Service sustainability and the ERO

How are you going with maintaining your obligations under the Equal Remuneration Order (ERO)? FaCS has created a form for service providers to report to their contract managers on the sustainability of their services in the context of the ERO. The intention of the form is to start conversations between contract managers and service providers to discuss financial issues that have arisen because of the ERO, and work together to find solutions to ensure the sustainability of the services. So far, the feedback FaCS has received from agencies indicates that only a limited number of service providers have taken up this opportunity.

Government recognises that we need a strong not-for-profit sector to deliver high quality services to meet the needs of the most vulnerable in our community. Using this form to raise issues with your contract manager is a genuine opportunity for your organisation to flag that you are having issues because of the ERO. This form will help government to better understand the impact of the ERO on service providers. FaCS encourages you to use this form to contact your government agency and commence conversations about how to improve the sustainability of the services. If your contract has recently been extended or you are expecting it will be extended in the next few months, FaCS strongly recommends you complete the form and lodge it with your contract manager.

We recommend that you complete the ERO Summary of Financial Information Form and send it to your contract manager before the end of September. If you have any questions about the form or the ERO, please contact FaCS.
Demystifying value for money

What does value for money mean when procuring community services? A number of not-for-profit organisations have recently raised the need to demystify value for money and voiced the view that price should not be the only consideration when offers are evaluated in the tendering process.

Value for money is about more than just price. When determining value for money in their assessment of offers, evaluation panels follow the State Supply Commission Value for money policy. The policy outlines that value for money should be determined based on both cost and non-cost factors, and does not always mean the lowest price offer that meets the qualitative criteria will be successful. To represent value for money, an offer must meet the qualitative criteria to at least a reasonable standard and satisfy the service requirements outlined in the Request document. However, price is still a significant consideration and government must always ensure that it is spending taxpayer money in a responsible manner. If an offer scores highly on qualitative criteria but is significantly more expensive than an alternative offer, which still meets the requirements, the evaluation panel may opt for the lower priced offer. The evaluation panel is only able to evaluate information provided that relates to the qualitative criteria.

Value for money is not black and white, and each Offer must be considered on its individual merits. The evaluation panel must justify why the recommended offer represents value for money, particularly when choosing an offer at a higher price when other offers also meet the qualitative criteria.

If you would like further clarification on value for money and how it is applied in the evaluation process, please contact FaCS.
Pricing and Costing Community Services Workshop

FaCS is pleased to announce that two dates have been scheduled for the Pricing and Costing Community Services Workshop for the second half of 2019. This workshop is designed to help service providers understand the difference between the cost of service delivery and the price to include in their offer, as well as how to ensure sustainability when pricing services. This workshop is particularly useful in the context of the ERO, which some not-for-profit organisations are having difficulty managing within their service delivery budgets.

For more details, check out the training section of this Bulletin, or visit the Department of Finance website.

Recap: 100 Families WA Baseline Report Launch

On 22 August 2019, 100 Families WA released the 100 Families Baseline Report to approximately 100 representatives from government and the not-for-profit sector. Launched by Minister Simone McGurk, the Baseline Report includes the results of the baseline survey of 400 representatives from Western Australia’s most disadvantaged families. The Baseline Report includes demographic data as well as how the family members interact with support services, and how their financial disadvantage relates to other outcomes, including employment, financial stress, wellbeing and food security.

For more information on the 100 Families WA project, visit the project website.
Education and Training Opportunities

FaCS runs a range of workshops to assist government agencies and service providers to develop their skills and capabilities in community services procurement. Please take note of the target audience for each workshop to ensure the content is relevant to you.

**Tendering for Community Services – regional workshops**

This workshop provides practical skills and knowledge to assist not-for-profit organisations in tendering for community services. It covers a brief overview of the DCSP Policy and how it applies to community services procurement, the community services procurement process, service agreement management, the request document and how to respond to it with an offer to provide services, and how offers are assessed for a community service.

**Broome – Wednesday 4 September 2019**
Cost: Free
Time: 9:00am - 12:00pm
Location: Broome Lotteries House, Hall 2 | 620 Cable Beach Rd

**Kalgoorlie – Thursday 19 September 2019**
Cost: Free
Time: 9:00am - 12:00pm
Location: Goldfields Arts Centre | 35 Cheetham Street, Kalgoorlie

**Costing and Pricing – Perth workshops**

This workshop will provide an overview of what to consider when developing an offer price for community services in WA. It will address governance principles, understanding financial statements, pricing for financial sustainability, and costing of services.

**Tuesday 24 September 2019 | Tuesday 19 November 2019**
Cost: Free
Time: 9:00am - 12:00pm
Location: Albert Facey House | 469 Wellington Street Perth

For more information on FaCS training please visit the Department of Finance website.
From the Stable Door
Update from FaCS Director, Kate Ingham

This month, FaCS went regional! Steven Hill and Rachael Mounfield travelled to Geraldton to present workshops on Tendering for Community Services and Understanding Government Buying for Aboriginal businesses, and Sophie Parnell will be presenting Tendering for Community Services in Bunbury. All workshops were well attended with an enthusiastic audience. It’s a fantastic opportunity for us to connect with regional service providers and businesses, and to hear firsthand about the challenges faced by regional organisations.

In September we’ll be delivering workshops in Broome and Kalgoorlie. Please spread the word to your regional networks.

We are very excited to be planning an Aboriginal Business Expo, building on the success of last year’s event which saw 67 businesses attend to meet government buyers and celebrate the launch of the Aboriginal Procurement Policy. For government buyers, it’s a chance to make connections with Aboriginal businesses that can help you meet your targets under the Aboriginal Procurement Policy. For Aboriginal businesses, it’s an opportunity to meet buyers who could assist you with securing government contracts. This year we’re shaking things up with a new format and we hope to see you there! We’ll be advertising the event soon so please watch out for that invitation.

FaCS is working closely with peak bodies and government agencies on how we can improve the application of, and adherence to, the Delivering Community Services in Partnership (DCSP) Policy. We have seen increasing concerns from the community services sector about government agency compliance with the DCSP Policy, and we are working collaboratively with peak bodies on strategies to address compliance issues and raise the standard of community services procurement practice. This is happening in the context of the relationship between government and the community services sector being one of partnership, mutual trust and respect.

For more information, please visit the Department of Finance website. For any general enquiries please phone (08) 6551 1515 or email FaCS.