

Contractor Central

Supplier Forum



25 March 2019

Welcome

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Director Category Management - Human Services
NSW Procurement

Agenda

- Contingent Workforce Update
- FY 2018-19 July to December Spend
- Supplier Performance
- Scheme Compliance
- Supplier Business Types
- Q & A

Activity: January to December 2018



Contractor Central

- Total of 377 suppliers prequalified
- Beeline migrations will begin in 2019



Cluster Updates

- DPC live in November
- Transport making progress towards implementation
- Expansions into Statements of Work will continue in 2019



Spend under management

- FY 18/19 – spend expected to grow by 8% to reach over \$1.5b
- NSWSP now tracking Aboriginal, Disability and small business spend
- \$835m in the first 6 months of the FY

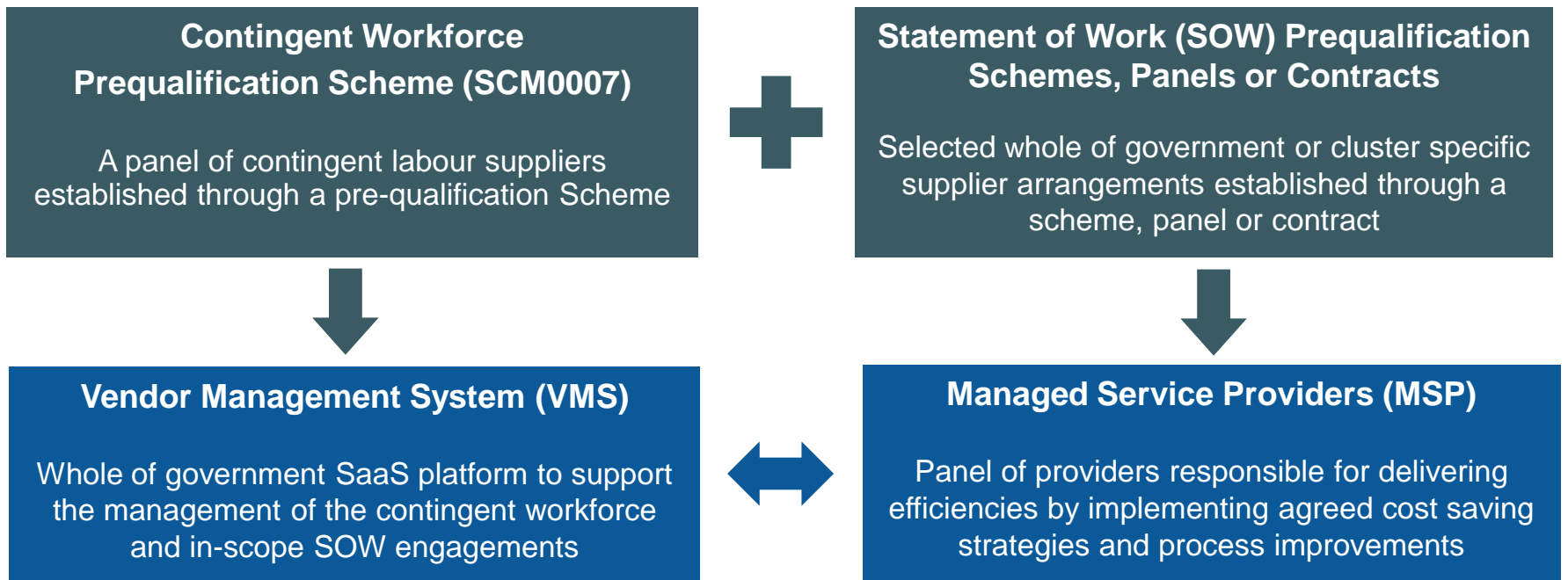


Supplier opportunities

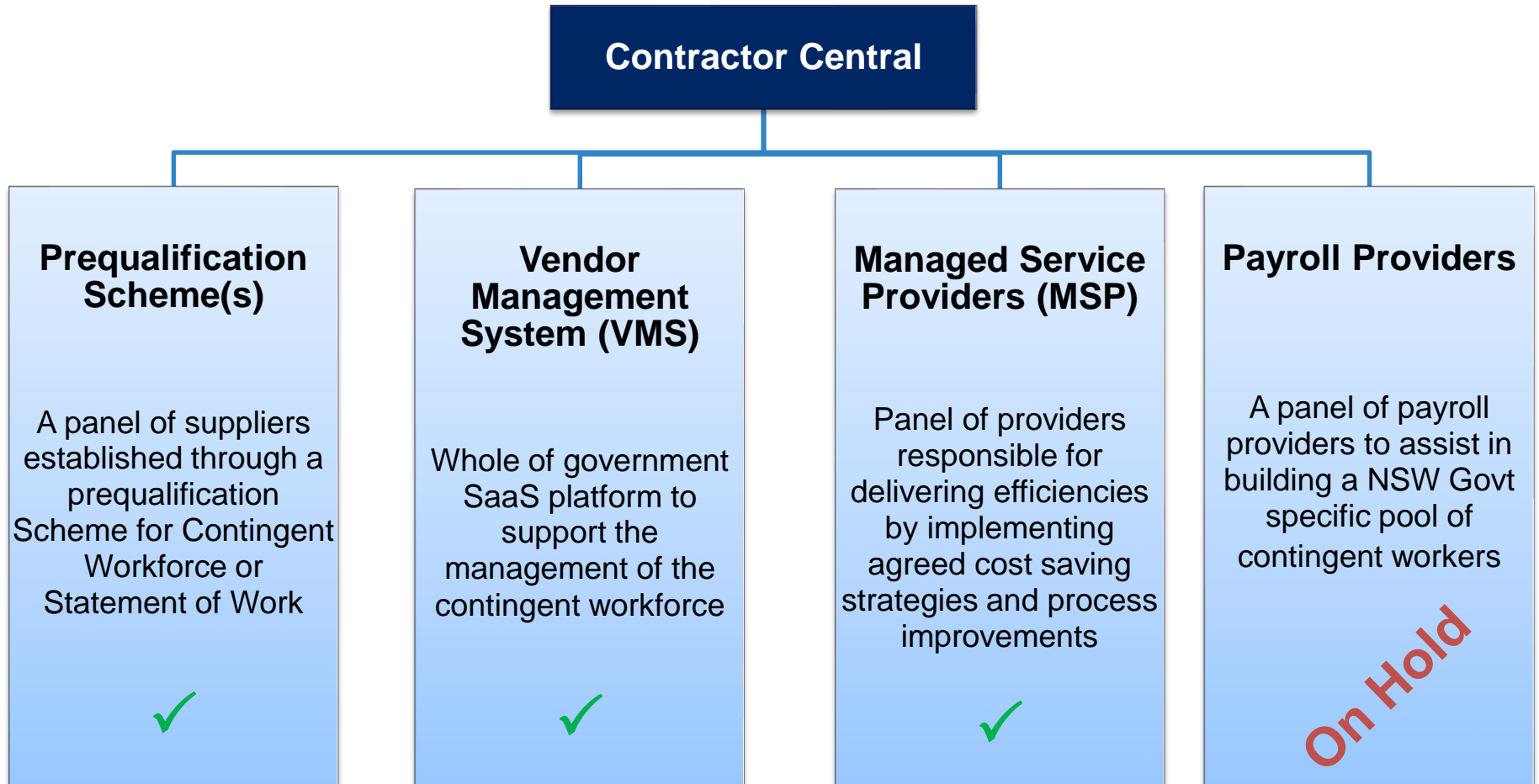
- Supplier feedback survey indicated the majority of suppliers support Contractor Central
- 75% of prequalified 0007 Scheme suppliers are transacting in the VMS

