



Standing Committee on Health and Community Wellbeing

Inquiry into Annual and Financial Reports 2022-2023

ANSWER TO QUESTION ON NOTICE

Asked by: Ms Leanne Castley MLA

Reference: Hearing on 16 November 2023, Annual Report of ACT Health Directorate

In relation to: Digital Solutions Division and PiCS Replacement Project

In relation to the PiCS replacement project (a) what was the purpose of this project (b) who won the tender for this project (c) how much were they paid (d) was the solution installed: if not, why not (e) has all or part of the solution been written off: if so, how much (f) how much was spent upgrading the existing PiCS during the DHR rollout?

Minister Rachel Stephen-Smith MLA: The answer to the Member's question is as follows:

- a. The supply chain project was to replace the dated (25+ years old) Purchasing Inventory Control System (PICS). The PICS was a bespoke database initially created for the ACT health services. A whole of government request for tender for a supply chain solution (initially to replace the PICS system, with an option to expand across government) included the following functions:

<u>Supply Chain</u>	<u>Finance and Budgeting</u>
<ul style="list-style-type: none">- Inventory management- Prosthesis management- Imprest Stock- Replenishment- Advance Shipping Notices- Serial & Batch Tracking- Procurement to pay- Sales Order & Pricing- Stock Requisitions- Supplier Rebates- Purchase Contracts- Web catalogues	<ul style="list-style-type: none">- General Ledger- Accounts Payable- Financial Assets- Auto Invoice Matching- Enterprise Cash Reporting- Accounts Receivable- Reconciliations

- b. Technology One Limited was the successful tenderer.
- c. \$0.842 million (excluding GST) in accordance with met project milestones.

- d. The solution was not implemented as the vendor could not deliver some of the core functionalities. The project was closed by the Supply Chain Project Board in March 2021 based on three core functions not being met and a number of other functionality gaps.
- e. \$0.986 million (excluding GST) relating to vendor costs and Shared Services expenses were written off in 2021-22.
- f. The PICS system did not have any system upgrades during the DHR rollout.

Approved for circulation to the Standing Committee on Health and Community Wellbeing

Signature:



Date:

11/12/23

By the Minister for Health, Ms Rachel Stephen-Smith MLA