



Commitment Variation Minute

To: s47E(c), s47F, Director, Home and Residential Division

COMMITMENT APPROVAL TO VARY AN ARRANGEMENT WITH MILES MORGAN AUSTRALIA PTY LTD FOR TRANSITIONING THE WHITEHORSE MEALS ON WHEELS OPERATIONS TO NEWCASTLE MEALS ON WHEELS

Procurement ID: Health/ E24-85612

RECOMMENDATIONS:

APPROVE the variation of the existing contract with Miles Morgan Australia (MMA) for the provision of Transitioning the Whitehorse Meals on Wheels (WMOW) operations to Newcastle Meals on Wheels (NMOW), as detailed at Attachment A.	APPROVED
NOTE this variation will have no financial impact on contract.	NOTED
APPROVE the Value for Money assessment (Item 3)	APPROVED
CONFIRM the information provided in this commitment approval has fully addressed the Delegate's Checklist before exercising a delegation to approve the commitment of funds - PGPA Act Section 23 (3) - or enter into an arrangement - PGPA Act Section 23 (1). Delegates need to assure themselves that the procurement is compliant and documented (Attachment B).	CONFIRMED
NOTE the commitment variation will work-flow to you via SAP ESS for online approval.	NOTED
NOTE the Variation will be sent to MMA for negotiations and signature upon your approval of this minute.	NOTED

Prepared by:

s47E(c), s47F

Assistant Director
Home Support Operations
28 February 2024

Approved by:

s47E(c), s47F

s47E(c), s47F

Director
Home Support Operations Branch, Home and
Residential Division
1 March 2024

Key Points:

- i. This proposal is consistent with the original contract and the requirements of the [Commonwealth Procurement Rules](#).
- ii. The proposed changes have been discussed and agreed in principle with the Supplier.
- iii. Any required AusTender reporting of the variation will take place within 42 days

1. BACKGROUND/CONTEXT

- The Department entered into an agreement with MMA for the provision of transitioning the WMOW operations to NMOW on 19 January 2024 (PO 4500154545) together with relevant expenditure to a maximum of **\$1,534,428.68 (GST Exclusive) / \$1,687,871.55 (GST Inclusive)**.
- This procurement was conducted through a Limited Tender. As the procurement is over the relevant threshold (\$80k GST Inc), condition 10.3.d.iii of the CPRs for “*when the goods and services can be supplied only by a particular business and there is no reasonable alternative or substitute*” was used. This LT condition was used due to an absence of competition for technical reasons. Noting that MMA have been heavily involved in the business transformation and technology modernisation project from 2021.
- The contract variation is required to update specific deliverables due to unforeseen changes in the scope of the project.
- On 31 January, MMA notified the department they no longer had capacity to be involved in the broader Future Fit work which included the implementation/deployment of new technology (the Enterprise Resource Planning software). As such, the Whitehorse pilot site will no longer be using the ERP and the software will need to undergo a decommissioning process to remove any client information and transition the software to the department.
- To date the supplier has satisfactorily completed Milestone 1 and Milestone 2. However, this excludes software licensing and sustainment as part of Milestone 1, which needs to be amended as part of the variation.
- s47E(d) [REDACTED]
- This variation does not compromise the original procurement, nor transfer or create additional risk for either the department or the supplier.

2. OUTCOME OF EVALUATION / VALUE FOR MONEY

The value for the contract is unchanged and still presents value for money. The consultant has satisfactorily met their obligations and has provided deliverables in timely manner. s47E(d) [REDACTED]

As part of the close out processes (milestone 3), the consultant has agreed to:

- Deliver the ERP to the department, including a presentation of the new system and outline any enhancements since October 2023.
- Finalise and provide the department with an outline of the security architecture for third-party access (roles and permissions, separate containers for individual services, streamline/automate reporting functionality, outlet configuration).

- Provide the department with updates training material and resources for user onboarding.
- Business model summary and lessons learnt with developing the new ERP.

It is recommended, the Department enter into negotiations with MMA to negotiate the following points within the contract schedule:

- Item A
- Item D
- Item E
- Item I
- Item Q

3. TIMEFRAME

The variation will commence on execution and be completed by 10 March 2024.

4. CONTRACTUAL ARRANGEMENT

The appropriate form of contract variation has been prepared (**Attachment A**) based on Department of Health and Aged Care Deed of Variation.

Contract Manager

The nominated Contract Manager for this arrangement is s47E(c), s47F, CHSP and Continence Policy Section, Home Support Operations Branch. The nominated Contract Manager will monitor compliance with all aspects of the contract, in line with the updated [Contract Management Plan](#).

5. EXPENDITURE APPROVAL AND FUNDS AVAILABILITY

The cost to the Department for the services will not increase. The total contract value remains \$1,534,428.68 (GST Exclusive) / \$1,687,871.55 (GST Inclusive). This is within your delegation limit under the Accountable Authority [Financial Delegations](#) Schedule 1 (No. 6 of 2023), 15 August 2023, Table 1, Item 3, to approve proposals to commit relevant money up to \$70 million (Administered).

The Finance Business Partner has previously confirmed that funds are available in 2023-24 from Priority 065 – Commonwealth Home Support Programme and cost centre s47E(d)

6. STAKEHOLDER CONSULTATION

The CHSP and Continence Policy section is working with the Commercial law team to ensure deliverables related to ICT are appropriately captured in the contract variation. In addition, MMA have been consulted with to ensure the deliverables are appropriately updated.

Endorsement by Procurement Advisory Services

The procurement process has been undertaken in accordance with the Department's Procurement Variation Process and the [Commonwealth Procurement Rules](#) (CPR). Procurement Advice Service (PAS) has provided endorsement to this document package (**Attachment B**).

7. GENERAL

[Risk Management](#)

The risk profile developed as part of the Procurement Plan has been reviewed. The risk profile remains Low. Any significant risks and mitigations identified will be advised to the delegate.

There are no conflict of interest issues that have been raised throughout the process.

The supplier will provide updated COIs as part of this variation process.

Internal Reporting Requirements

Under the Department's Procurement Processing and Management policy, contract variations must be registered within 5 business days of execution.

External Reporting Requirements

The contract will be reported on the Department's website in accordance with the Senate Order requirements of July 2001 (Murray Motion). As the contract is valued over \$10,000 it will be reported on AusTender within 42 days of entering into the contract, in line with the Commonwealth Procurement Rules (Division 1, Item 7, Reporting arrangements).

Documentation

The documentation is held on TRIM File E24-85612. All relevant documentation leading up to the contract has been filed in accordance with [Corporate Business Rule 2: Information Management and Record Keeping](#).

8. COMPLIANCE WITH FINANCIAL AND PROCUREMENT POLICIES

This procurement was conducted in accordance with the Department's financial and procurement policy framework ([Delegate's Checklist](#)).

Attachments:

- A. Deed of Variation 1 - MMA - February 2024
- B. Delegate's Checklist
- C. PAS endorsement dated 01 March 2024.