The Contractor Central Model

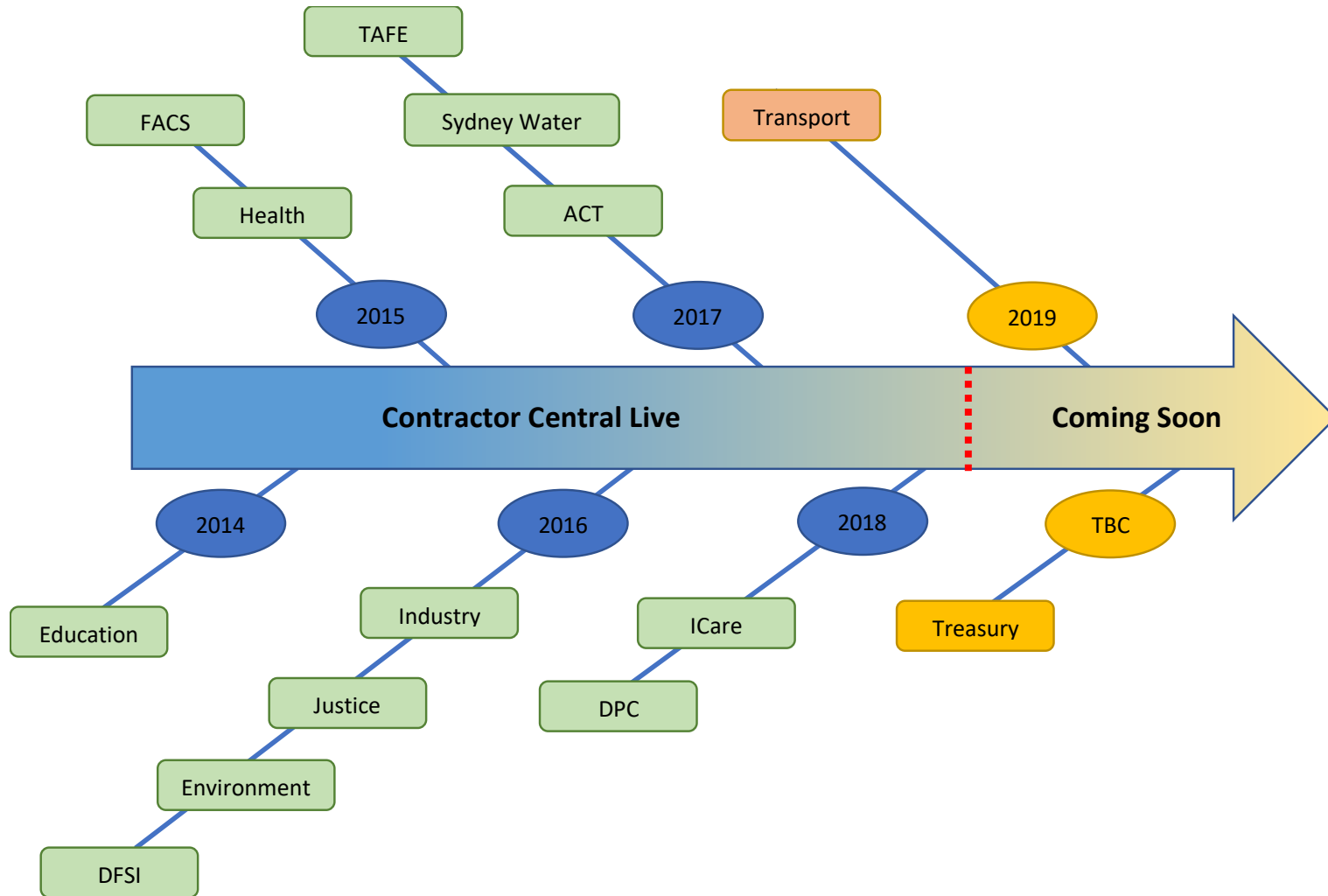
Contractor Central



Contingent Workforce Strategy

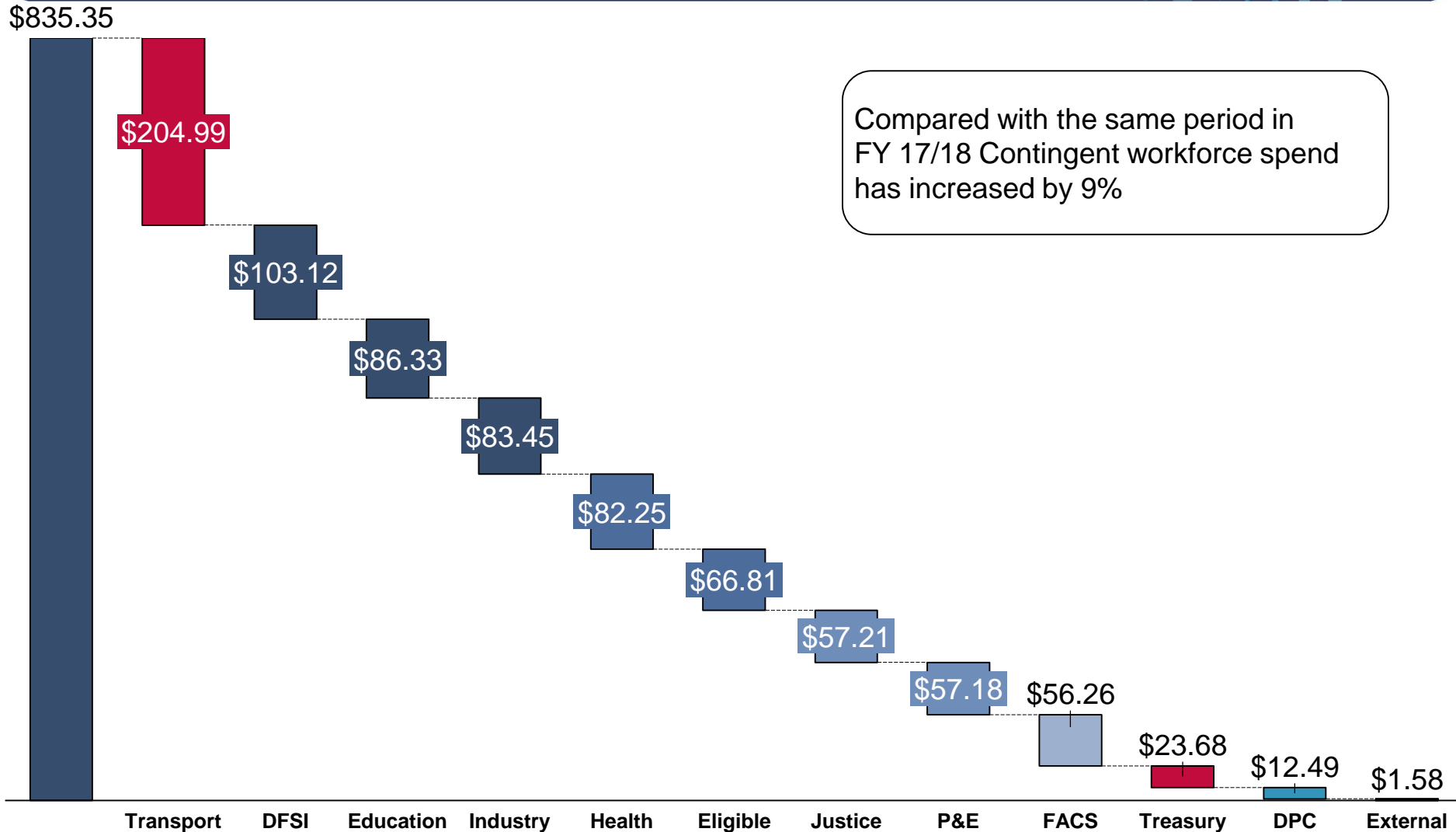


