Welcome!

Welcome to the first edition of the Funding and Contracting Services (FaCS) Bulletin for 2017!

If you have any comments or would like to suggest future topics for the Bulletin, please contact fundingandcontracting@finance.wa.gov.au. All suggestions are welcome!

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Getting the Most Out of Tenders WA for NFPs!

Many Not-for-profit (NFP) organisations are familiar with using Tenders WA to search for advertised Requests and awarded service agreements. But did you know that it can also be used to gain advance notice of an upcoming Request for Community Services, and to receive and respond to Preferred Service Provider Requests?

An Early Tender Advice is sometimes issued when a government agency is planning to publically advertise an open tender, to provide potential service providers with advance notice. This enables potential service providers to start preparing resources for responding to the upcoming Request, and to initiate discussions with the government agency where applicable. You can search Tenders WA for Early Tender Advice notices by selecting ‘Tenders’ and then ‘Early Tender Advice’ in the drop-down menu. Each Early Tender Advice will include contact details for enquiries and an estimated advertising date for the Request document.

Open tenders are not the only Request processes that are issued through Tenders WA. If you are responding to a Preferred Service Provider Request, you may be issued the Request and related documents via a restricted Request process on Tenders WA. If you have been sent information about a Request process advertised on Tenders WA and are unsure of whether it is an open tender or restricted Request process, contact the government agency officer responsible for the process.

Contact Procurement Systems for assistance using Tenders WA on (08) 6551 2020 or at procurementsystems@finance.wa.gov.au.
**Coming Soon!**

**2017 FaCS Capacity Building Grants**

FaCS will soon be advertising Capacity Building Grants for NFP peak bodies to provide capacity building support to their members and other NFP organisations. Capacity building strengthens organisations, increasing their ability to respond to challenges and opportunities.

The 2016 Capacity Building Grants funded five NFP peak bodies a total of $480,643 for projects that focused on improving collaboration within the sector, developing a co-design toolkit and implementation of the Aboriginal Youth Services Investment Reforms.

The 2017 Capacity Building Grants will be advertised on Tenders WA in late March or early April so please make sure you check Tenders WA for the details.

**Reminder: Caretaker Period**

Caretaker conventions are currently in place for the Saturday 11 March 2017 WA state election. The caretaker role requires that government agencies refrain from making decisions that could bind an incoming government, decisions such as entering into major contracts and commitments. The caretaker period will continue until the election result is clear.

For more information on the caretaker period, go to the [Department of the Premier and Cabinet website](http://www.dpc.wa.gov.au).

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**Increasing Competition, Contestability and Informed User Choice in Human Services**

The Productivity Commission’s study report, ‘Introducing Competition and Informed User Choice into Human Services: Identifying Sectors for Reform’ considered whether outcomes for service users and the community could be improved by introducing greater competition, contestability and informed user choice. In particular the study report identified six services most suited to greater competition, contestability or informed user choice. These services are:

- End-of-life care services;
- Public dental services;
- Services in remote indigenous communities; and
- Government-commissioned family and community services.

The second stage of this enquiry will make recommendations to increase competition, contestability and user choice in these service areas. A draft report, to be released in May 2017, will be followed by a period for feedback. Key considerations for the report will be the benefits and costs of promoting competition, the challenges facing regional and remote service providers, innovation in service provision and factors affecting service users’ options and preferences. The final study report will be submitted to the Australian Government in October 2017.

To find out more about the enquiry and the work completed to date, visit the [Productivity Commission website](http://www.pc.gov.au).
How Can FaCS Help You?

As well as providing policy and practice advice and support to government agencies, FaCS provides assistance to NFP organisations.

FaCS can assist you with:

- General enquiries about the community services procurement process, understanding Requests, and the Delivering Community Services in Partnership (DCSP) Policy;
- Support in managing your relationship with government agencies;
- Requests for informal or formal dispute resolution and complaints regarding community services procurement and / or your contractual relationships with government agencies; and
- Advice on pricing and costing, tendering for outcomes and other procurement related topics.

FaCS regularly meets with NFP organisations one-on-one to discuss any issues they may have with the implementation of the DCSP Policy and to provide support and assistance. If you would like to speak with a FaCS officer who can help you, please contact us on (08) 6551 1515 or email FaCS.

Education and Training Update

Below are the upcoming FaCS workshops for 2017.

Places fill up quickly, so make sure you register now to secure your spot!

**Preferred Service Provider Process** ..........................Thursday 9 March 2017

**What is a Community Services Request?** ...................Tuesday 28 March 2017

**Conducting Tender Evaluations** ............................Tuesday 9 May 2017

**Introduction to Service Agreement Management** ...........Wednesday 24 May 2017

**Costing and Pricing** ...........................................Thursday 8 June 2017

**Risk and Insurance in Community Services Contracting** ....Tuesday 20 June 2017

*While all workshops are open to both Government and the NFP sector, please check the website for more specific information.*

To book a place at one of our workshops, click on the workshop name or visit our **Workshops and Events website**.

