



Australian Government
Department of Finance

ADDENDUM NUMBER 10 – FIN/PP02/22 Phase 2

People Panel Phase 2 – Labour Hire Services for the Australian Government

Date of Issue for this Addendum: 06 December 2022

This Addendum 10 provides the response to questions asked by interested parties.

Response to Questions

This Addendum is issued in accordance with paragraphs 5.2 and 6.1 of the Request for Tender (RFT).

Question 1

Does the Service Provider need to comply with PSPF12 Requirement 1.c. that “pre-employment screening must obtain assurances of a person’s suitability”?

Answer 1

It is at the Entities request or discretion if a Service Provide will need to comply with PSPF12 Requirement 1.c. The Entity should specify security requirements in the RFQ.

Question 2

Will Service Providers be required to support Finance with AS4811-2022 ongoing/periodic risk assessments and exit briefings and risk assessments?

Answer 2

Refer to Addendum 7, Question 14.

Question 3

The RFT document states in sub-paragraphs 1.1.5 and 1.1.7 that the panel will be mandatory, but that Commonwealth Entities will be able to purchase 5% of their total expenditure outside of the panel.

How will this be measured and what is there in place to stop an entity from using an off-panel provider for all requirements?

Answer 3

In relation to the flexibility arrangements outlined in clause 1.1.7 of the RFT, measurement of expenditure outside the panel will use data from AusTender, and information provided by Service Providers under Schedule 8. Officials of Commonwealth entities must comply with the rules set out in Division 1 and 2 of the Commonwealth Procurement Rules.

Question 4

Sub-paragraph 2.3.4 of the RFT states that the Labour Hire Supplier contracts a Labour Hire Worker “via an employment agreement”. Does this mean that other forms of engagement – i.e. via a PTY Company, an ABN contractor or a third party Pty (payroll company) are not permitted between the Labour Hire Supplier and the Labour Hire Worker under this Agreement?

Answer 4

The draft Head Agreement (Attachment C to the RFT) can facilitate Labour Hire Suppliers engaging individuals outside of an employment arrangement for the purposes of providing the Services. See

the definition of 'Labour Hire Supplier' which means "an arrangement under which a Host Organisation engages a Labour Hire Supplier to provide the Host Organisation with a Labour Hire Worker who is the employee of the Labour Hire Supplier (or otherwise engaged by the Labour Hire Supplier). Any intervening entity (between the Labour Hire Supplier and the Labour Hire Worker) would be a Subcontractor (which would require consent from the Entity).

Question 5

Refer to the 360 Tender System in the Compliance with Head Agreement section.

Should a Respondent only list the clauses, terms and conditions they partially comply to, or do not comply to?

Answer 5

Yes. Respondents are deemed to be compliant with all the clauses, terms and conditions of the Head Agreement, except where non-compliance is expressly stated.

Question 6

Can you please clarify the position on "paid family and domestic violence leave" payments. Can we assume that any payments that need to be paid under this legislation to Labour Hire Workers can be treated as an "other statutory charge" and passed on to the client at such time that a Labour Hire Worker becomes entitled to it.

Answer 6

Once the "paid family and domestic violence leave" payment is legislated (scheduled to commence 1 February 2023 for some employers), Service Providers may claim those amounts where they are agreed with the Entity on a case by case basis provided they are in keeping with the legislation, and substantiated to the reasonable satisfaction of the Entity. The draft Head Agreement currently lists specific employment oncosts (in Schedule 3) that may be passed-through to the Entity, and facilitates agreement on other statutory costs being incorporated. The Head Agreement will be amended to make specific provision for paid family and domestic violence leave.

Question 7

Clause 14.1.1 of Attachment C – Panel Head Agreement (Head Agreement) states that all fees are inclusive of GST; however, the Gross Profit Margin(GPM) Rate Card (Attachment G – Pricing of the RFT) is asking for a rate exclusive of GST. Can you please confirm which is correct?

Answer 7

The rate card for Table 1 - GPM in Attachment G – Pricing of the RFT must be expressed as GST exclusive. GST on the total contract price will be calculated in the RFQ and Order for Services.

Question 8

Clause 14.2.1 of the Head Agreement allows for a Consumer Price Index (CPI) increase (if applied for), but the pricing table only allows for fixed dollar pricing with whole numbers only and no decimal places. How will any CPI increase be applied?

Answer 8

The GPM will be rounded to the nearest whole dollar amount after application of the prevailing CPI percentage increase.

Question 9

Refer to Schedule 2 – Part B – clause 4 of the Head Agreement.

