**Community Services**

**Preferred Service Provider Variation Approval**

*Use this template for the approval of varying the existing Service Agreement to extend the term as allowed under the Preferred Service Provider (PSP) provisions of the* [*Delivering Community Services in Partnership (DCSP) Policy*](https://www.wa.gov.au/government/multi-step-guides/buying-community-services/getting-started-community-services-procurement/introducing-the-delivering-community-services-partnership-policy)*. This being a PSP Variation.*

*Refer to* [*Buying Journey 9 – Preferred Service Provider*](https://www.wa.gov.au/organisation/department-of-finance/buying-journey-9-preferred-service-provider) *for the steps to follow when varying an existing Service Agreement under the PSP provisions.*

*Varying the existing Service Agreement to extend the term under the* [*DCSP Policy*](https://www.wa.gov.au/government/multi-step-guides/buying-community-services/getting-started-community-services-procurement/introducing-the-delivering-community-services-partnership-policy) *PSP provisions must be conducted in accordance with* [*Western Australian Procurement Rule E2 - Apply Rigor to Contract Variations*](https://www.wa.gov.au/government/multi-step-guides/western-australian-procurement-rules/procurement-rule-e-contract-management#rule-e2)*. This means the PSP Variation must be approved by an Authorised Officer, submitted to the* [*Community Services Procurement Review Committee*](https://www.wa.gov.au/organisation/department-of-finance/procurement-review-committees#community-services-procurement-review-committee-csprc)*(CSPRC) where the value of the PSP Variation is $5 million and over and is to be recorded. Further,* [*Western Australian Procurement Rule E3.1 - Publish Updated Contract Management Information on Tenders WA*](https://www.wa.gov.au/government/multi-step-guides/western-australian-procurement-rules/procurement-rule-e-contract-management#rule-e3) *requires variations and actual Service Agreement expenditure to be published on* [*Tenders WA*](https://www.tenders.wa.gov.au/watenders/index.do) *on an annual basis.*

*Varying the existing Service Agreement to extend the term must be completed before the existing Service Agreement term expires.*

*Based on the proposed changes/updates identified in the PSP review and assessment report (refer section 2) and the consultation/negotiations undertaken with the Preferred Service Provider, the finalised and agreed changes/updates (the PSP Variation) are to be documented ready for approval using this template. The agreed changes/updates must be clearly articulated.*

*Further, the Preferred Service Provider must confirm the agreed changes/updates are sustainable.*

*State agencies must not extend the scope or duration of Service Agreements with debarred or suspended Service Providers as identified under the* [*Western Australian Debarment Regime*](https://www.wa.gov.au/government/publications/debarment-regime-guide-western-australian-government-agencies)*. Refer to the* [*Excluded Suppliers*](https://www.tenders.wa.gov.au/watenders/news/browse.do?CSRFNONCE=BC47BF6C8B895C8C0C0CB75B4FF0C4AF&&ss=1) *page on Tenders WA for more information. If a Service Provider is debarred or suspended, refer to the* [*Debarment Regime: Guide for Western Australian Government agencies*](https://www.wa.gov.au/government/publications/debarment-regime-guide-western-australian-government-agencies) *–* [*Contracts with excluded suppliers and subcontractors*](https://www.wa.gov.au/government/publications/debarment-regime-guide-western-australian-government-agencies#contracts-with-excluded-suppliers-and-subcontractors) *section for further information.*

*Completion of Appendix A is mandatory where the Next Service Agreement Value is $5 million or more (inc. GST) over the Service Agreement Term.*

