

**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_W19

Senator Siewert provided in writing.

Question

How is the evaluation translated into an offer of business and setting of market share?

Answer

For Stream Services, following the assessment of selection criteria responses for each Employment Service Area (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.

Business allocation was undertaken in accordance with 4.14.3 of the Request for Tender (RFT). Decisions on business allocation were governed by the value for money principles outlined in the RFT.

The Commonwealth Procurement Guidelines, which are issued under the *Financial Management and Accountability Act 1997* (FMA Act) Regulation 7, identify *value for money* as the overriding principle underpinning Australian Government procurement in agencies subject to the FMA Act. The three supporting principles of *value for money* are:

- encouraging diversity and competition
- efficient, effective and ethical use of resources, and
- accountability and transparency.

In the procurement of Employment Services, where the cost is (largely) fixed and where Tenderers were required to address the needs of the job seeker and demonstrate local strategies to meet the labour requirements of employers, the value for money principles were further supported by:

- quality of services, incorporating demonstrated past performance of each Tenderer of the services or similar services being tendered, in particular, services to highly disadvantaged clients
- local linkages to, and collaboration with, other relevant services, particularly those that meet the vocational and non-vocational needs of highly disadvantaged job seekers
- diversity, including a mix of small, medium and large organisations
- client choice
- appropriate coverage
- meeting the needs of specific client groups
- the relative risk of each proposal, and
- the flexibility to adapt to possible change over the Term of the Contract.

The whole evaluation process was observed and monitored by the external, independent Probity Advisor from Clayton Utz, who has given an unqualified sign off.