



Investigation of a complaint about certain procurement practices

REPORT ADDENDUM

March 2017

Addendum by the Acting ACT Ombudsman, Richard Glenn

REPORT NO. **01|2016**

BACKGROUND

In November 2016 the ACT Ombudsman released the report, *'Investigation of a complaint about certain procurement practices'* (01/2016). It was noted in the report that the ACT Government was unable to respond to the recommendations made in the report due to the election caretaker period.

The ACT Government has since responded to the four recommendations made in the report. This addendum sets out that response.

RESPONSE TO RECOMMENDATIONS

Recommendation 1 — the Procurement Board and Procurement and Capital Works (PCW) reviews how tenders are initiated, approved and monitored so that PCW has visibility of instances of multiple related procurement activities, in order to avoid unnecessary costs to business and government.

Accepted — PCW has acquired a new project management and reporting system, which is currently being implemented in several Directorates, with a view to eventually rolling it out across government. This system will enable much greater visibility of procurement activities and an opportunity for PCW to identify related procurement processes and recommend alternative procurement approaches where appropriate.

Recommendation 2 — the ACT Government reviews the capacity for the Procurement Board to undertake independent review of complaints or disputes that are made about procurement.

Accepted — there has been preliminary consideration given to enhancing the functions of the Government Procurement Board (Board) to enable it to be a review body for procurement processes covered by Free Trade Agreements to which the ACT Government is a signatory.

Recommendation 3 — the Procurement Board undertakes a review of its policy guidance to officers. That guidance should address the reasonable occasions where a criterion cap on costs should be used.

Accepted — issuing guidance on the 'reasonable occasions' when a cap might be advised in an approach to the market will be considered, noting that it is appropriate only in rare circumstances.

Recommendation 4 — in recognition of the effort required by the firm to submit a tender to RFT C (mid-2015), when there was no reasonable prospect of an outcome, that the ACT Government considers recommending an Act of Grace payment to the Treasurer (under s 130 of Financial Management Act 1996) to cover the firm's costs of responding to that RFT.

Not Accepted — the Territory decided not to give Act of Grace payment, although the consideration of one was recommended by the Ombudsman.