

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS  
ATTORNEY-GENERAL'S DEPARTMENT

**Group: Written**

**Program: Whole-of-Portfolio**

**Question: BE14/129**

**Senator Ludwig asked the following question at the hearing on 26-29 May 2014:**

List any tenders that were re-issued or issued multiple times since 7 September 2013

1. Why were they re-issued or issued multiple times?
2. Were any applicants received for the tenders before they were re-issued or repeatedly issued?
3. Were those applicants asked to resubmit their tender proposal?

**The answer to the honourable senator's question is as follows:**

1-3: With the exception of the Australian National Maritime Museum, no agency within the portfolio has issued or re-issued tenders multiple times since 7 September 2013.

Australian National Maritime Museum

*Australian National Maritime Museum External website (design/construction/delivery)*

1-2: A tender for website development was first issued in June 2013 and reissued in November 2013.

In June 2013, seven tenderers were invited to tender (each having the necessary pre-qualification of Sitecore expertise), however only two tenders were received. Both tenders significantly exceeded the budget and were not considered to represent value for money and reflected unacceptable risk to the Museum. The highest ranked and lowest priced tender failed to provide a fixed lump sum and failed ANMM's financial viability requirements.

The second tender did not address the tender criteria nor provide a response that met the requirements of the functional specification.

A decision was taken to cancel the procurement and retender based on a revised (and reduced) scope of work, following further market research and completion of the website design and functionality specification, which would reduce tenderer risk.

A revised scope of work was prepared and re-budgeted. Further market research was undertaken and identified three new digital agencies with the necessary expertise.

The revised tender was issued to the three new digital agencies in November 2013 and, following evaluation, a contract was awarded within budget. The successful agency has performed well and the website is now ready to 'go live'.

3. Of the two tenders received in June 2013, neither was invited to retender.

*Australian National Maritime Museum e-procurement system (provision/installation/configuration)*

- 1-2. A tender for an e-procurement system was first issued in October 2013 and re-issued in January 2014.

The tender issued in October 2013 invited seven tenderers meeting ANMM's mandatory criteria. Two responses were received by the deadline in response to the original tender. Following consideration of the responses, the ANMM terminated the initial procurement exercise because:

- the prices quoted by both respondents were far in excess of the ANMM's estimate and its budgetary allowances, and
- both respondents quoted for the identical software solution precluding the ability to assess a wider variety of solutions to ensure competitive fairness and value for money as dictated by our procurement policies.

In order to achieve a better quality outcome for any future tenders, the ANMM:

- undertook more comprehensive market research, including procuring demonstrations of potentially eligible products
- revisited the scope and its expectations of an e-procurement solution, given the size of the organisation, the actual eligible products available, and funds available for acquisition, and
- determined that a simpler, cheaper solution be implemented.

Following this process, the ANMM determined that it should undertake a new, revised tender exercise, with the following objectives:

- achieving a fairer, more competitive and more effective procurement exercise
- providing the ANMM with a more effective opportunity to assess a broader range of potentially eligible products, and
- providing the museum the ability to compare a number of standard (non-customised) products that would have been deemed non-compliant in relation to the overly rigid requirements articulated by the initial tender exercise.

3. All applicants approached for the initial tender were asked to submit revised tenders in response to the revised scope and requirements of the reissued tender.