

Attachment A

Joint Committee of Public Accounts and Audit

Committee Hearing – 14 December 2022

Answers to Questions Taken on Notice

Question 1:

CHAIR: How many procurements over \$80,000 from financial year 2021-22 were for construction services? Are you able to provide details of the goods and services that they were contracted for, the value and length of these contracts and the method by which each of them were contracted?

Answer to Question 1:

For the 2021-22 financial year, the National Capital Authority (NCA) conducted 14 procurements for construction services:

Description	Start Date	End Date	Value (\$ AUD)	Method
H-Block & MSR Insurance Works - Storm Damage Repair	12-Nov-21	31-Dec-22	754,315	Open tender
Federation Mall Flagpole Lighting	4-Mar-22	31-Dec-22	435,701	Open tender
Captain Cook Memorial Jet Works	11-Feb-22	30-Jun-23	888,788	Open tender
Anzac Pde Streetlight bolt replacement	28-Apr-22	30-Jun-23	355,080	Open tender
Commonwealth Ave Coronation Dr Intersection Roadworks	6-Oct-21	30-Jun-22	1,697,906	Limited Tender
External security lighting installation at Comm Park Depot	15-Nov-21	30-Jun-22	93,867	Limited Tender
Capital Circle Tunnel Lighting Upgrade Construction Works	1-Sep-21	30-Jun-22	294,616	Limited Tender
Replacement of 132 Flagpoles in Federation Mall	1-Feb-22	30-Sep-22	234,877	Limited Tender
Removal of Hazardous Material on NCA Land	1-Sep-21	31-Aug-23	80,000	Limited Tender
Kings Park Stage 2 - Construction of carpark, coach drop-off, access path to Blundells Cottage, stormwater channel works and close Wendouree Drive	24-Aug-21	30-Jun-23	2,259,840	Limited Tender
Peace Park Water Damage remediation	1-Nov-21	31-Jan-22	123,725	Limited Tender
Scrivener Dam - Gallery Flood Mitigation Project - Stage 3	23-Feb-22	30-Jun-22	97,619	Limited Tender
Capital Circle Tunnel Lighting Installation	4-Mar-22	30-Jun-22	154,324	Limited Tender
Supply and install signs - QEII Island, Sir Roland Wilson Place, Commonwealth Place East Jetty & Blundells Cottage	28-Apr-22	30-Jun-23	110,288	Limited Tender

There were also five (5) procurements for design and supervision services that were classified as construction services. We have made changes to our internal processes and instructions to ensure design services are not classified as construction services going forward.

Description	Start Date	End Date	Value (\$ AUD)	Method
Scrivener Dam Dissipator Strengthening	5-Aug-21	30-Nov-22	279,286	Limited Tender
Audit, report & comprehensive design for Estate Events Power	18-Oct-21	30-Jun-22	173,195	Limited Tender
Design services contract for Rond Terrace	7-Sep-21	30-Jun-23	148,196	Limited Tender
National Site of Recognition For Thalidomide Design Services	25-Mar-22	29-Mar-24	147,306	Limited Tender
Kings Park Stage 2 and Rond Terrace Stage 1	24-Sep-21	30-Jun-23	114,752	Limited Tender

Question 2:

CHAIR: For those 12 months for your procurements, if you can give us a typology of everything over \$80,000, how they are categorised, which have been to open tender and similarly for any variations to contracts over \$80,000.

Answer to Question 2:

For the 2021-22 financial year, the NCA conducted 60 procurements over \$80,000:

- 26 procurements via open tender.
- 34 procurements via limited tender:
 - o 10 procurements related to construction services below the \$7.5M threshold
 - o 12 procurements were for labour hire, utilities, leasing, buying from another government entity, etc.
 - o 7 procurements conducted through existing panel arrangements
 - o 5 procurements were for design and supervision services that were classified as construction services

For the 2021-22 financial year, there were 44 contract variations recorded to contracts over \$80,000. Generally, the NCA’s maintenance arrangements incorporate the provision to vary contracts, where rates are negotiated at the inception of the contracts. This is designed to cater for reactive/unplanned works. It also allows flexibility in tailoring packages of future works as the needs arise. There are also times where additional (related services) may be required triggering variations to contracts. All variations are reported on AusTender.

