

## 19.2 FUTURE OF HOME ASSIST BULKY ITEM COLLECTION FOR SENIORS

### Objective Reference:

**Authorising Officer:** Louise Rusan, General Manager Community & Customer Services

**Responsible Officer:** Glynn Henderson, Acting Manager Economic Sustainability and Major Projects

**Report Author:** Craig Dickson, Principal Adviser Business Planning & Improvement

**Attachments:** Nil

The Council is satisfied that, pursuant to Section 275(1) of the *Local Government Regulation 2012*, the information to be received, discussed or considered in relation to this agenda item is:

(e) *contracts proposed to be made by it.*

### PURPOSE

At its General Meeting on 18 October 2017 Council resolved to negotiate and finalise contracts in relation to the future delivery of Redlands Home Assist Secure (RHAS). The officer's recommendation included the provision for a formal review and report to Council of the future of the Bulky Item Collection (BIC) service currently administered by Redlands Home Assist Secure and funded by Council through its Community Service Obligation (CSO). The purpose of this report is to outline the findings of this review and make a recommendation on the service continuation.

### BACKGROUND

Through Redlands Home Assist Secure, Council currently offers a BIC service to eligible seniors and people with a disability of up to three (3) items per financial year. The service commenced in July 2009 initially as a trial but has since continued to present day.

Unlike all other RHAS services, the BIC service is funded by the Council CSO through RedWaste to the value of \$21,300 (2017/2018) with \$27,000 actual expenditure forecast at 30 June 2018. This amount of funding allows for approximately 400 pick-ups at the current contract price of \$60 per pick-up (regardless of item count) and the waste disposal costs associated with the collected material. This amount does not include internal administration and staff costs.

With Council exiting the RHAS service from 30 June 2018 there will no longer be an internal staffing arrangement to receive phone calls, screen for eligibility, issue work to contractors and receive and process invoices. Should the service remain internal to Council, resourcing must be allocated to accommodate service requirements.

When the RHAS service was managed directly by Council, the BIC service was delivered by a contractor engaged pursuant to the Home Assist Panel of Providers contract (T-1729-15/16-CCS); this contract will expire on 30 June 2018 as part of Council's transition out of RHAS.

Council has engaged STAR Community Services (STAR) to deliver RHAS services, including BIC, on Council's behalf until 30 June 2018. To facilitate the BIC service STAR has engaged a subcontractor to carry out the BIC to 30 June 2018.

As Council's arrangement with STAR to deliver the RHAS service is due to expire on 30 June 2018, a new contractor and administrative support must be found should Council wish for the service to

continue in the 2018/19 financial year. As the BIC service is internally funded by Council, if a service provider were to be engaged the *Local Government Regulation 2012* and sound contracting principles must be followed.

Contract development and procurement is the most time consuming process for BIC. The continuation of the service will require a formal procurement process either by Invitation to Quotation (ITQ) or Invitation to Tender (ITT). Contract management for the life of the contract is also required. Development, management and extension arrangements have historically been performed by Procurement with assistance from the RHAS manager.

## ISSUES

Historically, the administration of BIC has occurred at limited cost to Council with RHAS staff funded by State and Commonwealth funding. The synergies between the RHAS service and BIC made for a seamless delivery of BIC administration without a significant impact to RHAS daily operations. The contractor providing BIC has always been responsible for making contact with the resident for scheduling the collection service.

Moving forward, State and Commonwealth funding, previously provided for RHAS, will be reallocated to another provider. The new provider/s will commence on 1 July 2018 with no provision in place to cater for BIC administration or contract management.

For BIC to remain within Council, staff resources, policies and processes would need to be put in place to cater for eligibility screening and issuing of work to a contractor. Eligibility could be streamlined from the existing RHAS requirements. New procedures for issuing jobs would need to be developed as the current client management system will be retired and cannot be used for privacy reasons. Receiving and processing invoices and contract management, which also requires resources, would remain similar to existing internal processes across Council.

Contract development is the most time consuming process for continuing the BIC service. Allowing approximately six months to complete a formal quotation or tender is considered sufficient. Following appointment of a contractor, day to day contract management would involve monthly data collection and reporting (which can be automated through Business Intelligence), contractor performance reporting, possible monthly or quarterly meeting depending on performance (not current practice) and complaints management.

Given the timeframe required to implement policies and procedures and obtain an appropriate contractor for RCC to implement BIC, Council is not in a position to commence the service on Monday, 2 July 2018. However, to maintain current service levels and continuity for clients, STAR has offered to facilitate BIC for a period of six months (to last business day of 2018).

Under the *Local Government Act 2009* Council must have regard to the sound contracting principles. As the annual budget for BIC is between \$15,000 and \$200,000, the *Local Government Regulation 2012* stipulates the requirement to invite three written quotes subject to relevant exceptions.