Contractor Central Implementation Roadmap



Spend by Cluster

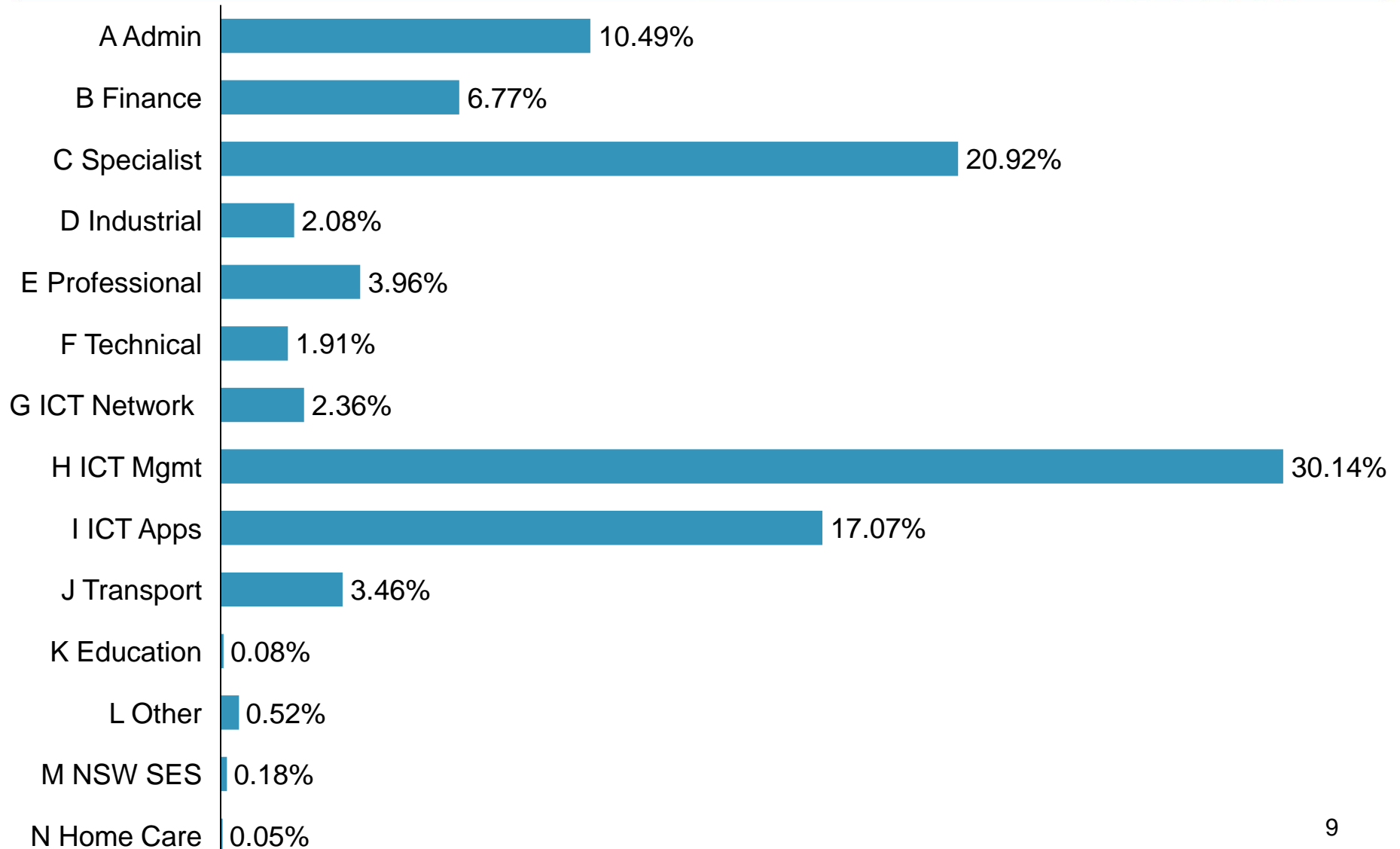
Jul to Dec 2018



\$ Millions

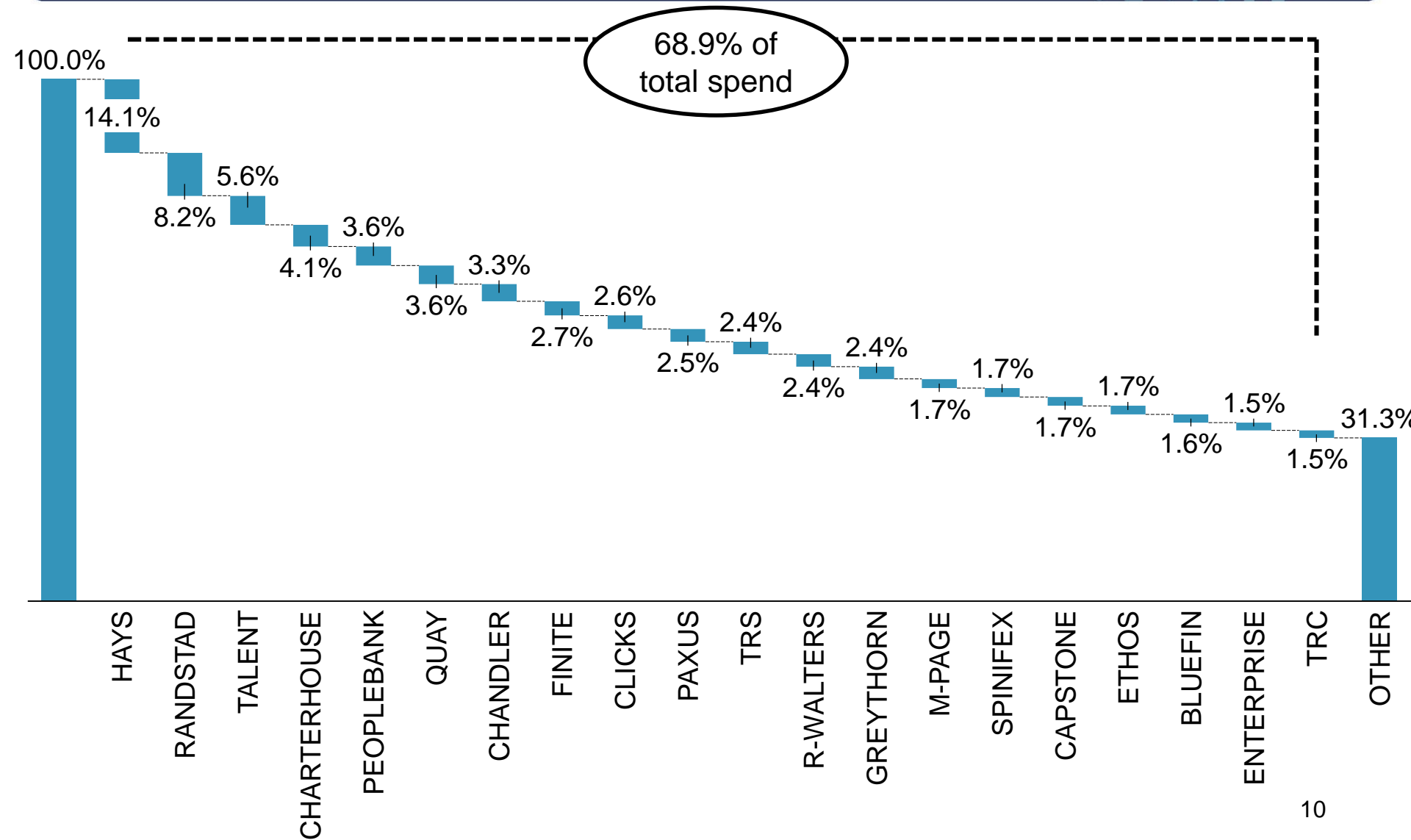