Question 3:

CHAIR: Indeed. Were these 12 external probity advisers all different?

CHAIR: Who were they, given these people are still selling their services around Canberra?

CHAIR: I think it'd be good to understand, in a typology or a table of those 12 instances, who was the probity adviser for each of the 12 and which was the one that you might deem satisfactory versus the 11 that, as you said, you could reasonably conclude were not satisfactory or up to standard?

Answer to Question 3:

The NCA appointed three (3) firms (Maddocks, Griffin Legal, and the Australian Government Solicitor), as procurement advisers to assist with various procurements. Maddocks’ role also extended to Legal Advice. The fee structure for all engagements was on time and material basis and firms were only paid for services delivered.

Audit Firm	Procurement advised on	Fee Structure	Amount Paid (\$)	Services Requested/Provided
Maddocks	Managed ICT Services	Time and Material (In Arrears)	119,151.98	<ul style="list-style-type: none"> • procurement (probity) • Legal advice on contract and negotiation
Griffin Legal Pty Ltd	7 Discrete Contracts: <ul style="list-style-type: none"> • Building Services • External Electrical Services • External Hydraulic Services • Civil and Structural Elements • Operational Services • Security Services • Chillers and Boilers Replacement 	Time and Material (In Arrears)	14,300.00	<ul style="list-style-type: none"> • Review Tender Evaluation and Probity Plan, Probity briefing

Audit Firm	Procurement advised on	Fee Structure	Amount Paid (\$)	Services Requested/Provided
Australian Government Solicitor	Open Space Management Services	Time and Material (In Arrears)	17,088.50	<ul style="list-style-type: none"> • Review of RFT, contract, specifications • Probity briefing and probity plan, probity sign-off
Maddocks	National Memorial VSICSA	Time and Material (In Arrears)	26,909.55	<ul style="list-style-type: none"> • Prepare Probity Framework • Probity advice/briefing • Legal advice
Maddocks	Integrated Parking	Time and Material (In Arrears)	15,000.00	<ul style="list-style-type: none"> • Probity Briefing • Tender documentation Advice • Advice relating to the Tender Evaluation Report

Answers to Additional Questions

Question 1:

1. The Department of Finance (Finance) provides advice, support, and services to assist Commonwealth entities when conducting procurement processes.

- a. **To what extent did your Department make use of any resources provided by Finance during the procurement process?**

Answer to 1 (a):

Finance resources are embedded into NCA's internal procurement guidance, templates, and Accountable Authority Instructions. NCA regularly receives procurement updates from Finance including as part of the Senior Procurement Officials Reference Group (SPORG) and procurement bulletins.

- b. **Has your Department sought or received any feedback at any stage from Finance on your procurement practices?**

Answer to 1 (b):

The NCA seeks advice from Finance as required particularly in relation to the CPR and their application to NCA procurement practices. An example of this is with regards to construction services and what aspect of the procurement would be determined to fall under this category.

- c. **What information or data have you provided Finance about procurement processes conducted by your Department?**

Answer to 1 (c):

The NCA has completed the Commonwealth Procurement Capability Self-Assessment Survey in previous years, most recently in 2022. In addition, contracts over \$10,000 are reported to AusTender.

- d. **What support has your Department received from Finance in implementing the Auditor-General's recommendations?**

Answer to 1 (d):

Following the Auditor-General's recommendation, the NCA sought advice from Finance in relation to the application and use of 'construction services' for the purposes of the CPR particularly regarding design services procurement. Finance's advice helped updating NCA's internal procurement guidelines.

- e. Does the Department have any suggestions for additional resources that Finance could provide to better assist with procurement processes, or with developing procurement skills and capability more broadly?

Answer to 1 (e):

Agencies may benefit from additional guidance materials and further training provided by Finance in relation to procurements using panel arrangements.

National Capital Authority

January 2023