It is proposed that Council's Procurement Unit together with RedWaste undertake a formal quotation process while STAR facilitates the service to obtain a new supplier for commencement in January 2019. It is expected this process would commence as soon as possible and be concluded by early December 2018.

While the formal quotation process is being undertaken, officers will determine the most appropriate internal resourcing arrangements to administer the service. Additionally, processes and eligibility criteria will need to be refined, along with the development of a formal request process for issuing work to contractors. It is not intended that eligibility would expand given the limited budget for BIC.

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

The default contracting procedures under the *Local Government Regulation 2012* apply to any arrangements made to contract out BIC. Given the dollar value of the service, procurement options vary depending on the length of contractor engagement. Options include obtaining one quote (for spending less than \$15,000), obtaining three quotes, completing a full tender or developing a tender consideration plan. The single quote supplied by STAR maintains the current arrangement and meets legislative requirements until Council can undertake a formal quotation or tender process.

### **Risk Management**

Given the timeframes to implement a long term solution to BIC, contracting the service to STAR in the short term would ensure continuity of service to existing RHAS clients until Council is in a position to begin delivery.

### **Financial**

In the 2017/18 financial year RedWaste (through the CSO) funded the BIC service to the value of \$21,300 (2017/18 actuals estimated to be \$27,000) including the collection service and disposal of waste. RedWaste have included a sum of \$25,000 in the 2018/19 budget to allow for BIC by contractors based on current contractor schedule of rates. Budget has not been considered for the administration requirements of the BIC.

Budget for 2018/19 is also allocated on a 'business as usual' approach without changing the eligibility criteria, increasing promotion of the service or increasing the maximum number of services provided each year, which is currently 400.

### **People**

Undertaking a procurement process will impact on both the Procurement Units and RedWaste already scheduled commitments in early to mid-2018/19. There will be resourcing implications for the development of new processes and procedures, and administration functions which will need to be assessed against business as usual tasks. Future resourcing implications will be considered while the procurement process takes place.

### **Environmental**

No environmental impacts are identified.

### **Social**

Social risks are an important consideration, noting the aged clientele accessing the services are highly vulnerable to change. A communication plan is being implemented to ensure clients are made aware of the changes. STAR will assist with notifying eligible clients on who to call should

they enquire about BIC. The message service being implemented for the phone number change from 2 July 2018 will also contain information about BIC.

### **Alignment with Council's Policy and Plans**

This report and recommendations align with Council's Corporate Plan outcome area 7, Strong and Connected Communities and outcome area 2, Green Living.

### **CONSULTATION**

Consultation has occurred with the following stakeholders:

- General Manager, Community and Customer Services
- General Manager, Infrastructure and Operations
- Acting Group Manager, Economic Sustainability and Major Projects
- Service Manager, Strengthening Communities
- Senior Solicitor, General Counsel Group
- Senior Management Accountant, Financial Services Group
- Senior Procurement Officer, General Counsel Group
- Senior Adviser Communications, Communication, Engagement and Tourism Group
- Group Manager, Water and Waste Operations
- RedWaste Service Manager, Water and Waste Operations Group
- General Manager, STAR Community Services

### **OPTIONS**

#### **Option One**

That Council resolves to:

1. accept the quote from STAR Community Services to facilitate Bulky Item Collection and enter into an agreement for a period of six months commencing 2 July 2018 and concluding on the final business day at STAR Community Services in 2018;
2. seek to obtain formal quotations for the provision of Bulky Item Collection only from not-for-profit and/or social enterprise organisations for commencement on 2 January 2019;
3. bring a report to Council no later than December 2018 with the results of the formal quotation and outlining future resourcing and process changes being proposed; and
4. delegate authority to the Chief Executive Officer under s.257(1)(b) *Local Government Act 2009* to negotiate, make, vary and discharge all necessary documents.

#### **Option Two**

That Council resolves to suspend Bulky Item Collection from 2 July 2018, seek formal quotations and prepare processes and procedures for commencement of the successful supplier as soon as practicable.

#### **Option Three**

That Council resolves to cease Bulky Item Collection from 30 June 2018 with its exit from Redlands Home Assist Secure program in full.

**OFFICER'S RECOMMENDATION**

That Council resolves to:

1. accept the quote from STAR Community Services to facilitate Bulky Item Collection and enter into an agreement for a period of six months commencing 2 July 2018 and concluding on the final business day at STAR Community Services in 2018;
2. seek to obtain formal quotations for the provision of Bulky Item Collection only from not-for-profit and/or social enterprise organisations for commencement on 2 January 2019;
3. bring a report to Council no later than December 2018 with the results of the formal quotation and outlining future resourcing and process changes being proposed; and
4. delegate authority to the Chief Executive Officer under s.257(1)(b) *Local Government Act 2009* to negotiate, make, vary and discharge all necessary documents.