Spend by Category

Jul to Dec 2018



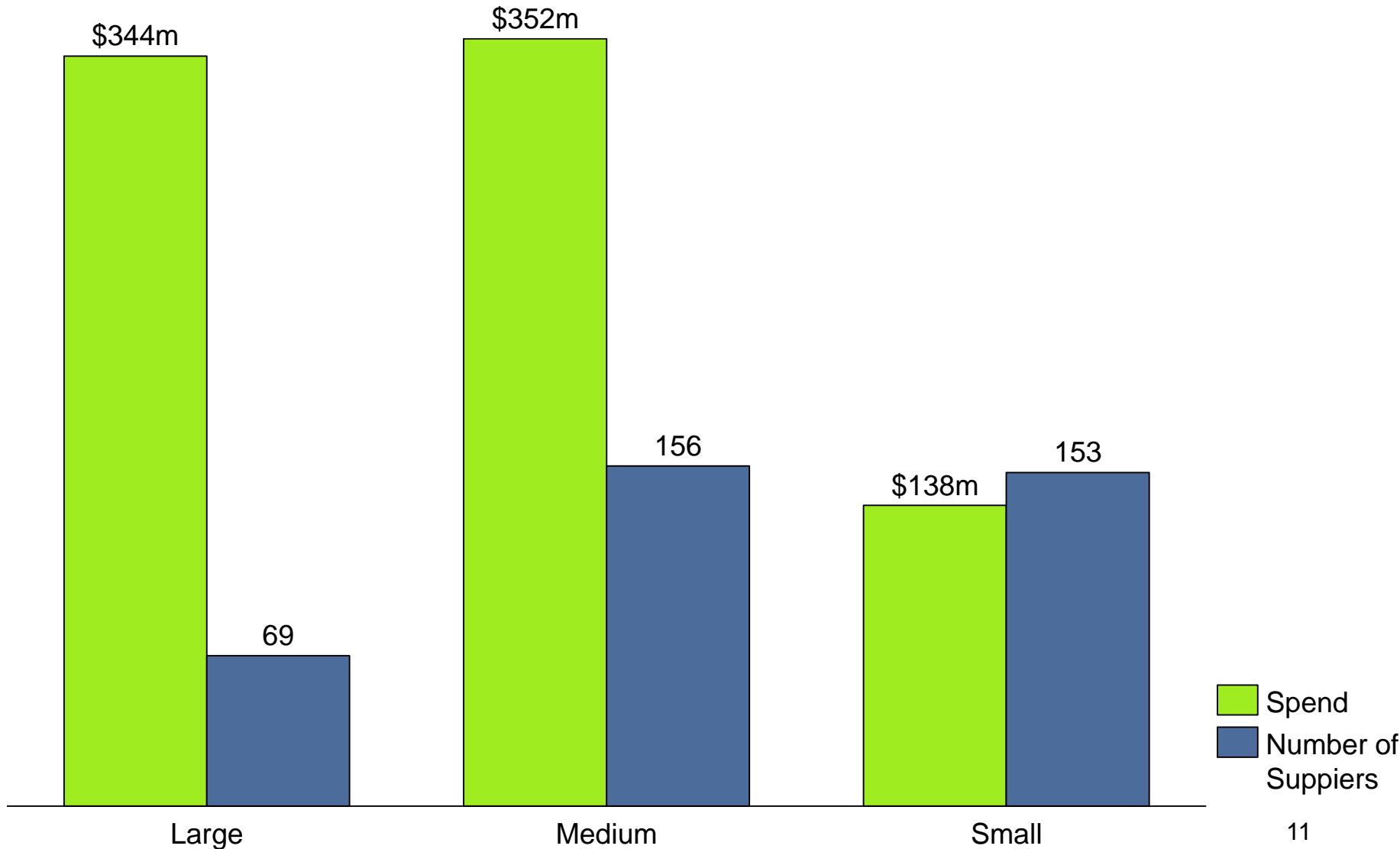
Top 20 Suppliers

Jul to Dec 2018

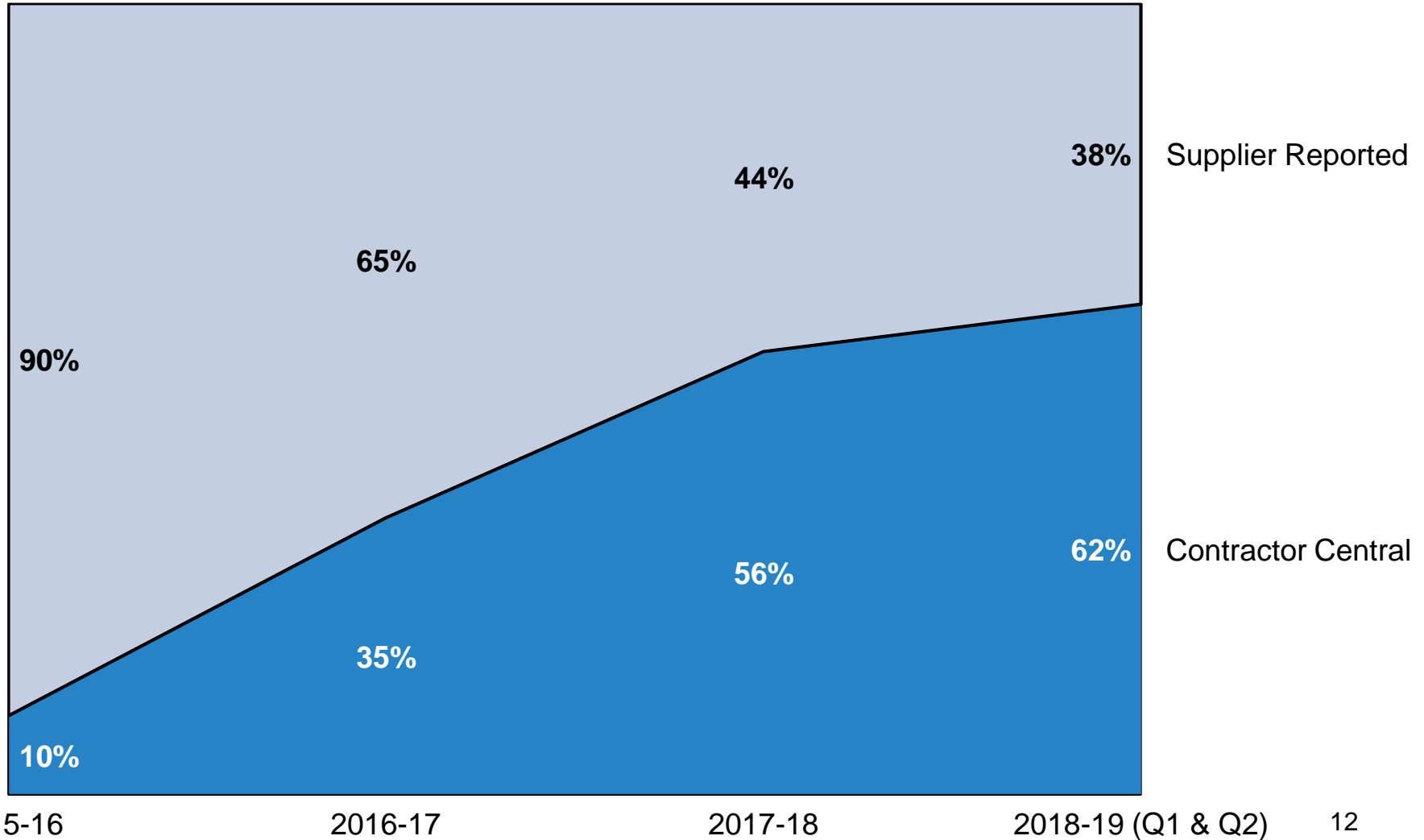


