

New Disability Employment Services and Employer Incentives Scheme Purchasing Arrangements 2010 – 2012 Exposure Draft

Consultation sessions
June 2009

Overview of presentation

- Disclaimer
- Statement of Requirements
- Conditions of tender
- Key dates
- Contact details

Probity Principles

- Promote open and fair competition
- Same information available to all
- Integrity in evaluation and selection processes
 - Objective and consistent assessment of all tenders
 - Conflicts of interest are addressed
 - Defensible process and outcomes
- Confidential information is secured

Service requirements

The Exposure Draft covers:

- Disability Employment Services
- Employer Incentives Scheme services

Disability Employment Services Review

- Initial Discussion Paper released September 2008
 - Over 100 submissions
- Second Discussion Paper released December 2008
The Future of Disability Employment Services
 - Over 100 submissions

Discussion Paper – *The Future of Disability Employment Services in Australia*

Strong support for:

- Uncapping
- 2 programs
- Invitation to Treat (ITT)
- Red tape reduction
- Flexible ongoing support
- Improved incentives for education, training and skills development

Discussion Paper – *The Future of Disability Employment Services in Australia*

Main areas of comment:

- Definition of employment outcome
- The number of Job Placement fees
- Direct Registration
- The fee structure
- The independent assessment process
- The ITT process

New Disability Employment Services – Enhancements

- Definition of employment outcome
- Number of Job Placement Fees
- Direct Registration and school leavers

Disability Employment Services

Centrelink Registration			
JSCJ/JCA			
PROGRAM A		PROGRAM B	
Employment Pathway Plan			
For job seekers with disability, injury or ill health		For job seekers with permanent disability plus long term ongoing support	
Single funding level	Funding level 1		Funding level 2 For people requiring more intensive support
Flexible ongoing support or exit independent worker	Flexible ongoing support or exit independent worker	Moderate Ongoing Support	High Ongoing Support
Employer Incentives Scheme			

How will a Job Seeker's Program be determined?

- Assessed by a JCA
- Direct Registration
 - Eligible school leavers
 - Job in Jeopardy participants

Assistance provided to participants

- Initial face to face interview
- Employment Pathway Plan (EPP)
- Minimum fortnightly contact

Program Review

- 18 months
- Job Capacity Assessment
- Possible 6 month extension

Ongoing Support

- All job seekers eligible for up to 26 weeks workplace support
- After 26 week outcome
 - Flexible ongoing support (Program A and B)
 - Moderate ongoing support (Program B only)
 - High ongoing support (Program B only)

Flexible Ongoing Support

- Safety net
- Flexible
- Reassurance to employers
- Maximum cap

Moderate and High Ongoing Support

- Providers assess level of support to 52 weeks
- Independent assessment at 52 weeks from job placement

New Funding Model

- Program A – single funding level
- Program B – two funding levels
 - Funding level 1
 - Funding level 2
- New independent funding level tool

Fees

- Service Fees
- Job Placement Fees
- Outcome Fees
- Ongoing Support Fees
- Other fees

Service Fees

Payment Type	Program A	Program B Level 1	Program B Level 2
1st Service Fee	\$1,595	\$890	\$1,900
2nd Service Fee	\$1,595	\$890	\$1,900
Subsequent Service Fees	\$715	\$890	\$1,900

- Paid quarterly
- A 70% loading for Designated Remote Areas

Outcome Fees

Payment Type	Program A	Program B Level 1	Program B Level 2
Job Placement	\$770	\$770	\$1,540
Employment – 13 Weeks	\$2,860	\$2,860	\$5,500
Employment – 26 Weeks	\$4,400	\$4,400	\$7,700
Education – 1 Semester*	\$2,860	\$2,860	\$5,500
Pathway – 13 Weeks	\$945	\$945	\$1,815
Pathway – 26 Weeks	\$1,450	\$1,450	\$2,540

• 20% bonus outcome fees

* For job seekers who completed Year 12 and 15 to 20 years or an Indigenous Australian

Ongoing Support Fees

Payment Type	Amount
Flexible Ongoing Support	\$440 per instance
Moderate Ongoing Support	\$1,320 per quarter
High Ongoing Support	\$3,300 per quarter

• A 70% loading for Designated Remote areas

Other Fees

- Job in Jeopardy quarterly service fee - \$1,320
- Job in Jeopardy 26 week outcome fee - \$2,860
- Work Based Personal Assistance and High Cost Worker Fee will continue
- Remote Foundation Skills Outcome
- Remote Education Commencement Outcome - \$500
- Remote Educational Achievement Outcome - \$1,500

Scenario 1 - Program A

Service Fees	
Ist Quarter	\$1,595
2 nd Quarter	\$1,595
3 rd Quarter	\$715
Outcome Fees	
Job Placement	\$770
13 week Outcome	\$2,860
26 Week Outcome	\$4,400
Total	\$11,935

Scenario 2 - Program B Level 1

Service Fees	
Ist Quarter	\$890
2 nd Quarter	\$890
3 rd Quarter	\$890
Outcome Fees	
Job Placement	\$770
13 week Outcome	\$2,860
26 Week Outcome	\$4,400
Ongoing Support (Mod x 2)	\$2,640
Total	\$13,340

