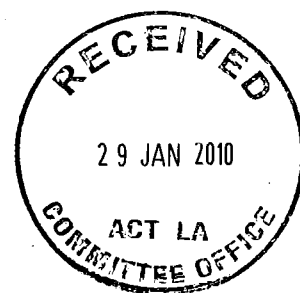


PAC – ANNUAL REPORTS INQUIRY

Supplementary Questions following the public hearing of 3 December 2009

Question #	To	Subject
1	Minister for Territory and Municipal Services	Government Procurement Board

**Standing Committee on Public Accounts
2008-09 Annual Report Estimates
Questions on Notice
Thursday 3 December 2009
Government Procurement Board**



Question 1: Page 11

In relation to positioning the board to undertake a more strategic approach in procurement, particularly in relation to major projects – how do you intend to go about this? And what does a more ‘strategic approach’ look like?

Response:

In line with its responsibilities under the *Government Procurement Act 2001*, the Board considers procurement proposals brought forward by Territory entities. The Board generally reviews proposals immediately prior to an approach to the market.

The strategic approach mentioned in the Annual Report refers to the Board complementing its existing knowledge of purchasing practises, industry perspectives and Government policy while also gaining a deeper understanding of selected projects across their entire lifecycle.

From February 2009, the Board met with the key officer(s) associated with each procurement proposal under consideration at its regular meetings. This practice streamlined the consideration of proposals and allowed the Board to:

- more quickly develop an insight into the issues and risks associated with each project;
- discuss the approach taken in formulating the final proposal, including strategies considered but not pursued; and
- request reports back on progress made or lessons learnt on selected projects.

The Board also met with executives from ACT Procurement Solutions, InTACT and the ACT Government Solicitor throughout the year.

Question 2: Page 12

In relation to expanding the Board’s analysis of procurement issues to focus on contract management – what is required in order to have a greater focus on contract management and why did you feel this is necessary?

Response:

The Board has always played a strong role in ensuring that agencies have given due consideration to issues and risks associated with contract management given it is the final stage of most procurement processes.

During 2008-09, the Board decided to further develop its knowledge of contract-related issues in the Territory by:

- meeting with ACT Procurement Solutions' executives and the ACT Government Solicitor; and
- requesting agencies to report back to the Board on lessons learnt during specific projects, including during the contract management phase.

The Board's focus on the contextual and practical issues associated with contract management in the Territory will enhance the advice it gives to agencies regarding procurement proposals.

Question 3: Page 12

The Board has identified that the following types of risks are significant:

- not identifying and ensuring adequate treatment of high risks in projects
- not maintaining appropriate communications with stakeholders
- not complying with a legislative requirement

What has the board done or what does it intend to do to minimise these risks?

Response:

A key element of the Board's consideration of each procurement proposal is reviewing the project-specific risk plan. Discussions with project officers can identify additional risks that may not have been considered during the development of a proposal, often leading to the Board asking agencies to resubmit revised risk plans.

The Board intends to continue focussing on risk identification and mitigation strategies for each proposal that it considers.

Standing Committee on Public Accounts

2008-09 Annual Report Estimates

Question Taken on Notice

3 December 2009

Government Procurement Board



Question: In relation to page 33 of the Government Procurement Board's 2008-09 Annual Report, Mr Smyth asked whether it was possible for the committee to have copies of the reports received by the Board on the:

- Gungahlin Drive Extension project;
- security system for the Alexander Maconochie Centre; and
- whole of Government stationary contract.

Response: The functions of the Board include reviewing and giving advice to Territory agencies regarding procurement proposals, yet agencies own and control their own projects. The Board requests project officers to report back at key milestones on selected projects. The reports are presented to the Board orally via a question-and-answer style discussion. As such, there is limited documentation to provide to the Committee.