

### STATEMENT OF CHRISTOPHER ROY PREBBLE

Name	Christopher Roy Prebble
Address	Address known to Ashurst
Occupation	Project Manager
Date	1 May 2013

I state that:

1. This statement deals with my involvement, as Project Manager for IBM between 2007 and 2008, in the implementation of interim software to replace LATTICE, Queensland Health's Human Resources/payroll software (**QHIC Project**).
2. I do not have copies of my emails relating to this period. I have been told by IBM's solicitors, Ashurst, that there are many thousands of emails sent and received by me during the course of my time on the project. I have reviewed only a limited number of those emails in the course of preparing this statement.
3. In my line of work, and during the course of my involvement in the QHIC Project, I would generally attend at least 10 to 20 meetings a week. It is difficult, some five years later, to remember the details of specific meetings. I therefore have limited recollections of the specific meetings referred to in this statement and have had to refresh my memory by reference to documents, where available.

#### **BACKGROUND AND EXPERIENCE**

4. I am presently employed as Capital Investments and Programs Consultant by Aurizon Limited (formerly QR National). I have been in that role since August 2012.
5. I have over 10 years of experience in project management and delivery, including significant experience in SAP related projects. In particular, the following projects involved the requirement to extensively scope the client's requirements, including:
  - a. Queensland Rail – upgrade of its SAP system in 2002;
  - b. While working for PwC Consulting as senior principal consultant and practice leader:
    - i. Upgrade of Telstra's SAP system in 1998;
    - ii. Setting up and running PwC's Melbourne SAP solution delivery centre (this work focused on delivery rather than scoping work) in 2000;
    - iii. Scoping Unilever's SAP system in 2001;

- iv. Resolution of scope issues for TNT relating to implementation of its SAP system (ie reviewing the adequacy of the scoping work done by others) in 2001;
- c. While working for the Bradnams Group as ERP Project Director and Chief Information Officer – scope validation (ie reviewing and checking the adequacy of work done by others) for the implementation of ERP in 2005;
- d. While working for Wiley & Sons as General Manager – technology and service, scoping, developing and rolling out a business application globally for the company completed in 1997.

#### **THE LATTICE REPLACEMENT PROJECT**

6. Between December 2007 and July 2008 I was retained by IBM Australia Ltd (**IBM**) to manage the QHIC Project as Project Director.
7. The QHIC Project involved developing HR/Payroll software to be used as an interim replacement for Queensland Health's ageing LATTICE software. Because the interim solution was only a relatively short term solution and was to be developed against a tight timeline, the interim software was to be a "minimal" solution that performed basic functions until such time as the (complete) whole of government (**WoG**) solution was developed and implemented some time later.
8. The use of the Ascendent project methodology was adapted to reflect the nature of the project, including the fact that it was not a greenfield project (starting afresh) but a brownfield project, with a tight timeline, to implement a minimal, interim solution. Some of the components of the usual methodology were therefore modified or abbreviated. There is nothing unusual about taking this approach.
9. My role as Project Director involved, at a practical level:-
  - a. Managing a team of IBM staff to take the Department of Housing (**DoH**) payroll solution as a base and to configure it to provide a minimal interim solution for the Queensland Health (**QH**) payroll. Assisting me around November 2007 were other IBM personnel. They provided expertise in change management (Sara Simpson), SAP HR/payroll (Mariza Richards, Jacqueline Mazibrada, John Musker and Jason Cameron), detailed design (Mariza Richards and Jason Cameron), build (Jason Cameron), testing (John Musker and Jason Cameron) and training (Ann Cho). Workbrain awards interpretation was carried out by a different team from the one I supervised.
  - b. Managing the embedded resources in the team from QH and CorpTech.
  - c. Defining the plan for the project, and following that plan.

