

MINUTES

A meeting of the Parliamentary Committee of Public Works was held in Room 5.04, Level 5 of the Parliamentary Annexe on Thursday, 4 October 1990 at 11.30 a.m.

MEMBERS PRESENT: Mr McGrady (Chairman), Messrs Bredhauer, Randell, Berghofer, Coomber and Ms Spence.

In attendance—Ms Keliher, Research Director.

APOLOGIES: Mr Livingstone.

BUNDABERG

HOSPITAL REPORT: DRAFT RECOMMENDATIONS

Giving local contractors better access to government contracts

The Committee has expressed its belief in the value of helping local contractors win government contracts.

This Inquiry highlighted problems which occurred when a smaller local contractor was successful in winning a sizeable design and construct contract. Despite those problems we deem it important to bring our belief to the attention of government administrators, and in this case Administrative Services Department.

RECOMMENDATION ONE

This Committee recommends that Administrative Services Department, when generating tender invitation lists, develop practices, which include selection of contractors with known ability to perform; and include a selection of local contractors with capacity to perform within their local region.

Moved Mr Coomber, seconded Mr Bredhauer.

This Committee requests that the Administrative Services Department prepare a paper addressing how such practices would be implemented. They should present it to this Committee no later than 5 December 1990.

Moved Ms Spence, seconded Mr Berghofer.

Planning with triennium budgets

Problems associated with triennium budget administration have been raised in the report. Managing cash flow for a number of complex projects over a three year period is already difficult. When the program has long periods of inactivity because constraints of financial administration getting work done on time is made even more difficult.

RECOMMENDATION TWO

That the Health Department when developing triennium programs, allocate funds to be used for planning to link one triennium to the next, to prevent future planning delays.

Moved Ms Spence, seconded Mr Randell.

Assessing project management skills

The tender assessment team was not required to assess project management skills of the successful tenderers. Seeking this information is not an integral part of the assessment process.

This Committee asks—Why is this information not sought?

RECOMMENDATION THREE

That the Administrative Services Department ensure their procedures for assessing 'design and construct project managed contracts' consider competence in administration as well as value for money.

Moved Mr Bredhauer, seconded Mr Coomber.

Using advice from consultant Department

This report completely exonerates the Minister of the day from any improper practices.

This Minister believed that even though he would have requested Administrative Services Department to locate suitable local contractors to be invited to tender, they would have told him there were none suitable. As a result of this belief, he sought an alternative source of information.

This report shows what problems can occur when advice is sought from less than expert sources.

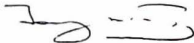
RECOMMENDATION FOUR

That Health Ministers should be certain that all conditions of recommendations one and three are satisfied before any contracts are awarded.

Moved Mr Coomber, seconded Ms Spence.

Meeting closed at 12.30 p.m.

Confirmed this 24th day of October 1990



CHAIRMAN