



Australian Government



## The purchasing process

The Australian Government is committed to building a strong and prosperous Australia that promotes workforce participation, productivity and jobs growth.

To achieve this, the Government has introduced new employment services called jobactive to better help job seekers find and keep a job and employers to meet their recruitment needs.

jobactive replaced Job Services Australia on 1 July 2015.

### What is jobactive?

jobactive is the Government's new employment services model to help more people find work. It includes:

- **jobactive providers** to help eligible job seekers find and keep a job and ensure employers are receiving candidates that meet their business needs
- **Work for the Dole Coordinators** to source suitable Work for the Dole places and projects in the not-for-profit and government sectors
- the **New Enterprise Incentive Scheme** to help eligible job seekers start a small business
- **Harvest Labour Services** and the **National Harvest Labour Information Service** to support the harvest requirements of growers in the horticulture industry.

### How were jobactive services purchased?

Job Services Australia contracts expired on 30 June 2015. The contracts for jobactive started on 1 July 2015, except for Work for the Dole Coordinators which started on 1 May 2015.

The Department of Employment provided an opportunity for organisations to become part of jobactive by running an open competitive tender. The tender opened on 7 October 2014 and closed on 17 November 2014 and was advertised through AusTender and in national and selected regional press.

The Department conducted information sessions in national and selected regional areas and put a communication protocol in place to make sure tenderers' queries were managed appropriately and with a focus on probity.

The purchasing process was consistent with the Commonwealth Procurement Rules. These rules are the main element of the Government's core procurement policy framework and set the Government's expectations for procurement activity. The core principle underpinning Government procurement is value for money and is enhanced by:

- encouraging competitive and non-discriminatory processes

- using public resources in an efficient, effective, economical and ethical manner that is not inconsistent with the policies of the Commonwealth
- making decisions in an accountable and transparent manner
- considering the risks, and
- conducting a process commensurate with the scale and scope of the procurement.

The purchasing process was conducted in a systematic, fair and transparent manner and was subject to appropriate scrutiny. The Department appointed Maddocks as the external Probity Adviser to provide independent advice on the probity and integrity of the tendering processes.

#### How were tenders evaluated?

The tender evaluation process involved Department staff with appropriate expertise, training and local knowledge.

Tenderers were required to demonstrate their ability to deliver jobactive. Their claims were evaluated against the selection criteria detailed in the Request for Tender for Employment Services 2015-2020 for the services for which they bid.

As outlined in the Request for Tender document, the Department followed a number of stages to evaluate the tenders received and award business to successful organisations:

1. Upon receipt, tenders were registered and initially assessed to ensure they met conformance requirements (such as being submitted before the tender closing time and that the forms that were submitted contained completed tender information).
2. Tenders were assessed against the Eligibility to Tender conditions set out in the Request for Tender.
3. Tenderers were assessed for financial viability and their audit history and any remedial strategies were also assessed.
4. Tenders were assessed against the selection criteria to provide a ranking of suitable tenderers.
5. Where relevant, nominated referees of tenderers were contacted to verify the tenderer's claims in their tender submission.
6. For each Employment Region and Harvest Area, a comparative assessment of tenders was undertaken, taking into account the characteristics of the Employment Region or Harvest Area.
7. A preliminary allocation of business was undertaken taking into account:
  - the principle of giving preference to higher ranked tenders, with the Department of Employment reserving the right to allocate business to a lower ranked tenderer where this represented better value for money, less risk for the Commonwealth and ensured the best service for job seekers; and.
  - the tenderer's preferred minimum and maximum share as specified in the tenderers' bid range.
8. The preliminary allocations of business were reviewed taking into account the capacity of each tenderer to which business had been preliminarily allocated to deliver all of that business in all of the relevant Employment Regions and/or Harvest Regions.
9. Consideration was given to ensure entities had full legal capacity to contract with the department to provide employment services.
10. The Department of Employment made the final decision on the award of deeds having regard to the principle of value for money.

11. Successful tenderers were offered business and deeds were executed by the Department of Employment on behalf of the Commonwealth of Australia.
12. When an offer does not proceed to an executed Deed, the Department may make additional offers to other suitable tenderers.

### **What were the overall outcomes of the purchasing process?**

The tender process was both rigorous and fair. The organisations offered contracts were selected on the basis of their capacity to deliver services that meet the needs of local job seekers and employers, their demonstrated performance in service delivery, the strength of their management teams and their governance structures.

There is a strong mix of for-profit and not-for-profit organisations delivering services to job seekers and employers. New partnerships and sub-contracting arrangements have been formed between for-profit and not-for-profit organisations allowing them to pool resources and expertise to meet the needs of local job seekers and employers.

Organisations have also proposed a number of innovations to better meet the needs of job seekers and employers such as greater use of technology, extended opening points of contact for employers and specialist staff to meet the needs of Indigenous job seekers, youth and people with disability.

### **Who is delivering jobactive services?**

A total of 66 organisations were selected to deliver jobactive across non-remote Australia.

- 44 organisations were selected to deliver as jobactive providers
- 19 organisations were selected to deliver as Work for the Dole Coordinators.
- 21 organisations were selected to deliver the New Enterprise Incentive Scheme.

- five organisations were selected to deliver Harvest Labour Services.
- one organisation will provide the National Harvest Labour Information Service

The details of the organisations selected to provide jobactive services are available at [www.employment.gov.au/employment-services-procurement-information](http://www.employment.gov.au/employment-services-procurement-information).

In some Employment Regions, responses to deliver the New Enterprise Incentive Scheme were considered to not demonstrate value for money for the Commonwealth. The Commonwealth Procurement Rules and the Request for Tender for Employment Services 2015-2020 (at section 7.12.11) enabled the Department of Employment to undertake 'Gap Filling' in such circumstances.

The Department contacted organisations directly to determine their interest in delivering New Enterprise Incentive Scheme services in the relevant regions. These providers are included in the list of NEIS organisations.

### **What assistance is available to Job Services Australia providers?**

The Employment Services Jobs Board is available at [www.jobsearch.gov.au/esijobs](http://www.jobsearch.gov.au/esijobs) for staff of employment services to lodge their resumes, promote their skills and to search for vacancies within the industry. Employment services providers can also use the site to look for potential employees.

Business adjustment modules to support organisations whose ongoing business was significantly affected by the changes to contracts from 1 July 2015 are available at [www.employment.gov.au/jobactive-transition](http://www.employment.gov.au/jobactive-transition).

The package includes tools and strategies to assist organisations to understand the implications on their operations and to identify and address future business decisions as a result.

## Where can people find more information?

For further information:

- Call the Employment Services Purchasing Hotline on 1300 733 514\*
- Visit [www.employment.gov.au/jobactive](http://www.employment.gov.au/jobactive)

## Do you need help with this fact sheet?

If you need an interpreter, please call the Translating and Interpreting Service (TIS) on 131 450\* and ask for the Employment Services Purchasing Hotline on 1300 733 514\*.

If you are deaf, or have a hearing or speech impairment, contact the Employment Services Purchasing Hotline through the National Relay Service. For more information, visit [www.relayservice.gov.au](http://www.relayservice.gov.au)

*\* Note that call charges apply for calls to '13' numbers from mobile phones*