What does Finance mean by 'skills and education claims need to be verified'?

Answer 9

The Service Provider will be responsible for verifying any skills and education claims made by the Labour Hire Worker. Verification activities include referee reports, sighting parchments and certification documents, et cetera.

Question 10

Refer to Schedule 2 – Part B – Clause 5.2 of the Head Agreement.

Is it the expectation that the Service Provider is responsible for the cost of training/inducting Labour Hire Workers (LHWs) when working on a client site?

Answer 10

Where training/inducting LHWs is requested, the Service Provider can negotiate any cost with an Entity.

Question 11

Refer to Schedule 2 – Part B – clause 28.3 (a) and (b) of the Head Agreement.

Regarding Schedule 2 – Part B – clause 28.3 (a) and (b) of the Head Agreement, Can the approval time by an entity be reduced to 5 days?

Answer 11

No. The entity approval time for processing time sheets is 10 business days; however, an entity may choose to process time sheet approvals any time prior to the 10-day limit.

Question 12

Refer to Schedule 3 – 1.2 b of the Head Agreement.

This clause indicates an expectation that LHWs are paid monthly; however, most payment cycles are weekly/fortnightly. Can we assume that a more frequency payroll cycle is acceptable?

Answer 12

Yes.

Question 13

Refer to Schedule 3 – clause 2 of the Head Agreement.

Would a conversion fee be payable should a Labour Hire Worker convert in weeks 49/50/51 or 52?

Answer 13

Refer to Addendum 9.

Question 14

Refer to Schedule 3 – clause 2.4 of the Head Agreement.

Should this be 52 weeks rather than 48 weeks?

Answer 14

No. 48 weeks takes into account 4 weeks of recreation leave per annum.

Question 15

Refer to Schedule 3 – clause 2.4 of the Head Agreement.

Does “part time” in this clause mean any time that is less than 7.5 hours a day, or does it mean less than 4.75 days in a week?

Answer 15

Part-time is any work schedule that is less than 7.5 hours a day or 4.75 days in a week.

Question 16

Does the Order Discount Value (ODV) re-set to \$0.00 for every year, or is it cumulative across the 4 year contract?

Answer 16

Once the ODV is reached and applied, it remains for the term of the contract.

Question 17

Is it expected that for every new order (no matter who the Entity is) that the ODV will be applied?

Answer 17

Yes.

Question 18

What happens if an order is raised and then cancelled? Is an adjustment made to re-calculate the total order value?

Answer 18

Yes. This will be managed by the Contract Management Team in accordance with reporting protocols.

Question 19

Refer to Schedule 3 – clause 6.1(b) of the Head Agreement.

If an Entity agrees to cover the costs of literacy / psychometric assessments will this prevail over this clause?

Answer 19

No. Any terms in an Order or Contract that seek to modify the terms of the Head Agreement to reduce the obligations on a Service Provider have no legal effect, Refer Clause 11.4.1. However, a Service Provider may set out charges for additional requirements for an Entity's consideration as set out in clause 11.2.6.

Question 20

Refer to Schedule 7 – Table 1 of the Head Agreement.

Can we have some understanding on how Finance are going to collect the data from the Entities with respect to SL3

Answer 20

Finance will survey entities to determine Service Level 3 (Table 1) of Schedule 7 and use any other information made available under clause 3.5, to measure a Service Provider against the Performance Measure in clauses 2.2, 2.3 and 2.4 of Schedule 7.

Question 21

Refer to Schedule 8 clause 1.3 of the Head Agreement.

Is it the expectation that an individual Labour Hire Engagement Report is sent to Finance every time an Order is executed?

Answer 21

Yes, this is the required schedule to meeting reporting requirements.

Question 22

Refer to Schedule 8 clause 1.3 of the Head Agreement.

Why is the Labour Worker Time Sheet Report required?

Answer 22

This is a reporting requirement for governance activities.

Question 23

Refer to Schedule 8 clause 1.3(d) of the Head Agreement.

Can an amendment in a timesheet be reflected in the reporting period in which the amendment is made, rather than the previously submitted timesheet report?

Answer 23

No. This is a reporting and governance requirement.

Question 24

Refer to Schedule 8 – Table 2 – items P, Q, R of the Head Agreement.

A Respondent wouldn't know this data at the beginning of an order – why is it included in the report?

Answer 24

Items P&Q are only required to be included in the Labour Hire Engagement Report where Finance has introduced the Panel Administration Platform in accordance with clause 5.5.

