

# CONFIDENTIAL

Note: Confidential Provisions released on 12/05/2020



REPORT FOR:	<b>Council</b>		
MEETING DATE:	13 August 2019		
REPORT FROM:	Director City Services		
REPORT TITLE:	<b>Substance Misuse Services Tender</b>		
FILE NAME:	F19/588	RECORD NO:	AR19/33964

COMMUNITY VISION & STRATEGIC PLAN OUTCOMES	
<b>3 We Connect</b>	
3.2	Walk and work together in unity with our Aboriginal communities.
3.5	Council is a responsive organisation that provides services in ways that empower the community to achieve their outcomes
<b>4 We Care</b>	
4.2	Facilitate services and develop partnerships to enable appropriate care for people in our communities.
<b>6 We Achieve</b>	
6.3	We aim to provide good governance practices and compliance with all legislative requirements in delivery of services.

## **PURPOSE**

The purpose of this report is to seek direction from Council in relation to whether Council is seeking to continue to operate the Substance Misuse Services (Sobering Up Unit) and if so, seek approval to submit a tender to SA Health for the ongoing provision of services.

## **RECOMMENDATION**

### **Council:**

1. Submit a tender for the Department for Health and Wellbeing funding, for the provision of Specialist Drug and Alcohol Assessment and Treatment Services, conditional upon the tender submission:
  - a) achieving cost neutrality for Council.
  - b) including a non-conforming offer in relation to the contract term being allocated on an annual basis.
2. That the tender submission is withdrawn if notification is received that the Commonwealth Mobile Assistance Patrol and Assertive Outreach Programs have been awarded to another organisation.

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## **BACKGROUND**

Council is the current contractor operating Substance Misuse Services from the Sobering Up Unit, 24 hours a day. Under this agreement, Council leases the facility from the Department for Health and Wellbeing as well. Council's current contract and lease expire on 30 June 2020.

## **DISCUSSION**

### **Tender Call**

On 15 July 2019, the Department for Health and Wellbeing issued tender documentation for 'Specialist Drug and Alcohol Assessment and Treatment Services' (Substance Misuse Services). There is a short timeframe for the development of tenders, with a closing date of 19 August 2019.

The Department for Health and Wellbeing has conducted an early tender call, to allow sufficient time for contract transition, should that outcome eventuate. They are hoping to conclude the tender process and award a contract by the end of October 2019. The new contract will commence on 1 July 2020 and is for a period of up to 9 years, being initially for 3 years, with two further 3 year options to extend.

### **Current Services**

Council currently operates the Substance Misuse Services from the Sobering Up Unit facility. There are also several other programs that Council operates from this facility including Exceptional Needs funded by the Department of Human Services (SA) and the Mobile Assistance Patrol (MAP) and Assertive Outreach Program (AOP) funded by the Department of Prime Minister and Cabinet (Commonwealth). These programs share 14 staff and other resources to provide a holistic service model to the community.

Council had previously been able to achieve efficiencies from running several programs simultaneously. However, the tender pricing will now need to allow for the program to continue to operate without the support of the other programs.

Under the current contract for Substance Misuse Services, Council also leases the Sobering Up Unit Facility from the Department for Health and Wellbeing. The lease costs would be included in Council's tender submission.

Council is still waiting to hear the outcome of the Department of Prime Minister and Cabinet Tender process for the new MAP and AOP contract. It was hoped that the outcome of this process would be known by the time that tenders were due for the Substance Misuse Services, to better inform Council of the future of these interrelated services. At this stage, Council's contract for MAP and AOP concludes on 31 December 2019.

If the MAP and AOP contract is going to be awarded to an Aboriginal Organisation, it may also be beneficial for that organisation to provide the Substance Misuse Services as well. As a result, following the submission of a tender, if Council receives notification that MAP and AOP contracts have been awarded to another organisation, it is proposed that Council would withdraw its tender, in order for the new contractor to be able to negotiate with the State Government to provide these services as well. It is not known whether the organisations that submitted tenders for MAP and AOP will be preparing tenders for this contract as well.

To accommodate any further changes to the future of MAP, AOP or Substance Misuse Services, it is proposed that Council submit a non-confirming tender, offering to undertake the service on an annual basis, to allow more flexibility to withdraw from the services in the future, without being locked into long term contracts.

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## **Council's Role**

Due to the imposition of a total city Dry Zone and the ongoing social impacts of substance misuse within the community, Council needs to determine what level of involvement Council should take in the provision of services of this nature. Reflecting on Council's strategic planning workshops and the general approach to move away from service delivery, thought should be given as to where services of this nature sit on the information/facilitation/service spectrum.

At this stage it is proposed that Council submit a tender for the Substance Misuse Services. Council will still retain the flexibility to withdraw its tender or refuse a contract, pending the outcome of the MAP and AOP tender process.

## **CONFIDENTIALITY PROVISIONS**

The Council is satisfied that, pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is proposing to conduct business, and the information would prejudice the commercial position of the Council, in that the Council is considering submitting a tender proposal and the information outlines the commercial approach of the Council.

The information to be considered in relation to this agenda item will outline the commercial proposal in relation to the Substance Misuse Services Contract. It is considered that the open discussion in relation to this proposal, the disclosure of which would prejudice the Council's commercial position, should to considered under confidential provisions.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter.

Having considered this agenda item in confidence under Section 90(2) and (3)(b) of the *Local Government Act 1999*, the Council, pursuant to Section 91(7) of that Act orders that report, discussions and minutes be retained in confidence until the new Substance Misuse Services Contract is awarded; and that this order be reviewed every 12 months.

## **RISK MANAGEMENT**

### **1: Financial/Budget/Asset Management**

To participate in this tender process, several staff will need to allocate time to the provision of information and the development of a proposal.

The tendered price submitted by Council will be inclusive of all costs associated with the provision of the services are covered by the contract. This includes Human Resources, Payroll, Information Technology, vehicle lease fees, building lease fees, building insurance and maintenance, and plant and equipment depreciation.

If Council are successful in their tender submission, this would be a continuation of services and would not require any additional resources.

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## **2: Legal/Policy**

Not applicable.

## **3: Environment/Planning**

Not applicable.

## **4: Community**

4.1 General  
Not applicable.

4.2 Aboriginal Community Consultation  
Not applicable – due to confidentiality.

**Melissa Kretschmer**

**06/08/2019**