- d. Holding a series of workshops for IBM, CorpTech and QH to allow the parties to reach agreement on the scope of the project.
- e. Obtaining documents and information for my team from Philip Hood's team at CorpTech, including chasing up document requests.
- f. Writing sections of some documents submitted to CorpTech. The principal documents I was involved in drafting were the Project Execution Plan (the "constitution" of the project) and the QHIC Scope Definition. I was not as involved in drafting more technical documents such as "Testing Strategy and Approach" and "Draft Infrastructure Requirements".
- g. Managing the timetable for the QHIC Project against the fixed scope of work, and delivering milestones according to the payment schedule set out in the statements of work (**SOW**).
- h. Submitting final documents (the deliverables in the project) to the IBM program delivery office (**PDO**), which would then be submitted to CorpTech's strategic program office (**SPO**). This was done by emailing them to "Vendor Management" and "PDO Communications".
- i. Reporting to the teams responsible for the project's governance (a role shared between Queensland Health Enterprise Solutions Transition (**QHEST**) and myself).
- j. Drafting impact assessments which formed the basis of change requests under the contract with CorpTech. I no longer recall the form in which these assessments were delivered. However they formed the basis of change requests under the contract with CorpTech.

***Defining the scope of the QH Interim Solution***

10. After IBM was determined to be the preferred tenderer following the ITO, and starting before the contract was signed, a number of steps were taken to define the scope for the project:
- a. meetings took place between IBM staff and representatives of QH;
  - b. access was provided to documentation, through CorpTech, relating to QH and in relation to the DoH system; and
  - c. planning was undertaken by myself and IBM as to how the project would be progressed.

11. SOW 7 further set out the requirements for the QH Interim Solution planning and scoping. The process to be followed was set out at paragraph 2.1.1 B as follows:

"To deliver the Lattice Replacement interim solution scoping and planning, and as part of the SOW Services, the Contractor will gather and confirm information via:

- A series of workshops/discussions with QH and SDA resources;
- Interviews with QH resources on an ad-hoc basis;
- Access to existing procedural and systems documentation; and
- Access to current legacy systems and the Customer's DOH system."

12. SOW 7 identifies the deliverable documents required to be developed under it. Two key documents are:

- a. the QHIC Scope Definition; and
- b. SOW 8.

I comment in further detail on those documents below.

13. I was the person responsible for coordinating the preparation of the QHIC Scope Definition. I had assistance from Sara Simpson of IBM. The work to prepare and draft different sections was done by different IBM people according to their area of expertise. My role involved writing the non-technical parts of the document (to the best of my recollection sections 3.1 to 3.4, and 3.6), consolidating parts drafted by others, reviewing the draft (high level quality assurance, consistency checks) and submitting it to the PDO. It was also my practice to submit a near final draft of the document to QHEST and the Solution Design Authority (**SDA**) for informal review prior to formal submission to the PDO.

14. The revision history of the QHIC Scope Definition identifies that versions 0.8 to 0.12 (for which I was listed as the "primary author") involved updating the document and incorporating feedback following a meeting with QH on 21 December 2007. On 18 December 2007 Ron Fawcett (QHEST project manager) emailed me a list of issues which may have formed the basis for the discussion on 21 December 2007.

15. The people with whom I and the team consulted at QHEST and the QH shared service provider (**SSP**) are listed in the table of contributors at the start of the QHIC Scope Definition. My main points of contact at QH were Nigel Hey and Damon Atzeni at QHEST. I also often spoke to Neil Glentworth (because Nigel Hey was often unavailable).

16. During the scoping process various documents were provided by email to IBM through QH and CorpTech to facilitate the work required under SOW 7. Examples of those emails, which is not a complete set of the information exchanged, produced with this statement include:

- a. "Service Model for the Interim Payroll and Rostering Solution" provided by Damon Atzeni by email to me on 10 December 2007 which identifies that QH at that time required a "Centralised SAP HR Payroll and Hub and Spoke for Workbrain" but that Union agreement to this model had yet to be (and needed to be) received;
- b. "Agency Specific Requirements Report" (identified as a work in progress on its face) provided by Damon Atzeni by email to me on 17 December 2007.

I had no option other than to work with those documents as final documents were not available. It would have been preferable to have the final requirements confirmed. Given that I understood QH and CorpTech had been looking to replace its software for some time, I was surprised that it did not have finalised business requirements at this stage (or for some time afterwards, as explained below).

17. The process for scoping was broadly as follows:

- a. IBM staff asked QH to identify the right people – decision makers – to be involved in workshops;
- b. Workshops involving those people were held to collate scope information and discuss documents which contained business processes, business requirements or other relevant information;
- c. Information gathered in workshops was captured in document form and a scope review process occurred to check IBM had understood QH's requirements correctly – that is the written product of IBM's work would be shared with QH representatives for them to confirm their agreement and raise any issues;
- d. Information gathered was consolidated into a single scope document and a review of that document took place by both IBM staff and some QH personnel, before formal submission of it.