Spend by business size

Jul to Dec 2018



VMS vs Non VMS Spend



Supplier performance responses to Job Postings

Jul to Dec 2018

4289

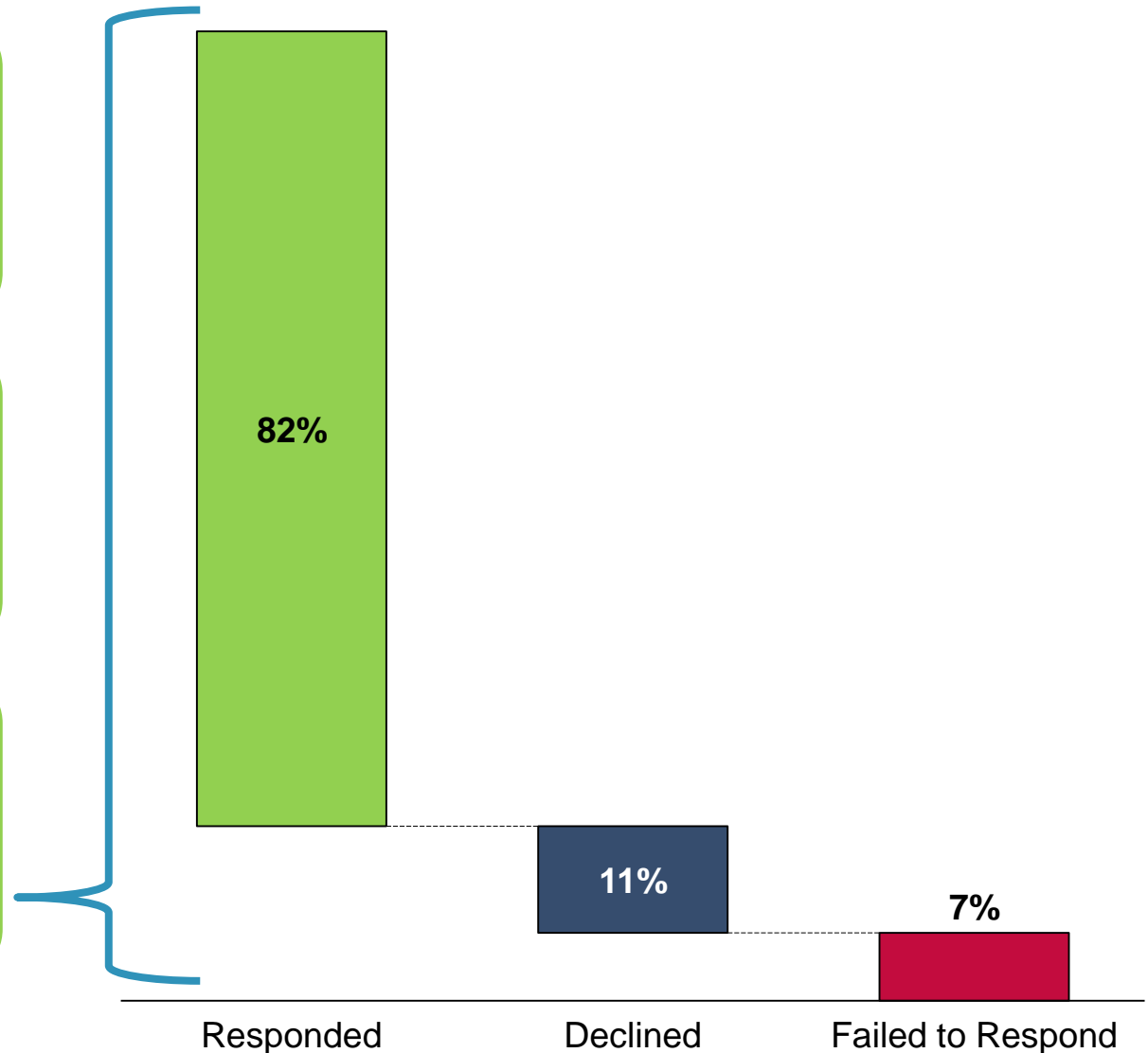