Scenario 3 - Program B Level 2

Service Fees	
Ist Quarter	\$1,900
2 nd Quarter	\$1,900
3 rd Quarter	\$1,900
Outcome Fees	
Job Placement	\$1,540
13 week Outcome	\$5,500
26 Week Outcome	\$7,700
Ongoing Support (High x 2)	\$6,600
Total	\$27,040

National Panel of Assessors

- Ongoing Support Assessment (OSA) and Supported Wage System (SWS) Assessments
- Workplace Modifications (WMS) Assessments, or
- all three types of Assessments

Ongoing Support Assessment (OSA)

- Interview with the participant's DES Provider
- File assessment of support provided
- Participant interview
- Workplace assessment, including employer interview

Supported Wage System (SWS)

- SWS assessment determines fair pay based on productivity
- Review assessment yearly

Workplace Modifications (WMS)

- Assess workplace barriers and recommend modifications
- Tenderers may bid to service a Specialist client group
- Applications managed by JobAccess service

Allocation of Assessments

- OSA/SWS Assessments will be allocated to Providers by the DEEWR IT System
- JobAccess service will continue to allocate Workplace Modifications Assessments
- Panel Providers may decline allocated assessments with reason

Fees

Payment Type	Assessment Fee	Additional Assessment Fee
Ongoing Support assessment Fee	\$420	Nil
Supported Wage System Assessment Fee	\$600	\$120 (up to \$480)
Workplace Modifications Assessment Fee	\$120 per hour (up to \$600)	\$120 (up to \$480)

National Disability Recruitment Coordinator

- A single national service
- Delivers seven major services
- Payments

JobAccess

- A single national service
- Delivers four major services
- Payments

Employment Assistance Fund

- Brings together the Workplace Modifications Scheme and Auslan for Employment
- Increased flexibility
- Simplified application process

Transition

- Principles for transition
- Transition fees
 - DEN Capped DMI 4 workers who have to change providers - \$1,100
 - DEN Uncapped DPI 4 clients who transition to new model with their current provider - \$1,115 per service fee
- Consultations on transition

New Disability Employment Services and Employer Incentives Scheme

Purchasing Arrangements 2010 - 2012

Purchasing arrangements

- Purchasing process
 - Two steps
- Purchasing principles
 - Value for money

Invitation to Treat

- Program B services only
- Residual business available for tender in final RFT
- Information available on website
- Note: Arrangement with CRS Australia

Use of AusTender

- AusTender: www.tenders.gov.au
- Variations to the RFT (Addenda) only through AusTender
- Help desk and training support

Eligibility to tender

- Organisations wishing to provide services to job seekers with disability
- Group tendering and subcontracting arrangements are allowable
- Open and fair competition
- Competitive neutrality

Tender lodgement

- Electronic lodgement
- Only with AusTender
- APET
- Allow sufficient time to resolve any problems

Late tenders

- Late tenders will not be accepted
- Unless, due solely to mishandling by DEEWR
- DEEWR's decision on late tenders final

Financial viability and other checks

- Security, probity and financial investigations may be undertaken by DEEWR
- Financial viability checks of tendering organisations

Contracting with DEEWR

- Deeds of Standing Offer
- No guarantee of business
- ABN required
- Indigenous and Disability employment strategies
- Execution of Deeds

Bidding for Business – Disability Employment Services

- Generalist and specialist services
- Bidding on the basis of Employment Service Areas (ESAs), not sites
- Bid for a business share (up to 100%)
- Bids to be expressed as a minimum to maximum range

Bidding for Business – Disability Employment Services (cont)

- Number of providers
- Sites
- Conditionality

Bidding for Business – Employer Incentives Scheme

- National panel of assessors
 - Ongoing Support Assessment and Supported Wage System Assessment Services
 - Workplace Modifications Assessment Services, or
 - All three
- National Disability Recruitment Coordinator
- JobAccess

Labour Market Information

- 116 Employment Service Areas (ESAs)
- Remote Areas
- Labour market data

Selection criteria

- Tenderers must address the criteria for each tendered Service, including where appropriate
 - Remote Area
 - Specialists
 - Price
- APET shows allowable size of response
- Weightings – comments sought
- Attachments

Disability Employment Services – Selection criteria

- Criterion 1 – understanding and general strategies (organisational level)
- Criterion 2 – past performance (ESA level)
- Criterion 3 – local strategies (ESA level)
- Mandatory requirement

Employer Incentives Scheme – Selection criteria

- National Panel of Assessors
- NDRC
- JobAccess

Tender evaluation

- Value for money
- DEEWR process
- Advice on outcomes
- Debriefings

Evaluation process

- Evaluation stages
- Past performance
- Referee reports
- Comparative assessment
- Capacity to deliver
- Capacity to contract

Key Dates

- | | |
|----------------|---|
| • June 09 | Despatch of ITT letters |
| • 1 July 09 | Closing date for comments on Exposure Draft (5pm Canberra time) |
| • August 09 | Release of RFT |
| • 1 March 2010 | Services commence |

Contact details

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