*Please note: the text in red font represents drafting instructions and should be removed after reading. Blue text is optional and should be used or removed as required.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Current Service Agreement Details** | | | |
| State Agency |  | | |
| Service Agreement Number |  | | |
| Service Agreement Title |  | | |
| Service Provider(s) |  | | |
| Service Agreement Commencement Date |  | | |
| Service Agreement Term | [Insert initial term and extension options eg. 3 + 1 + 1 years] | | |
| Variations Extending the Service Agreement Past the Final Expiry Date Previously Approved (if applicable)  *[For each extension, insert the term (including options), when the variation was approved and by whom. Insert extra rows if required.* *Include any previous PSP Variations approved to extend past the final expiry date.]* | **Term (incl. options)** | **Date Approved** | **Approver** |
|  |  |  |
|  |  |  |
| Current Approved Final Expiry Date | [Insert the final expiry date based on all approved terms and extension options] | | |
| Service Agreement Value at Award including GST | $ | | |
| Value of Variations Previously Approved including GST (if applicable)  *[For each variation, insert the value, when the variation was approved and by whom. Insert extra rows if required. Include any previous PSP Variations approved.]* | **Value** | **Date Approved** | **Approver** |
| $ |  |  |
| $ |  |  |
| Current Approved Service Agreement Value including GST | $[The sum of the Service Agreement value at award and all approved variations] | | |
| Total Service Agreement Expenditure to Date including GST | $[Insert value] as of [Insert date] | | |

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| **The Changes/Updates agreed with the Preferred Service Provider, as applicable, for the PSP Variation**  *[Ensure the changes/updates are clearly articulated and as agreed with the Preferred Service Provider. Attach a separate schedule if a more detailed explanation is required]* | |
| Price or Price Schedule |  |
| Next Agreed Service Agreement Value excl. GST | $ |
| Next Agreed Service Agreement Value incl. GST | $  [Preferred Service Provider] has been given the opportunity to update pricing and has confirmed this variation is sustainable.  The Preferred Service Provider nominated a sustainable volume of services for the fixed price.  *or*  The Preferred Service Provider nominated a price per unit of service (e.g. hourly rate) against a fixed volume of services.  *[Provide more detail by completing Appendix A, Table 1 - Next Service Agreement Value.*  *Completion of Appendix A, Table 2 (Approved Funding Sources) is mandatory where the Next Agreed Service Agreement Value is $5 million or more (incl. GST) over the Next Service Agreement Term.]* |
| New Total Service Agreement Value including GST | $[The sum of the Current Approved Service Agreement Value, as above and the Next Agreed Service Agreement Value] |
| Volume of services | [Preferred Service Provider] has confirmed the volume of services is sustainable for the service agreement value. |
| Next Service Agreement Term (including extension options) |  |
| Next Service Agreement Extension Start Date  New Final Expiry Date | [Insert date]  [Insert date] |
| Service model |  |
| Domain and community outcomes as per the [Outcomes Measurement Framework](https://www.wa.gov.au/government/publications/community-services-outcomes-measurement-framework) |  |
| Service level outcomes / indicators |  |
| Location of services |  |
| Quality standards |  |
| National Principles for Child Safe Organisations variation *[Add this clause if not already in the Service Agreement]* | In relation to Services that comprise or involve “child-related work” (as defined in section 6 of the *Working with Children (Criminal Record Checking) Act 2004 (WA)*), the Service Provider agrees to implement the National Principles for Child Safe Organisations (<https://childsafe.humanrights.gov.au/national-principles/download-national-principles>). |
| Service review dates |  |
| Effective date of the PSP Variation | The effective date of the PSP Variation is the Next Service Agreement Extension Start Date stated above under the Term.  All other terms and conditions not changed as part of the PSP Variation are to remain unaltered. |

