

DCJ INTEREST IN SERVICE PROVIDER WORKING ARRANGEMENTS

For child and family, community building, domestic and family violence, and homelessness programs

Subcontract

For our purposes, subcontracting is when a service provider uses the department's funds to pay a third party — whether an organisation or an individual — to fulfil part of, or all of the services we have contracted the service provider to deliver.

A subcontract may be a consortium, a fee-for-service or a labour-hire arrangement.

NOTABLE CHARACTERISTICS

- ➔ A formal arrangement
- ➔ Our contract is with the prime contractor only; we have no relationship or interaction with the subcontractors
- ➔ The prime contractor is responsible for meeting all terms and conditions of the contract, and is responsible for the performance of the subcontractors



Our interest is in contract management

We want to assure service delivery and achieve the contracted outcomes.

HOW WE DEAL WITH THE PARTIES INVOLVED

Service providers must apply for our consent to subcontract. The arrangement may have been approved at procurement.

The prime contractor doesn't require our consent to terminate a subcontract, but must notify us in advance; we need to be able to assure service continuity. The prime contractor requires our consent to subcontract a replacement party.

Changes to subcontract arrangements are managed as contract variations.



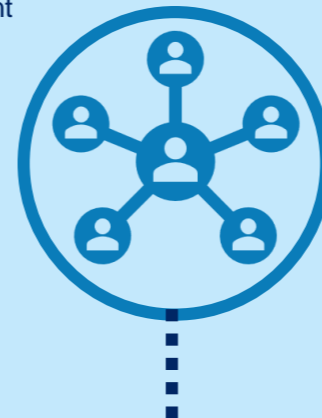
Consortium

In the context of procuring services, a consortium is an association of two or more organisations tendering for a contract with the department.

A consortium is a type of joint working arrangement.

NOTABLE CHARACTERISTICS

- ➔ May be a formal or informal arrangement
- ➔ May be an arrangement formed solely for the purpose of tendering
- ➔ One organisation takes the lead, however, we may discuss the tender with any or all of the organisations during procurement



Our interest is in procurement

We want to procure the right service providers to achieve the contract outcomes.

HOW WE DEAL WITH THE PARTIES INVOLVED

As part of evaluating a tender, we assess all members of the consortium for capacity, capability and financial viability.

For successful tenderers, the consortium (joint working arrangement) is engaged in a formal subcontracting arrangement.

We establish a contract with the lead organisation only: the prime contractor. The other organisations are treated as subcontractors of the prime contractor. Subcontractors aren't parties to the contract, however, we include them in the contract to identify how each is contributing to delivery of the contracted services.



Joint working arrangement

This term is generally used to describe two or more organisations working together for a common purpose; there is no set legal definition. Joint working arrangements usually involve sharing knowledge, experience, workload and/or resources to:

- improve capacity, capability and/or geographical reach
- achieve better outcomes for clients, the sector and the organisations themselves.

NOTABLE CHARACTERISTICS

- ➔ May be a formal or informal arrangement
- ➔ No organisation, one or different organisations take a leading role, depending on the nature of the arrangements
- ➔ We have no direct involvement in the formation or function of the arrangements



Our interest is in stewardship

As stewards of the service system, we want to ensure viability of the sector.

HOW WE DEAL WITH THE PARTIES INVOLVED

We work with the parties as a commissioner of services, and encourage the arrangements because they can lead to:

- more diverse thinking
- shared learning
- increased knowledge pool

and contribute to:

- more effective service delivery
- development of new service models.