18. Workshops involving IBM staff and QH staff were held in relation to a number of functional issues, and to define the scope of the work that was to be performed (that is, to identify who was responsible for what was to be delivered). I have no independent recollection of specific workshops, though to the best of my recollection I did attend at least some of them.

19. In November 2007 I and others at IBM planned and held a high level Solution Design Workshop with QH representatives. The workshop was held on 21 November 2008.

Afterwards Jason Cameron forwarded to me (amongst others) an email from Damon Atzeni of QHEST listing the names of the attendees at the workshop.

20. On 22 November 2007 Sara Simpson sent an email to Jason Cameron, Jacqueline Mazibrada and Mariza Richards (copied to me) advising that an updated requirements document and some options papers had been provided by Cathy Sparks of QHEST (who had mentioned them in the 21 November workshop), and had been uploaded onto the system.
21. A further meeting was held on 30 November 2007. After the workshop I sent an email to Damon Atzeni, copied to Neil Glentworth, thanking them for their time and attaching the draft workshop requirements for process and functional issues.
22. Emails and documents provided to me by Ashurst identify at least the following workshops as having been scheduled with QH for the topics noted:
  - a. 5 December 2007 – application architecture workshop;
  - b. 6 December 2007 – infrastructure architecture workshop;
  - c. 6 December 2007 – (data migration workshop) to discuss work done to date by QHEST and CorpTech and the state of Lattice data and work underway to cleanse Lattice data, to define standard CorpTech tools and functions to populate the SSS, to agree on overall strategy;
  - d. 7 December 2007 – (data migration workshop) define baseline for activities, define and agree data migration metrics, define and agree migration metrics, define and agree products, deliverables and responsibilities;
  - e. 6 December 2007 – manage job details;
  - f. 7 December 2007 – operations management workshop;
  - g. 10 December 2007 – manage employee information;
  - h. 11 December 2007 – manage roster;
  - i. 11 December 2007 – presentation (user interface/portal) workshop;
  - j. 12 December 2007 – manage attendance and leave;
  - k. 12 December 2007 – test scoping workshop. The minutes for this meeting indicate I attended it;
  - l. 13 December 2007 – manage separations;
  - m. 13 December 2007 – manage claims and maintain learning and development records;

- n. 14 December 2007 – manage payroll cycle;
  - o. 19 December 2007 – a follow up workshop in relation to test scoping. The minutes for this meeting indicate that I was an apology and did not attend it;
  - p. Application Enhancement/Customisation (in December 2007, but with no specified date);
  - q. Application Build Methods (in December 2007, but with no specified date).
23. The workshops were conducted by the IBM team leads for each work stream (that is the technical specialists). I have no clear recollection of how that information was circulated, but believe it may have been sent by the team leads to those who attended their workshops.
24. As mentioned above, on 18 December 2007 I received an email from Damon Atzeni attaching a list of the issues which had not yet been closed out in the workshops. In my email to IBM staff I asked that they close out on as many of the items as they could. If they were not finalised, they were to be identified in the scope document as yet to be closed out. This in fact was the case in relation to 18 of the items.
25. To facilitate settling the terms of the Scope Document on 19 December 2007 I sent what was a preliminary draft of the QHIC Scoping and Planning Deliverable to Damon Atzeni for the purposes of internal review by QH. Malcolm Campbell at paragraph 48 of his statement says that it was Mr Atzeni's view that the system was being built without an agreed project scope document. I disagree with this statement, but also note that Mr Atzeni was aware of the terms of the Scope Document by reason of his involvement in that process.
26. The Scope Document was required to be submitted by close of business on 24 December 2007, according to SOW 7 along with the other technical deliverables. To the best of my recollection it was submitted on 24 December 2007 in accordance with the timetable in SOW 7 through Steve Mitchell of CorpTech and Damon Atzeni of QH for review.
27. The draft of SOW 8 was also originally required to be delivered under SOW 7 by 24 December 2007. To allow more time for the team to focus on the Scope Document and the technical deliverables, Paul Hickey sought under CRN001 (signed off on 21 December 2007) to extend the time for delivery of draft SOW 8 to 8 January 2008. SOW 8 related to the Lattice replacement interim solution, "design, implement and deploy".
28. Draft SOW 8 was sent by me to Vendor Management and PDO Communications on 8 January 2008. A copy of this email has not been located.