Job Postings

31817

Responses from Suppliers

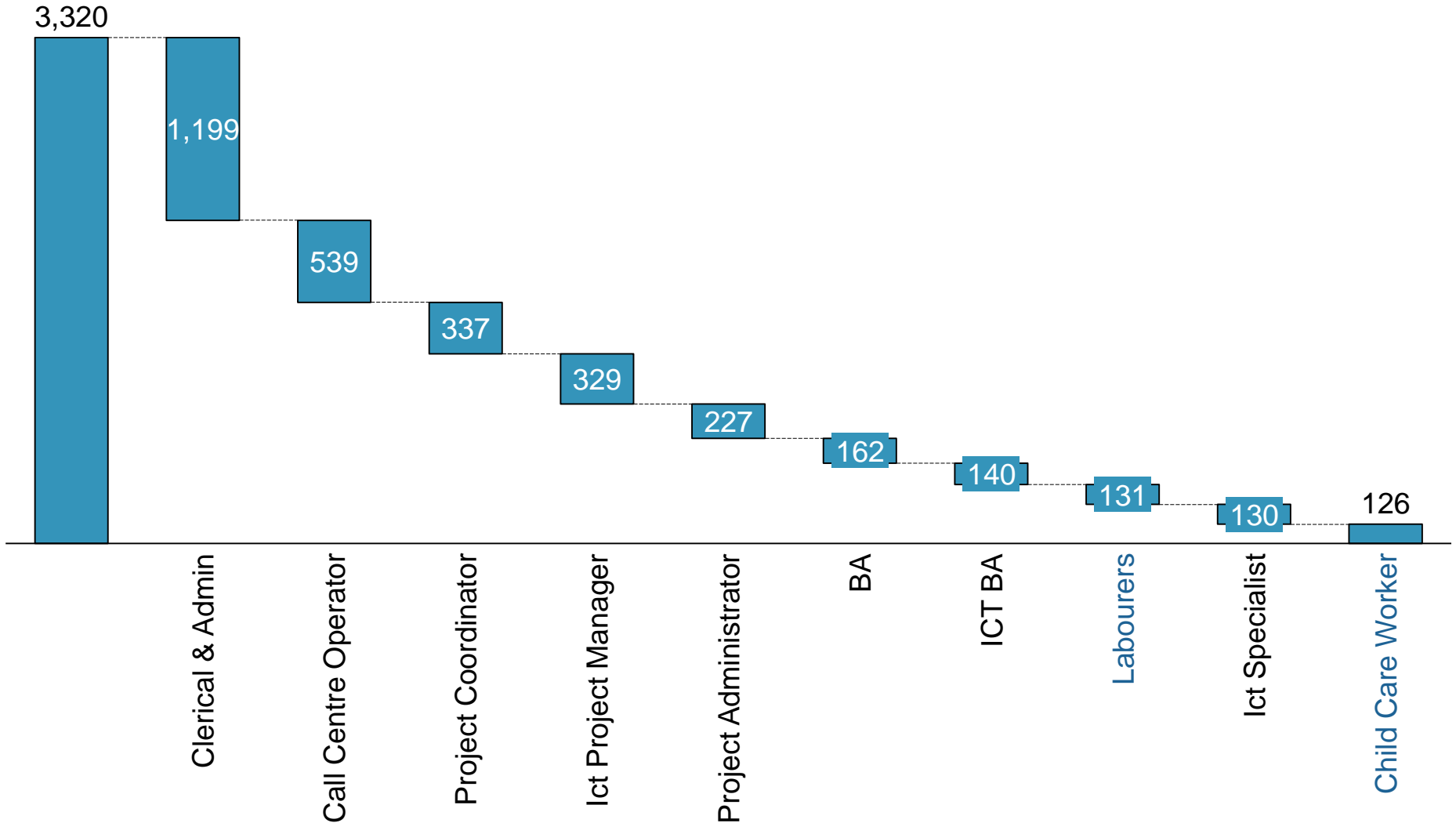
7

Suppliers invited per Job posting
(Sector Average)



