

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2010-11, 20 October 2010

Question: E10-220

OUTCOME 0: Whole of Portfolio

Topic: IBM CONTRACT

Written Question on Notice

Senator Fierravanti-Wells asked:

I refer to the IBM contract which expires on 30 June 2011. In relation to this Contract, please advise:

- a) What steps are in place to ensure a robust market testing will occur?
- b) To ensure adequate time for industry to respond and evaluations to occur, when should the tender have been in the market?
- c) Should this have been a date earlier this year?
- d) When you last signed with IBM this was reported as a direct source, which of the CPG clauses that cover direct sourcing was used to justify this?
- e) Are you going to do this again?
- f) When will industry be invited to provide a competitive bid?

Answer:

- a) The department is considering all of the available procurement options including open tender process, restricted tender process, direct source process, use of Whole of Government panels, bundled services arrangements and in-sourcing arrangements, to ensure a value for money outcome.
- b) This will depend on the procurement option used.
- c) See answer b).
- d) Clause 8.65(e) of the CPG at that time.
- e) Direct sourcing is one of the options that the department is considering.
- f) Industry will be notified once the department has evaluated fully the options available.