

Mr. Peter Davidson
Executive Director Environment and Infrastructure
Administration of Norfolk Island
Post Office
NORFOLK ISLAND 2899

8 November 2005

Dear Peter

**PROBITY REPORT
REFURBISHMENT OF KINGSTON PIER, NORFOLK ISLAND
TENDER No. PBP 5550**

Gary Clarke Consulting has been engaged to provide probity advice, on an as needed basis, for the Norfolk Island Construction Phase Tender Process – Kingston Pier Refurbishment Project.

As the independent Probity Advisor I advise that:

- I have reviewed, provided probity advice and endorsed the Request for Tender Document, Issue No. 1 September 2005.
- I have noted the issue of Addendums No. 1 (29 September 2005), No. 2 (13 October 2005), and No. 3 (14 October 2005).
- I have reviewed, provided probity advice and endorsed the Tender Evaluation Plan, Issue No. 2 October 2005, including the evaluation methodology, assessment criteria and weightings. The plan was approved prior to the close of bids.
- I have provided probity advice throughout the tender process in response to all questions arising.
- Due diligence processes appear to have been conducted throughout the project.
- All members of the Tender Evaluation Board (TEB) and specialist advisors have signed a Confidentiality and Conflicts of Interest Deed (4-7 November 2005). Whilst I am advised that all involved were aware of and accepted their probity and evaluation responsibilities, I suggested in future such deeds be completed prior to the close of tenders.

The Tender Evaluation Plan includes in the role of responsibilities of the Tender Evaluation Board that ‘Where a member of the TEB may have a conflict of interest, it is their duty to advise the Probity Auditor of the details.’ No conflicts of interest matters have been raised in relation to any member of or advisor to the TEB.

In addition there have been no alleged breaches of confidentiality in relation to this process reported.

- To my knowledge all communication outside the TEB with tenderers, ANI or other external parties has been via the TEB Chairman/Nominated Tender Inquiry person.
- To my knowledge all probity advice conveyed to the TEB Chairman has been accepted and implemented in order to ensure the integrity of the process.
- The established process for the lodgement, opening and recording of tenders has provided for accountability, security and confidentiality.
- The evaluation selection criteria and weightings have not been altered during the process.
- All bidders appear to have had timely access to the same information.

Based on my review of all tender documentation provided it appears that the tender and evaluation process has been conducted in a fair, equitable and impartial manner with no party being given advantage over another or unfairly discriminated against. The tender evaluation methodology appears to have been applied consistently with no deviations from the approved process. The process followed by the Tender Evaluation Board, to the extent of my awareness, has adequately complied with probity requirements.

The Tender Evaluation Board Report, Issue No. 2, including all attachments, supports a comprehensive, transparent and defensible tender evaluation process and resultant recommendation for consideration by the Norfolk Island Tenders Committee.

Accordingly I offer my endorsement for the tender evaluation process and Board Report from the probity perspective to the extent of my involvement in the process. The recommendation, involving identified matters for negotiations, prior to the selection of the preferred proponent, is appropriate from the probity perspective due to none of the tenderers achieving the level of required tender conformance. It is also appropriate that negotiations be conducted with the identified tenderer that appears the most acceptable tender and closest to conforming based on the evaluation criteria. The purpose of such negotiation is made clear in the TEB report with the aim of achieving a tender that is mutually acceptable.

Please contact me directly on 0417 281393 or email should you require any further probity advice in relation to the conduct of the tender and evaluation process.

Yours faithfully

GARY CLARKE
PROBITY ADVISOR