

## Addendum Report

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### REPORTS FROM THE DIRECTOR CORPORATE SERVICES

a21 [CS-CM] RFP2015-069 Provision of Employee Assistance Program (EAP) Services

SUBMITTED BY: Human Resources

Valid



## Civic Leadership

### LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

1	Civic Leadership
1.3	Delivering the objectives of this plan
1.3.1	Council's organisation will be resourced to provide the essential services and support functions to deliver the objectives of this Plan

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### SUMMARY OF REPORT:

Council last year went to open quotation, seeking submissions for the Provision of Employee Assistance Program Services. Although it was originally anticipated that the price for this service over the life of the proposed 5 year contract would be below the \$150,000 value at which formal tender processes would be required, this has not proved to be the case.

As a consequence this report, in accordance with the provisions of the Local Government (General) Regulation 2005 (Regulation) clause 166 seeks direction from Council in determining the best method of calling for tenders; being open tender or selective tender.

### RECOMMENDATION:

That Council endorses the:

- Adoption of a selective tender process for the Provision of Employee Assistance Program Services under Clause 166 of the Local Government (General) Regulation 2005;**
- Selective tender process to seek further submissions from the shortlisted tenderers from the preceding quotation process being:**
  - Brain Mind and Memory Centre ABN 67664403107**
  - MyEAP Pty Ltd ABN 21725428241**
  - Artius Health Pty Ltd ABN 27164619443; and that**

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3. **Variation of the previous Request for Quotation requirements to allow for the appointment of either a panel of providers or a sole provider and to invite the submission of different fee models in addition to a schedule of rates under Clause 170(2) of the Local Government (General) Regulation 2005.**

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### REPORT:

Employee Assistance Programs are work-based intervention programs designed to enhance the emotional, mental and general psychological wellbeing of employees and typically includes services for immediate family members. Programs of this nature, aim to provide preventive and proactive interventions for the early detection, identification and/or resolution of both work and personal problems that may adversely affect performance and wellbeing. These problems and issues may include, but are not limited to, relationships, health, trauma, substance abuse, gambling and other addictions, financial problems, depression, anxiety disorders, psychiatric disorders, communication problems, legal challenges and coping with change.

Council has had a robust and well patronised Employee Assistance Program that has been in place for the last 15 or more years. Although there is no issue with the current program, to satisfy the procurement provisions of the Local Government Act 1993 and the Local Government (General) Regulation 2005 Council is required to invite tenders to establish a new contract/contracts for the provision of this service going forward over the next five (5) years.

To this end Council last year went to open quotation, seeking submissions for the Provision of Employee Assistance Program Services. Although it was originally anticipated that the price for this service, over the life of the proposed 5 year contract, would be below the \$150,000 value at which formal tender processes are required, this has not proven to be the case.

As a consequence this report, in accordance with the provisions of the Local Government (General) Regulation 2005 (Regulation) clause 166 seeks direction from Council in determining the best method for calling for tenders; being open tender or one of the methods of selective tendering.

Council has available to it, under clause 168 of the Regulation, the option of using the information already submitted through the quotation process to procure the best service at the best price through a selective tender process. This option would be the most efficient and cost effective, in that it acknowledges the time, effort and expense already incurred by Council and quoting providers, whilst at the same time ensuring legislative compliance. More specifically the recommended selective tender process would enable Council to bring forward the submissions from the shortlisted tenderers from the quotation process, thereby avoiding the inherent delays and costs involved in commencing a totally new Tender process.

Should council endorse this approach, further submissions will be sought from the following shortlisted tenderers:

- Brain Mind and Memory Centre ABN 67664403107
- MyEAP Pty Ltd ABN 21725428241
- Artius Health Pty Ltd ABN 27164619443

If this approach were to be adopted, it is further recommended that Council endorse utilisation of clause 170(2) of the Regulation to vary the current tender document in two specific regards. In commencing the original Quotation Process, Council advertised to form

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a panel of providers and sought pricing based upon a schedule of rates. In testing the market by way of the Quotation process, Council has become aware that the market can offer a different structure of providers to the panel model, along with a different manner of applying fees, which may be more cost effective. To allow for the full exploration of these alternatives it is recommended that going forward, the tender documentation be varied to allow for the appointment of a sole provider or panel of providers, and that the tenders in addition to providing pricing based on a schedule of rates be provided with the additional option of detailing any alternative manner of applying fees.

### OPTIONS:

The options available to Council include, endorsing the:

1. Utilisation of a selective tendering process, using shortlisted candidates from the preceding Quotation process, and incorporating a Notice of Tender Variation to allow for the appointment of a sole provider or panel of providers and the provision of the option of detailing any alternative manner of applying fees in addition to a schedule of rates.
2. Utilisation of a selective tendering process, using shortlisted candidates from the preceding Quotation process, whilst maintaining Tender requirements as per the original Quotation Process.
3. Recommence the process under open Tender.

### CONCLUSION:

Having tested the market by way of open Quotation, Council has become aware that the cost of Employee Assistance Program Services going forward are such as to require a formal Tender process in accordance with the provisions of the Local Government (General) Regulation 2005. Due to the comprehensive work already undertaken through the Quotation process, including the identification of a suitable shortlist of preferred suppliers, the most efficient and effective process going forward is seen to be by way of Selective Tender. Additionally, as the Quotation process has identified service and pricing options previously unknown to Council, it is recommended that the Tender requirements going forward be varied to allow for the appointment of a sole provider or panel of providers, as well as the option for Tenderers to detail any alternative manner of applying fees in addition to a schedule of rates.

### COUNCIL IMPLICATIONS:

#### a. Policy:

Procurement Policy Version 1.6.

#### b. Budget/Long Term Financial Plan:

Based on prices provided through the Quotation process, as well as the steady increase in staff utilisation of the Employee Assistance program a minor amendment to current budget allocation as well as Council's Long Term Financial Plan is likely in order to accommodate the ongoing cost of this program. This will be further highlighted when the outcome of the Tender is subsequently reported to Council.

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**c. Legal:**

Yes. Legal advice has been received regarding the aspects of quotations and selective tendering.

**d. Communication/Engagement:**

**Inform** - We will keep you informed.

The community will not be impacted by the outcome of this decision. A comprehensive communication and marketing strategy will be put in place for internal dissemination once a contract has been awarded.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

Nil.

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