluating suppliers, submissions will be assessed against six categories. Each category includes a description of what is being assessed, detailed questions to guide supplier responses, and a weighted scoring system.

Each response will be scored on a scale from 0 to 4, partial capabilities may still score well if suppliers provide a clear and credible improvement plan, with evidence of feasibility and intent.

Assessment Categories and Weighting

Assessment Category	What it covers	Weighting
Strategic Relevance & Capability	Assesses domain expertise, planning-relevant AI capabilities, adaptability, and experience.	20%
Governance, Ethics & Human-Centred AI	Evaluates human-in-the-loop design, explainability, fairness, auditability, and ethical alignment.	20%
Regulatory & Legislative Compliance	Focuses on legal compliance with planning and privacy laws, anti-discrimination obligations, and cultural heritage governance.	25 % – suppliers must achieve at least 50 % in this category at submission or demonstrate a binding roadmap to full compliance by implementation.
Data Usage, Security & Technical Standards	Covers data sovereignty, encryption, cybersecurity certifications, auditability, and responsible AI management.	15%
System Integration & Improvement	Integration with council enterprise and IT systems, adaptability to local schemes, update to Planning processes.	10%
Sustainability, Implementation & Support	Assesses change management, pricing flexibility, environmental alignment, and readiness for sector-wide collaboration.	10%