Item R will be applicable as a result of a variation to cease the work order.

Question 25

Refer to Schedule 8 – Table 2 – item AB of the Head Agreement.

What is the "finance administration fee recovery by Finance" ?

Answer 25

This is for the purpose of internal administrative cost recovery. The cost centre is required to assist Finance.

Question 26

Refer to Schedule 8 – Table 3 of the Head Agreement.

What is the purpose of requiring start time and end time to be recorded?

Answer 26

This is a reporting requirement as drafted and is a governance requirement.

Question 27

Can Finance provide indicative recruitment needs (volume) over a 12 month period?

Answer 27

Refer paragraph 2.2 Estimated purchasing trends in the RFT document.

Question 28

Does Finance intend to engage a number of Service Providers that are specialist in a field or are only in some geographical locations?

Answer 28

Finance intends to enter into a Standing Offer Arrangement with a number of Service Providers for the provision of labour hire services to meet the needs of a Whole of Australian Government Panel Arrangement.

Question 29

Refer to sub-paragraph 3.1.1 of the RFT (Services included in Labour hire Services). The Scope of Services included in Labour Hire Services outlines 4 services that are required under the panel:

- i. Labour Hire Workers
- ii. Conversion of labour hire works in a relevant position to be a directly engaged Entity employee
- iii. Introduction Services and
- iv. Placement Services.

Is it a requirement that to be eligible to provide services under this Panel a supplier must be able to demonstrate it can deliver all 4 services.

Answer 29

Respondents must tender for Labour Hire Services. Introduction and placement services are optional.

Question 30

Is Finance able to indicate the current average contract term / duration for all non-ongoing APS employees?

Answer 30

No.

Question 31

Section 8.4 of the RFT stipulates that the Referee Report (Attachment I) requirement is to be submitted on the subject referee Companies letterhead.

If the Referee Report is appropriately identified in the attachment with corresponding contact details, will this suffice to meet the conditions of 8.4?

Answer 31

Yes.

Question 32

In accordance with Attachment E of the RFT Evaluation Criterion 2 - Capacity, the response is a maximum of two (2) A4 pages in Calibri 11 point Font including the information on the respondent's capacity

Given there is a 2 page limit to address this criterion, does this limit include Table 1 - Location of Services, Table 2 - Respondent's Company Profile and Table 3 - Respondent's Company Candidate Profile?

Answer 32

No. Tables 1, 2 and 3 are data entry fields in the 360 tendering system and should not be included in the 2 page limit.

Question 33

The Respondent is to indicate whether it has the capability to deliver and receive e-invoices through the PEPOL framework. How important is this capability?

Answer 33

The PEPOL framework is linked to the Payment Times Procurement Connected Policy to improve payment times to suppliers. Further information can be found on the [ATO website](#).

Question 34

Based on Diagram 1: Pricing Model in Attachment G - Pricing, is the Department looking for Service Providers to base their pricing/quote's off the Department's enterprise agreement or not?

Answer 34

No, the Gross Profit Margin is a matter for the Service Provider and the Agreed Hourly Rate for the candidate is based on the Enterprise Agreement.

Question 35

Is the Gross Profit Margin (GPM) payable on any overtime hours worked by a labour hire worker?

Answer 35

The GPM applies to all hourly rates.

Question 36

Is it a requirement that all invoices sent to Finance's entities have the company name and ABN of principal Service Provider and not any subcontractor?

Answer 36

Yes. It is a requirement that all invoices must be a correctly rendered tax invoice, refer clause 14.4 of the draft Head Agreement.

Question 37

Refer to **Addendum 7, Question 6**.

From the response, it is clear that "employees" refers to internal staff that work within the business that delivers labour hire services to host employers/Entities.

If a Respondent has six Employees working within the business delivering its services and 234 labour hire staff working on-site with host employers/Entities, is Finance expecting us to show 6 Employees and 234 contractors in Table 2?

Answer 37

No. Table 3 - Respondent's Company Candidate Profile (Evaluation Criteria 2 – Capacity) is for your candidate pool including those that are working on-site to other host employers/Entities.

Question 38

Can the Department please confirm, if we can upload our responses in either PDF or MS Word file?

Answer 38

Respondents can upload responses as either PDF or Word files.

Question 39

In Attachments E and F to the RFT, there are references to providing information in relation to the Statement of Requirement. Is there is a specific Statement of Requirement document?

Answer 39

Respondents should provide information on whether they can meet all of the requirements in Schedule 2 of Attachment C – Panel Head Agreement of the RFT.