

**Cara – Government Procurement Feedback  
Dec 2018**



Cara is one of South Australia's largest disability-services providers, working with more than 750 children and adults with disability. Cara employs nearly 1000 staff members and are grateful for the support of more than 100 volunteers.

Cara operates across metropolitan and regional South Australia including Adelaide, Mount Barker, Murray Bridge, Mount Gambier, Kadina, Port Augusta, Port Pirie and Port Lincoln, as well as supporting people with disability in surrounding areas.

Cara is providing feedback as a non-government disability service provider, and as such, our feedback is specifically regarding procurement of human services. Feedback is also related to government procurement for individual customer contracts, either by government themselves or their agents, and not related to contracts on a broader scale.

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### Business Views and Issues

In support of the issues already identified in the paper, the following comments, examples and suggestions are submitted for the Commission's consideration.

#### Cost of Tender Process

- Costs associated with administration of tenders and acquittals are highly variable across contracts for the same service types, due to the different requirements of different agencies.

##### *Example:*

Dept. Child Protection, Dept. Human Services, Lifetime Support Authority, Return to Work SA all seek the same services (e.g. community access, recreation, personal care, transportation, home support etc.) for elderly people, people with disability or children under guardianship but have different tender processes, forms and reporting requirements.

##### *Suggestion:*

Consistency of documentation across agencies for the same types of services to ease administration time for data collection, tender completion, service outcome reporting and acquittals.

- Tender and Expression of Interest (EOI) documentation for applications and subsequent reporting requirements don't always reflect the amount being paid for services.

##### *Example:*

A relatively small contract (under \$100K) requires the same level of detail for both tender and reporting as a multi-million dollar contract. The scale and level of detail is not relative to the size of the tender/contract.

##### *Suggestion:*

Slimmer, streamlined Tender and EOI requirements for lesser value contracts.

#### Delays and lack of transparency

No comment

#### Aggregated Contracts

- Additional funding is added as an additional contract ("bolted-on") to procure more services.

##### *Example:*

Service recipients (customers) with several contracts for their service delivery have acquittals required across each of their contracts rather than an overall variation and acquittal against one larger contract. Specifically, one customer now has four separate contracts in place as their need for services has varied. This creates confusion for service recipients and administration staff.

##### *Suggestion:*

Variations of the original contract rather than new contracts bolted on.

#### Restricted Approach to the Market

No comment

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### Limited Information on Pipeline for future work

No comment

### Poor Quality of Tender

- Government procurement staff often don't have adequate knowledge of business models for service delivery or the practical requirements of an organisation to provide the services being sourced. There are inconsistent processes and formats for both procurement and acquittals across various government agencies for the same service types.

#### *Example:*

Dept. Child Protection, Dept. Human Services, Lifetime Support Authority, Return to Work SA all seek the same services (e.g. community access, recreation, personal care, transportation, home support etc.) but have different tender processes, forms and reporting requirements.

#### *Suggestion:*

Improved knowledge of the practical aspects of human service delivery and service recipient outcomes to result in more simplified and consistent procurement processes and reporting requirements (including forms and other contract documentation) across Government agencies, particularly those seeking the same service types.

### Focus on immediate cost instead of whole of life cost

- Contracts often include specificity to the hour or day of service being provided, with little to no variation allowed from the service recipient (customer). Often little flexibility in contract, yet high level of flexibility required by the customer and demand for detailed acquittal by the funder.

#### *Example:*

Contract for customer specifies hours of support to be provided every weekend, however customer wishes to use hours of support on a weekday, or occasionally every second weekend, but has no flexibility under contract. Cost of supports may actually be cheaper if flexible, but restricted to fixed, recurring supports that incur penalty rates on weekends.

#### *Suggestion:*

Band width of expenditure at customer's discretion, such as the flexibility offered in some NDIS funded services within the same support categories. This would allow flexibility of service delivery within a set budget.

- Grant funding model stifles innovation due to the need to give back unspent funds. Providers are not incentivised to innovate and create greater value and efficiency when unspent funds are expected to be returned.

#### *Example:*

Where procurement is for hours of support for a customer with disability, the use of innovative assistive technology may actually result in less hours of hands on support required. This greater level of customer independence through the use of technology is not incentivised, as any funds not spent through hands on support are required to be returned.

#### *Suggestion:*

Develop an option for retention of grant funding as incentive for innovation in service delivery.

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### Capacity of Public Authorities to Evaluate Tender

No comment

### Free and Fair Trade

No comment

### Delayed Payment

No comment

### Sub-contractor exposure to Head-contractor Failure

No comment

### Requirements of local industry participation policies

- Quality assurance registration and evidence of quality assurance accreditation should be all that is required in a tender not several questions about policies of the organisation.

#### *Example:*

There are different insurance and policy requirements across contracts, and inconsistencies in information required.

#### *Suggestion:*

Consistency in threshold of insurances required for procurement.

Where accreditation has been gained under a recognised accreditation process (e.g. NDIS Quality and Safeguards Commission or ISO 9001, etc.), that this be accepted as part of the procurement process without further detail required.

### Absence of mutual recognition with Commonwealth, States and Territories

- Contract pricing inconsistent with market rates, and little alignment with national frameworks for disability services. Procurement and contracting not taking into consideration parallel contracting or projects underway.

#### *Example:*

One agencies pricing cap being lower than NDIS pricing for the same service, and another's pricing being much higher than general market rates for accommodation/support services.

HACC funded project to individualise funding to customers and provide greater flexibility, in conflict with DHS contract for the same customer which specified service delivery with no variation available from the contract.

#### *Suggestion:*

When contracting the same services as funded by Commonwealth and/or other States, consideration should be given to market rates. Consider national pricing/benchmarks, and possible need for state loading, when considering further procurement of services already provided in non-government market. Example would be DCP services for children with disability – could consider NDIS rates, with loading for additional state-based requirements