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| **Price Schedule** | | | | | | |
| [Preferred Service Provider] has agreed to the price for this Variation as set out in the Changes/Updates section. An additional breakdown of the agreed price is outlined below.  *The Preferred Service Provider is required to include an additional breakdown of the agreed price, (including an indication of the level of service they will provide, staffing costs, operational costs and other information). The total price outlined below must align with the details in Appendix A. The below columns can be deleted/amended as necessary.* | | | | | | |
| **Service element** | Price (AUD)  Year 1 | Price (AUD)  Year 2 | Price (AUD)  Year 3 | Price (AUD)  Year 4 | Price (AUD)  Year 5 | **Total price**  **(AUD)** |
| Staffing costs |  |  |  |  |  |  |
| Operational Costs |  |  |  |  |  |  |
| Capital related costs |  |  |  |  |  |  |
| Resource development |  |  |  |  |  |  |
| Other costs |  |  |  |  |  |  |
| **TOTAL PRICE** |  |  |  |  |  |  |
| **Summarise the PSP review and assessment outcomes, the consultation undertaken with the Preferred Service Provider and the sustainability of the PSP Variation** | | | | | | |
| *Provide suitable background information for this variation. Provide summary details for each of the following points.*  **PSP review and assessment outcomes**   * *The PSP review and assessment outcomes from the PSP review and assessment report*   **Needs analysis and market research**   * *Outline of needs analsysis to be provided regarding the continued need for the service by service users and the community* * *Details of market research conducted regarding similar services in the market*   **Details of the consultations**   * *How, when and with whom the consultations/negotiations were undertaken with and who from the Preferred Service Provider agreed to the changes/updates and confirmed the sustainability of the services*   *e.g. exchange of correspondence, meetings held or a combination of both, the key dates and who was invovled for the State agency and the Preferred Service Provider*   * *Confirmation that the Preferred Service Provider was provided with an opportunity to update service details including reporting and key performance indicators*   **Sustainability of services**   * *How the changes/updates will provide for the sustainability of services particularly with the sustainability of the price and/or volume of services* * *Confirmation that the Preferred Service Provider was provided with an opportunity to update prices to maintain or improve sustainability*   **Value for Money**   * *Whether the PSP Variation represents value for money*   **Impact on operations**   * *What will be the impact on the State agency's operations if this PSP Variation is not approved* | | | | | | |

*[Where the Next Agreed Service Agreement Value of this PSP Variation is $5 million or more, the variation must be submitted to the Community Service Procurement Review Committee (CSPRC) for review, as required by Procurement Rule E2.2 (2) Approval of Contract Variations, before being submitted to the Authorised Officer for approval.]*

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| --- | --- |
| **Review by the Community Services Procurement Review Committee (CSPRC)** | |
| **Endorsed**  **Conditionally Endorsed**  **Decline to Endorse**  **Deferred**  **Recommendations**  **Noted** | Date of Meeting: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_\_  Comments: |

|  |
| --- |
| **Recommendation and Undertaking** |
| It is recommended that the [Authorised Officer title] of [State agency name] approves this PSP Variation as outlined above/attached and as agreed with [Name of Preferred Service Provider]. It is also recommended the Authorised Officer sign the accompanying Preferred Service Provider Variation letter.  I confirm that the Preferred Service Provider was provided with an opportunity to update details of the service agreement including pricing, reporting and key performance indicators.  As the agreed value of this PSP Variation is greater than $5 million and, as required by Procurement Rule E2.2 (2), it has been reviewed by the CSPRC, see above.*[delete if CSPRC review not required]*  The PSP Variation will be:   * kept on record * updated in the contract register in accordance with Procurement Rule F5 * captured in the service agreement management plan documentation*[delete if there is no service agreement management plan]* and * published on Tenders WA in accordance with Procurement Rule E3.1 (1).*[delete if exempt from publishing and use the the following statement]*   The PSP Variation has been exempted from being published on Tenders WA. Refer to [insert record details of exemption] for the exemption granted. |

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| **Submitting Officer** | | |
| Name |  | |
| Title |  | |
| Contact Number |  | |
| Signature:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | Date:  \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_\_ |

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| --- | --- | --- |
| **Approval by the Authorised Office** | | |
| Name |  | |
| Title |  | |
| **Approved**  **Not Approved** | Comments: | |
| Signature:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | Date:  \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_\_ |

**Appendix A –** **Next Agreed Service Agreement Value and Approved Funding Sources**

***[Instructions for Table 1 – Next Agreed Service Agreement Value (see pages below)]***

*Table 1 should be completed for all variations and informed by more detailed costings prepared separately. Refer to the* [*Financial Guidelines for Government Agencies – Commissioning Community Services*](https://www.wa.gov.au/government/publications/financial-guidelines-government-agencies-commissioning-community-services) *for further information.*

*Note that the* [*Indexation Policy for the Non-Government Human Services Sector (NGHSS)*](https://www.wa.gov.au/government/publications/indexation-policy-the-non-government-human-services-sector) *applies to Community Services agreements. Chief Financial Officers have access to current Government-approved NGHSS indexation rates to be reflected in Table 1. NGHSS indexation rates beyond the forward estimates should be ‘flatlined’ (i.e. consistent with the last known rate of indexation).*

