

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

QUESTIONS ON NOTICE

Inquiry into the DEEWR Tender Process to award employment services contracts

EEWR_SIH_W13

Senator Siewert provided in writing.

Question

How did the Department assess relative risk?

Answer

The Department considered a range of factors in assessing risk exposure for the Australian Government.

A comprehensive process for the evaluation was undertaken where tenderers responses and claims were assessed in accordance with approved guidelines and against the published selection. There were many levels of assessment and review as well as credential and financial viability checks. Each tenderer was assessed on an organisation by organisation and Employment Service Area (ESA) by ESA basis.

In accordance with section 3.8 of the Request for Tender (RFT) the objective of the financial viability process was to determine, on the basis of information provided with the tender whether the tendering organisation may be considered financially viable to meet the service requirements of the RFT, and whether there were any circumstances that may adversely affect the tenderer's ability to meet its contractual obligations to supply services for at least the Contract period.

To enable the Department to assess a tenderer's financial viability, each tenderer was requested to supply the information specified in the RFT, including a completed Financial and Credentials Information Form, three most recent years of financial statements, and provide other relevant information in relation to their financial viability. In determining the tenderer's financial viability, the Department considered the information provided using tools such as financial ratio analysis.

The Department undertook checks of a tenderer and its relevant persons, including whether there was any information on the public record or in internal databases that may adversely affect the tenderer's ability to meet its potential contractual obligations. The Department also conducted checks for non disclosure.

The Department used its internal databases holding debt, fraud and other information and also obtained information from external parties, such as credit reference agencies and the Australian Securities and Investments Commission, to verify information provided by the tenderer and to identify potentially adverse information.

Assessment of a tenderer's response to the published section criteria took into account all the information contained in the entirety of the tender submission (even if the relevant material, claims or examples was contained within a response to a different sub criterion than that being assessed).

For Stream Services, following the assessment of selection criteria responses for each ESA a comparative assessment of tenders was undertaken. This took into account the characteristics of the ESA, tenderers' preferred bid ranges, conditionality, coverage, diversity, meeting the needs of specific client groups and job seekers in general, and minimising risk exposure for the Australian Government.

Consistent with section 4.14.4 of the RFT, in the allocation of business the Department took into account the capacity of each tenderer to deliver all of that business in all of the relevant ESAs. This involved consideration of each tenderer's financial and organisation capacity to deliver the services at the allocated level and maintain the required quality of service delivery and any risk exposure for the Australian Government.