If you have any questions about FaCS Education and Training, email **proceducation@finance.wa.gov.au** or phone (08) 6551 1363.
From the Stable Door - An Update from FaCS Director, Kate Ingham

2017 looks set to be a challenging and exciting year for FaCS. In the early part of the year we will be focussed on assisting the Funding and Contracting Working Group in implementing its 2017 Action Plan and inviting applications for the 2017 FaCS Capacity Building Grants. Integration of services continues to be a key focus for government agencies and the NFP sector alike. This was set as a Strategic Direction by the Partnership Forum in 2016 and it is great to hear some good news stories where integrated services are being championed, such as the recent Youth Justice process and the multi-agency People with Exceptional and Complex Needs service model.

In March we will welcome back Melanie Walters-Ganley from parental leave. Melanie is returning to her role leading the Social Procurement Initiatives team, which will be a busy and active area of work for FaCS this year with several initiatives to reduce Aboriginal disadvantage. As we welcome Melanie back to FaCS we must say a sad farewell to Keva Maher, who has been an extremely passionate advocate for the Social Procurement Initiatives program of work in Melanie’s absence. I know those of you who have met Keva will have been impressed with her commitment, work ethic and dedication to addressing social issues via procurement.

On the personal front, February saw the beginning of pre-season training as I get the horses ready for a big 2017 (I even added another one over the Chrissy break….). 2017 started with some super recognition from the state governing body for the sport that I love and it provided a great opportunity to reflect on achievements to date, which is something I think we could all benefit from doing on a more frequent basis rather than rushing quickly to the next challenge (this applies to work and home).

Wishing everyone a safe and enjoyable 2017!
A Quick Guide to Collaborative Tendering

This guide is intended to assist community service organisations by providing some background information on collaborative tendering and service delivery arrangements, often referred to as consortium arrangements.

A consortium or collaborative arrangement is a group of like-minded organisations that have come together with a common interest in delivering community services. It is a structured form of partnership with defined governance arrangements.

This guide outlines the two most commonly used arrangements to enable collaboration between service providers, subcontracting and the use of Memoranda of Understanding. It provides an overview of the advantages and disadvantages of collaborative arrangements. Any organisation considering entering into a collaborative arrangement for the delivery of community services should obtain independent expert advice.

**Subcontracting** occurs when a service provider contracted to deliver a service engages another organisation or person to deliver specific elements of the service on its behalf. A service provider may choose to subcontract when it does not have sufficient capacity to deliver all of the service; it may not be able to deliver the service in all of the specified locations; it may not possess the complete range of expertise or skills required; or there may be a gap in the services the contracted organisation can deliver. For the subcontractor, this arrangement may offer the opportunity to work with a particular community or client base that the organisation may not otherwise access.

Service providers engaging a subcontractor need to ensure they are fully aware of the terms and conditions of the service agreement, have planned the proposed subcontracting arrangement in detail, and have conducted due diligence on the organisation they intend to subcontract. While a service provider may subcontract specific elements of a service to a subcontractor, the service provider contracted to the government agency remains responsible for the delivery of the entire service.

Both the contracting and subcontracting service providers should obtain expert advice to ensure the subcontracting agreement covers each party’s rights and obligations.

*Useful links when considering subcontracting:*


A Memorandum of Understanding (MOU) is an agreement between two or more parties that unlike a contract, is not legally binding. They are less formal, less complex, and much less detailed than contracts, and provide guidelines and a framework for each party to work within to achieve their shared goals.

MOUs require all parties to come to a mutual agreement on their requirements, what they have to offer, and the common objectives and timeframe of the MOU. While an MOU is not legally binding, certain provisions may be held binding by a court.

An MOU usually includes details such as the aim and scope of the MOU; roles and responsibilities of both organisations; governance structure and reporting; financial obligations; and agreed timeframes and milestones.

*Useful links when considering an MOU:*

http://www.nfplaw.org.au/MOU
http://www.nfplaw.org.au/sites/default/files/media/Memoranda_of_understanding_0_0.pdf
Considerations for Consortium or Collaborative Arrangements

When considering developing or joining a consortium:

• What is the purpose of the consortium and what are its goals?
• Do you understand the risks and challenges involved in establishing a consortium?
• Who will be the lead organisation and what responsibilities will they hold?
• What are the roles and responsibilities of the consortium partners?
• What type of formal agreement will be used?
• How will the finances be managed?
• Have you developed clear consortium guidelines in partnership?
• Do you understand the organisational risk involved in joining or leading a consortium?

Advantages of being part of a consortium include:

• shared knowledge and skills, and opportunities for capacity building;
• the ability for service providers to expand and grow their service delivery; and
• risk and liability for service delivery is shared across partners.

Potential disadvantages of being part of a consortium include:

• the time and effort required for the success of the consortium;
• developing relationships and managing the expectations of each partner organisation; and
• additional risk involved in entering into contractual arrangements with other organisations and the impacts should a partner organisation fail.

Organisations considering entering into a consortium arrangement should obtain legal advice to ensure the arrangement and the agreement is suitable for the organisation.

Useful links when considering consortium arrangements:


Tendering Advice

Organisations engaged in collaborative arrangements are encouraged to include all relevant information when preparing an Offer in response to a Request. This information will assist the evaluation panel in understanding how the relationship between the organisations involved in the collaborative arrangement will be managed, and how the collaborating organisations will engage with the government agency contract manager. This may include:

• Roles and responsibilities;
• Governance arrangements; and
• Financial agreements.

Any organisation considering entering into a collaborative arrangement for the delivery of community services should obtain independent expert advice.