Top 10 Role Types by number of workers

Jul to Dec 2018



SCM0007 – Scheme Membership

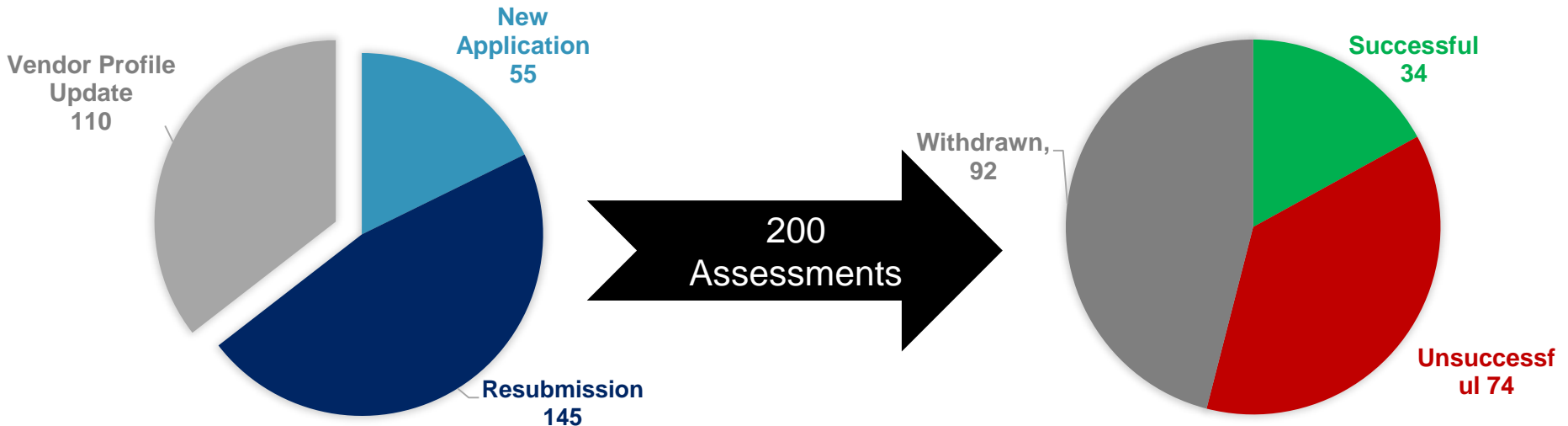
Jul to Dec 2018



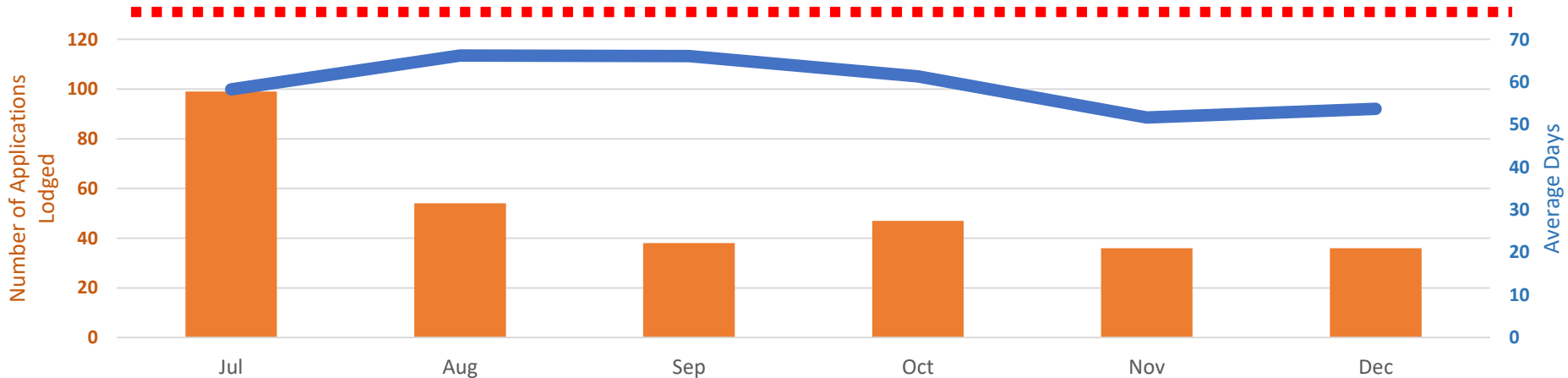
SCM0007 – Applications

Jul to Dec 2018

310 Transactions



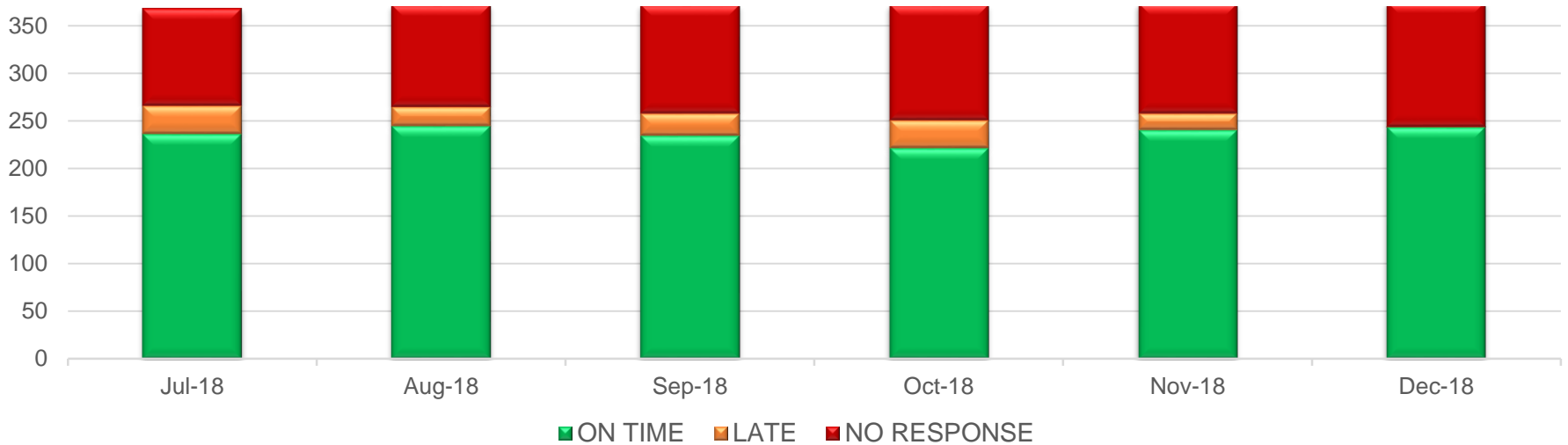
SLA 90 DAYS



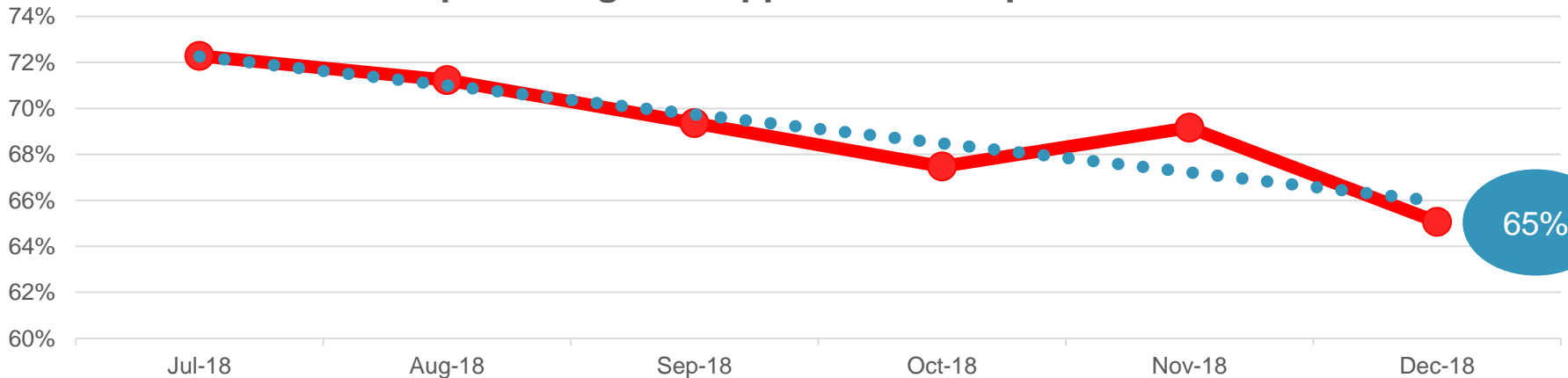
Supplier Performance: KPI 7 - Reporting

Jan to Dec 2018

How many suppliers report on time?



What percentage of suppliers have reported at all?



Supplier Performance Rating

Jan to Dec 2018

73

Suppliers who are 100%
compliant
(Sector Average)

144

Suppliers with between
99% to 70% compliance

137

Non Compliant, i.e. under
70% compliance

23

0% compliance - suppliers
entering the suspension
process

Although it is not mandated,
being red is likely to reduce
the number of job postings
you receive

What is poor performance?

See Annexure 4 - Key Performance
Indicators (KPI) of the scheme rules

New Worker Pay Types

- Two new Worker Pay Types have been introduced for hiring actions that do not comply with SCM0007 Scheme rules:



WPT code	Name	Margin
PAYG_NC	PAYG - Supplier Non-Compliant	5.14%
ABN_NC	ABN - Supplier Non-Compliant	5.14%

- The new WPTs will allow enhanced reporting and management of supplier compliance/ performance
- All Contractor Central teams have been advised that the new WPTs are now available for use

Trusts

A recent audit of suppliers on SCM0007 has revealed several suppliers who are ineligible for prequalification

1.3 Excluded

- 1.3.1 It should be noted that the Master Services of the Scheme and the Rules mean that Independent Contractors, **Trusts** and Sole Traders will not qualify to be part of this Scheme.

