

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: Clean Energy Finance Corporation

Question: BET 2282-2284

Topic: Consultancies

Reference: Written - 12 June 2014

Senator: Ludwig

Question:

2282. How many consultancies have been undertaken from Additional Estimates in February, 2014 to date? Identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the arrangement, and the method of procurement (i.e. open tender, direct source, etc.). Also include total value for all consultancies.
2283. How many consultancies are planned for this calendar year? Have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case please identify the subject matter, duration, cost and method of procurement as above, and the name of the consultant if known.
2284. Have any consultancies not gone out for tender?
- a. If so, which ones and why?

Answer:

2282. The CEFC does not classify its procurement according to the *Commonwealth Procurement Rules* framework to which the question refers (for example, “open tendering”, “direct source” etc.). The CEFC uses methods that approximate what is described in the CPGs as “direct source”, applying the core principles of fair value, ethical and fair dealing, and effective competition while recognising that the fundamental objective of procurement by the CEFC is to provide a means to efficiently and effectively achieve our corporate objectives, because:
- a) this is how businesses operate (for example, in getting three quotes from known reputable providers and selecting the best one, or approaching a service provider to get a specified task done by a specified time because it is required so quickly), and
- b) it is the most efficient way to commission the goods or services required,
- c) it ensures value for the Commonwealth by reducing administrative overheads associated with public-service style procurement and ensures value for money as a transaction by not having a transactional cost that may outweigh either the value of the service or potential savings.

Further, the CEFC does not construct or publish an Annual Procurement Plan, nor is it subject to the Austender ‘reporting requirements’ referred to elsewhere in the question, as these are not applicable or relevant to the CEFC’s regulatory environment. However, for the purposes of the answer the CEFC advises the following:

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Name	Subject Matter	Duration	Cost	Procurement
Satish Chand	Review of Project Finance Agreements	May 2014	\$12,450.00	Direct Source
Momentum 2 Pty Ltd	Case study production	Feb-Aug 2014	\$29,723.01 incl GST	Direct Source
Momentum 2 Pty Ltd	Management and communications support for A2XEP Forum	Feb-Apr 2014	\$14,998.71 incl GST	Direct Source
Momentum 2 Pty Ltd	Communications and market education on co-finance products	Feb-Aug 2014	\$59,883.07 incl GST	Direct Source
Talent with Energy Pty Ltd#	Carbon Analysis	May 2014	\$6,600.00 incl GST	Direct Source
Total: \$123,654.79				

#Please note this consultancy is also reported in the list at BET 2220.

2283. Two consultancies are planned for calendar 2014. These have not been published either in the CEFC's Annual Procurement Plan or on the Austender website because the CEFC does not have an Annual Procurement Plan and is not required to use the Austender website. Please note the CEFC is not an entity to which the Commonwealth Procurement Rules presently apply.

2284. Yes. All of the consultancies in question 2283 above have been direct sourced. The CEFC operates commercially and is not an entity to which the Commonwealth Procurement Rules presently apply because the *Commonwealth Procurement Rules* do not reflect the commercial context in which the CEFC operates.