Community Services

Service Agreement Variation Approval

*[Do not use this template for the approval of a* ***Preferred Service Provider (PSP) Variation****. Use the* ***Preferred Service Provider Variation Approval*** *template.*

*Use this template to record the approval of Service Agreement Variations including extensions past the final expiry date except where the extension is for a PSP Variation. For information about Variations and extending contracts (Service Agreements) past the final expiry date, refer to the Varying a Contract Guideline on* [*WA.gov.au*](https://www.wa.gov.au/government/multi-step-guides/procurement-guidelines/contract-management-guidelines/varying-contract-guideline)*.*

*In the* [*Western Australian Procurement Rules*](https://www.wa.gov.au/government/multi-step-guides/western-australian-procurement-rules) *(Rules), a Variation is defined as follows:*

*“A variation is an agreed change to the contract (for example, in scope or in price).*

*Variations do not include:*

1. *exercising an extension option provided within the original contract; or*
2. *spending more (or less) under a Standing Offer arrangement than originally estimated (where there is no contractual maximum expenditure cap).”*

*In the* [*Rules, under section E*](https://www.wa.gov.au/government/multi-step-guides/western-australian-procurement-rules/section-e-contract-management)*, it outlines the obligations of State agencies for contract (Service Agreement) Variations. These are summarised below.*

*Rule E2 – Apply Rigor to Contract Variations*

* *Rule E2.2 – Approval of Contract Variations – Variations to a contract* ***must*** *be approved by an Authorised Officer.*
* *Rule E2.3 – Record Details of Variations – Variations* ***must*** *be recorded and, if applicable, captured in the relevant contract management plan documentation. State agencies* ***must*** *ensure their contract register is updated in accordance with Rule F5.*

*Rule E3 – Update Contract Expenditure Information*

* *Rule E3.1 – Publish Updated Contract Management Information on Tenders WA – State agencies* ***must*** *publish Variation and expenditure details on Tenders WA. Refer to the table under Rule 3.1 (1) for the exact requirements.*
* *Rule E3.2 – Exemption from Publishing Expenditure Update – the requirements of Rule E3.1 do not need to be complied with if an exemption has been granted.*

*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 Value of the Price or Price Schedule Variation is $5 million or more (inc. GST) over the Next 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.]*

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| --- | --- | --- | --- |
| **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. 5 + 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 Preferred Service Provider (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 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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| --- | --- |
| **Variation/s Agreed with the Service Provider, as applicable**  *[Ensure variations are clearly articulated and as agreed with the Service Provider. Attach a separate schedule if a more detailed explanation is required]* | |
| Price or Price Schedule variation | [Name of Service Provider] has been given the opportunity to update pricing and has confirmed this variation is sustainable. |
| Value of the Price or Price Schedule Variation **excl.** GST | $ |
| Value of the Price or Price Schedule Variation **incl.** GST | $  *[Provide more detail by completing Appendix A, Table 1 – Value of the Price or Price Schedule Variation.]* |
| New Agreed Service Agreement Value including GST | $[The sum of the Current Approved Service Agreement Value, as above and the Value of the Price or Price Schedule Variation]  *[Completion of Appendix A, Table 2 (Approved Funding Sources) is mandatory where the Value of the Price or Price Schedule Variation is $5 million or more (inc. GST) over the Next Service Agreement Term’.]* |
| Volume of services variation | [Name of 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 variation |  |
| Domain and community outcomes variation as per the [Outcomes Measurement Framework](https://www.wa.gov.au/government/publications/community-services-outcomes-measurement-framework) |  |
| Service level outcomes / indicators variation |  |
| Location of services variation |  |
| Quality standards variation |  |
| 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 variation |  |
| Effective date of variation/s | The variation/s are to be effective from [insert date]. All other terms and conditions remain unaltered. |

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| **Price Schedule** | | | | | | |
| [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 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** |  |  |  |  |  |  |

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| **Summarise the key reason/s or basis for the variation/s and the consultation undertaken with the Service Provider** |
| *Provide summary details for each of the following points:*   * *Key reason/s or basis for the variation/s* * *How, when and with whom the consultations/negotiations were undertaken with and who from the Service Provider agreed to the variation/s*   *i.e. exchange of correspondence, meetings held or a combination of both, the key dates and who was invovled for the State agency and the Service Provider including who from the Service Provider agreed to the variation/s and confirmed the sustainability of the services*   * *How the variation/s provide for the sustainability of services particularly with the sustainability of the price and/or volume of services* * *Whether the variation/s represent value for money* * *What will be the impact on the State agency's operations if the variation/s is/are not approved* |

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| **Recommendation and Undertaking** |
| It is recommended that the [Authorised Officer title] of [State agency name] approve the Variation/s as agreed with [Name of Service Provider] outlined above/attached and sign the accompanying Service Agreement Variation letter.  The Variation/s 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 Rule E3.1 (1).*[delete if exempt from publishing and use the the following statement]*   The 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 Officer** | | |
| Name |  | |
| Title |  | |
| **Approved**  **Not Approved** | Comments: | |
| Signature:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | Date:  \_\_\_\_/\_\_\_\_/\_\_\_\_\_\_ |

## Appendix A – Value of the Price or Price Schedule Variation and Approved Funding Sources

***[Instructions for Table 1 – Value of the Price or Price Schedule Variation (see pages below)]***

*Table 1 should be 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 Value of the Price or Price Schedule Variation 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 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: Value of the Price or Price Schedule Variation

| **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 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)]