However we can prequalify the trustee as long as the trustee meets the scheme acceptance criteria

“The trustee for the example unit trust”
Just because “Trustee” is in your legal entity name, this does not mean it is acceptable under clause 1.3.1.

<https://abr.business.gov.au/>

Entity type:

Fixed Unit Trust

If your ABN entity type is any type of TRUST you will need to transfer prequalification to your trustee ABN. Please contact 1800 NSWBUY.

Identification of Supplier Business Types

- VMS has been updated to include new custom fields to identify a range of supplier business types
- Currently, we have the ability to record whether a Supplier is:
 - **Indigenous** Supplier
 - Supplier specialising in **candidates with a disability**
 - Supplier's **Business Size** (no. of employees)
 - 0-19
 - 20-100
 - 101-200
 - 200+
- Centrally managed by NSWSP, based on information provided by Suppliers in eTenders
- Available data has been populated (i.e. Indigenous and Business Size)
- A new question will be added to eTenders for Suppliers to identify if they are a disability confident recruiter
- Clusters have been notified of the availability of this information, which will assist them in any targeted recruitment activity

Disability Confident Recruiter

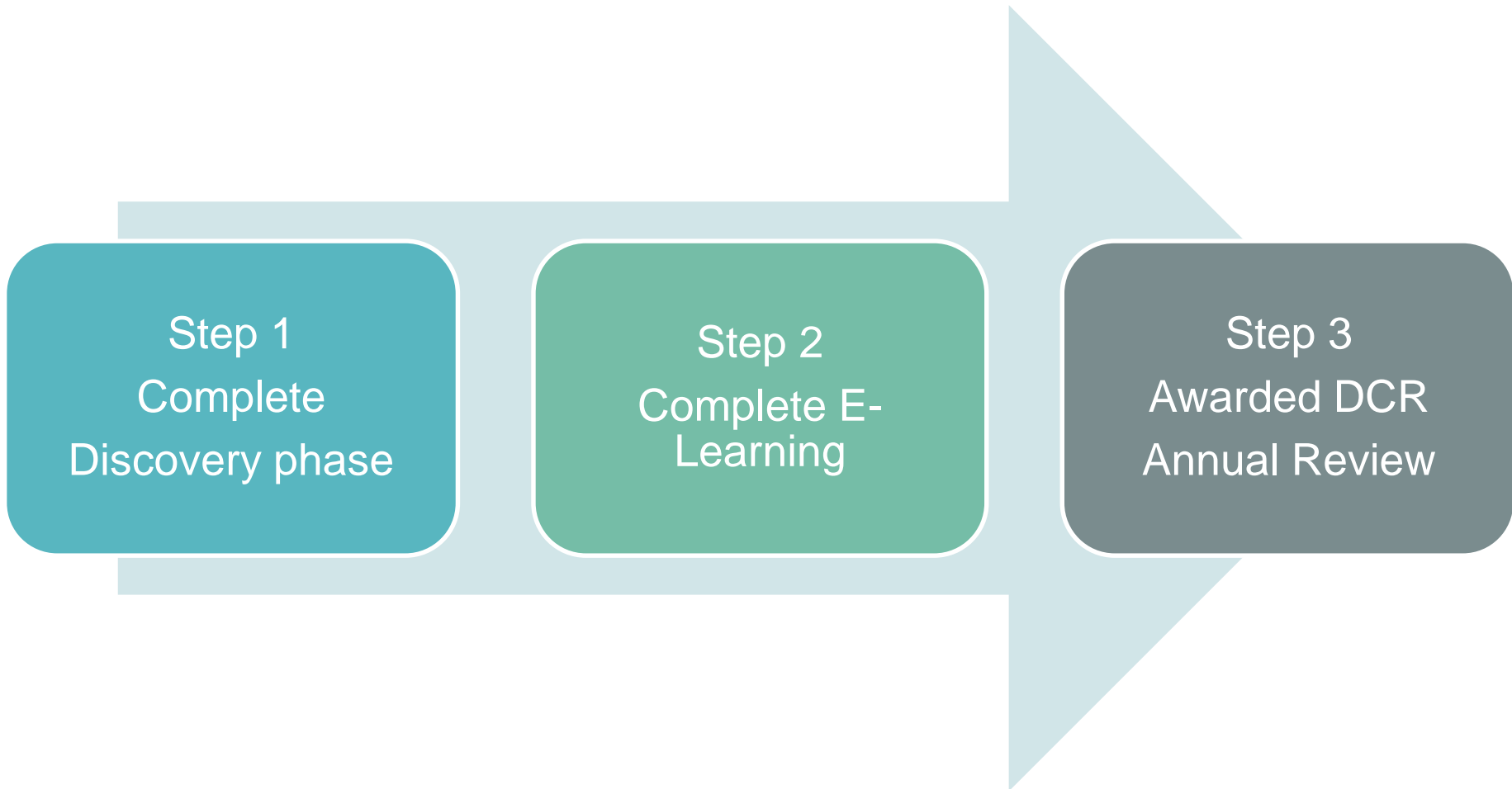


Australian
Network
on Disability



**Disability
Confident
Recruiter**

Steps involved to achieve DCR* status



* DCR – Disability Confident Recruiter

Disability Confident Recruiter More information

02 8270 9200

dcr@and.org.au

www.and.org.au

Q. When is Sydney Trains getting Contractor Central?

A. NSWSP is currently working with NSW Transport to implement Contractor Central and is confident that implementation will begin this year.

Q&A

Q. We missed a few reports last year because one of my staff was on leave. We sent in the late reports. Why are we still red?

A. Supplier performance is calculated over a rolling 12 month period. Keep complying with Scheme KPIs to improve your score.

Q&A

Q. What are the mechanisms in place to ensure that MSPs are paying in 30 days or less?

A. One of the benefits for suppliers is that payments are made on time. Late payments should be impossible. The only way late payment could occur is if a non compliant transaction began outside of Contractor Central. Suppliers should escalate to NSW Procurement if they are being paid late.

Q&A

Q. When my workers are not successful for a role, very rarely do I get feedback from the hiring manager. What is NSWSP doing to address this?

A. MSPs have implemented improvements to their processes to remind and capture feedback for unsuccessful candidates. The level of feedback is improving.

Q&A

Q. Contractor Central has been trying to negotiate lower pay rates for an existing workers when their contract is due for renewal. Is this right?

A. NSWPC has benchmarked the top 10 role types currently in use. MSPs have been tasked with managing payrate variance. Workers who are being overpaid will be reviewed. Role type pay rates should not vary between clusters. Supplier should raise excessive rate concerns with MSPs.

Q&A

Q. Will MSPs also consider pay rate increases upon extensions?

A. Inevitably it is up to the hiring manager. NSWP discourages this practice due to increased tenure risks. It is unlikely to be agreed where a sector benchmark maximum is exceeded.



Thank you