

Submission to the” Advisory Group on Reform of Australian Government Administration, Department of the Prime Minister and Cabinet” in relation to whole of government contract negotiation.

Below are some thoughts in relation to future negotiations for whole of government contracts. I am making the assumption that the Department of Finance (DOF) will still negotiate contracts for whole of government. To change the current process with negotiating whole of government procurement, we need to ensure other APS agencies are behind us and provide evidence to prove why this process does not work well. Then we may have an opportunity to force some change. My suggestions make the assumption that it will be initially driven by the APS agency I work for (because it is my idea), but in reality could be driven from any APS agency

My suggestions and recommendations are:

- Gather evidence to validate why the current whole of government contract negotiation process does not work effectively or economically, and should be modified. They would be looking at extra costs incurred, major changes to processes and procedures, customer service levels and anything really that causes stress in relation to budgets, reverse workflow or major communication problems
- Appoint an APS agency representative to champion our cause, which is a more consultative approach to whole of government contract negotiations (at what level I don't know, SES or higher?)
- APS agency representative would negotiate with say the biggest 5 -10 APS agencies (involved with the contract) to follow our lead with above two points
- Form a committee with a chairperson of the representatives of these APS agencies
- Use this committee and its combined weight to convince DOF, using all the evidence gained , that their contract negotiation method is flawed and that they should be using the three C's approach (consultative, collaborative and co-design, Tax Office values), thus involving the committee in the next contract negotiation process.
- For the next whole of government contract negotiations, the committee would use its members to break down the proposed contract to detect any issues it may hold for their agency by liaising with contract affected areas of their agency. They would be looking for hidden costs, major changes to processes, procedures to accommodate the contract (which may not be time or cost effective) and any technology or other extra costs they maybe incurred in relation to the contract (I don't think the DOF currently takes these into consideration). They would also take into consideration the timing of the introduction of the contract (i.e. end of financial year)
- Committee (through chairperson) would then report back to DOF with their findings. This would then allow the DOF to make a more rational, practical and overall cost effective decision in relation to signing, renegotiation or rejection of a contract.

This basic model could possibly be used for other major contract procurement processes for whole of government.