*Beyond Year 5, column(s) should be populated/adjusted on a case-by-case basis to appropriately reflect the structure and total quantum of extension option(s).*

*Only populate the ‘Estimated Volume’ rows if service volume(s) will be specified in the Request for Tender. Otherwise, delete these rows.*

***Instructions for Table 2 – Approved Funding Sources (see pages below)***

*Completion of Table 2 is mandatory where the Next Agreed Service Agreement Value is $5 million or more (inc. GST) over the Next Service Agreement Term.*

*Total approved funding must be consistent with Table 1 in each financial year (exc. GST), and should reflect the current level of approved funding (e.g. changes to NGHSS indexation parameters approved through Budget processes).*

*Existing service funding only applies where an existing Community Service is being continued and has approved ongoing funding.*

*Provide further information other funding sources in the relevant section below as required (for example, for the internal reprioritisation of services).*

*Beyond Year 5, column(s) should be populated/adjusted on a case-by-case basis to appropriately reflect the structure and total quantum of extension option(s).]*

**Table 1: Next Agreed Service Agreement Value**

| **Service element** (as applicable) | **Final year – Current agreement** | **Year 1 202X-YY** | **Year 2 202X-YY** | **Year 3 202X-YY** | **Year 4 202X-YY** | **Year 5 202X-YY** | **Year(s) X to Y 202X-YY** *[extension option(s)  if applicable]* | **Total Next Agreed Service Agreement Value** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Indicative indexation  *[%]* |  |  |  |  |  |  |  |  |
| Program 1 - estimated price  *[$’000 exc. GST]* |  |  |  |  |  |  |  |  |
| Program 1 - estimated volume  *[specify units of service]* |  |  |  |  |  |  |  |  |
| Program 2 - estimated price  *[$’000 exc. GST]* |  |  |  |  |  |  |  |  |
| Program 2- estimated volume  *[specify units of service]* |  |  |  |  |  |  |  |  |
| *[add extra rows as necessary]* |  |  |  |  |  |  |  |  |
| **Total Service Agreement Value (exc. GST)**  *[$’000]* |  |  |  |  |  |  |  |  |
| **Total Service Agreement Value (inc. GST)**  *[$’000]* |  |  |  |  |  |  |  |  |

*[Table 1 Instruction: Totals should be inclusive of indicative indexation – provide key workings.]*

**Table 2: Approved Funding Sources**

The availability of approved funding sources is detailed in Table 2 below. The table was approved on [insert date] by [insert name], Chief Financial Officer, [insert Agency/State Party] and [insert name], Accountable Authority, [insert Agency/State Party].

| **Source of funding** (as applicable) | **Final year – Current agreement**  $’000 | **Year 1 202X-YY**   $’000 | **Year 2 202X-YY** $’000 | **Year 3 202X-YY** $’000 | | **Year 4 202X-YY** $’000 | **Year 5 202X-YY** $’000 | **Years X to Y 202X-YY** *[extension option(s)  if applicable]*  $’000 | **Total**  $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Existing funding sources** *[populate as applicable]* | | | | | | | | | |
| **Existing service funding level** |  |  |  |  | |  |  |  |  |
| **Other existing funding** |  |  |  |  | |  |  |  |  |
| **Additional funding sources** *[insert SIMS adjustment numbers as applicable]* | | | | | | | | | |
| **Additional appropriation** |  |  |  |  | |  |  |  |  |
| **Cash at bank** |  |  |  | |  |  |  |  |
| **Other** |  |  |  | |  |  |  |  |
| **Total approved funding** |  |  |  |  | |  |  |  |  |
| **…………………………………………………**  **Insert Name (signed)**  **Chief Financial Officer**  **Agency / State Party** | | | | | **………………………………………….**  **Insert Name (signed)**  **Accountable Authority**  **Agency / State Party** | | | | |

*Table 2 Note: All figures are net of GST and inclusive of indicative indexation.*

**Further information**

*[Provide further information on service costs and/or approved funding sources if required (e.g. key parameters of costings; description of any services being reprioritised; key parameters of ERC/Cabinet decisions)]*