29. On 17 January 2008 a meeting was held between representatives of IBM, CorpTech and QH to discuss the draft Scope Document and the draft SOW 8. I attended that meeting. I have seen a calendar invite for that date sent on behalf of Shaurin Shah which involved him, me, Malcolm Campbell and Steve Mitchell, amongst others. The 17 January meeting considered a list of items identified by the CorpTech and QH representatives. A table listing the outcomes agreed in relation to each of those items (referred to as "defects" in the table) from the workshop were sent by Keith Pullen by email to Vendor Management and PDO Communications on 22 January 2008 (an earlier email of 18 January 2008 had included the wrong document). According to the deliverables sheet it was approved at a review panel meeting on 22 January 2008, and formally signed off on 25 February 2008.
30. On 18 January 2008 Keith Pullen also submitted SOW 8 in execution copy to the Vendor Management email address, copied to me. It was approved by 22 January 2008.
31. At my interview with the Commission I said I recalled attending a meeting in late December (probably a week or so before Christmas Eve) with a large number of people (including from IBM, QH and CorpTech) to work through closing down some of the feedback received by IBM before submitting the document formally. On reflection I believe that I was confused about the timing of that meeting, and that the meeting I can recall took place on 17 January. That is the meeting I refer to above.
32. I was asked in my interview with the Commission whether enough time was allowed to conduct comprehensive scoping. A number of factors are relevant to answering that question:
- a. the scoping work performed took place in the time allowed under SOW 7, and was therefore limited by the contract;
  - b. the QH Interim Solution was a brownfield implementation, based on the DoH solution which had already been developed and implemented. It did not involve developing a completely new solution;
  - c. as I outline above there was also a need to produce the solution quickly to replace the LATTICE system. This also limited the amount of time in which scoping could be undertaken; and
  - d. the contract required the solution be developed with minimal functionality.
33. In my experience the timeframe was short compared with other projects in which I have been involved. This however, for the reasons I noted above, was not a typical project. Whilst there was only a limited amount of time allowed, a lot of work was done by IBM in that short period of time. In my view, the timing was sufficient to

achieve the required scoping of the proposed project, though to do so required the timely cooperation of QH and there was little room for contingencies.

***Statement of Work 8A***

34. SOW 8A was signed off effective from 2 January 2008. It covered work to be performed in the period 2 January 2008 to 18 January 2008 allowing work to start on aspects of the proposed SOW 8 before SOW 8 was formally signed off by CorpTech. It also provided for the later delivery of two documents required by SOW 7 which were still being reviewed by CorpTech and QH:

- a. agreed SOW 8, relating to Lattice replacement design, implement and deploy; and
- b. an agreed project management plan for SOW 8.

***Key Documents – QHIC Scope Definition***

35. A key document under SOW 7 was the "scope document". This was also known by the following titles at different times:

- a. QHIC Scoping and Planning Deliverable;
- b. Scoping and Planning Document; and
- c. Scope Document for QH Requirements for Payroll Replacement and Rostering.

36. I refer to it in this statement as the "Scope Document".

37. CR0004 dated 16 January 2008 combined deliverable 2 for SOW 7 (analysis report of DOH build and modifications required for Lattice replacement interim solution) with deliverable 1 for SOW 7 (scope definition).

38. I was the initiating office for this change request. It was made because (as identified in the change request) the Scope Document defined the modifications required for the LATTICE replacement interim solution. This Scope Document set out the business needs of QH and provided detail of what was in and out of scope for the QH Interim Solution under SOW 8.

39. The Scope Document and the workshops which developed it focused on the points of difference between the existing DoH solution and QH's requirements for a minimal functionality. It did not attempt to define all aspects of QH's requirements from scratch – that would be done as part of the ultimate WoG implementation.

40. Section 5 of the Scope Document listed "issues". This was a list of open issues that had not been able to be resolved during the scoping exercise. Eighteen such issues are listed. Compared to other projects I have worked on this was a reasonable list of open issues. I saw it as being a joint responsibility to resolve these issues.

41. Open issues were picked up progressively throughout the project. The issues listed were addressed as they were reached in the project. In my interview with the Commission I was asked questions about the following parts of the list.
42. At the bottom of page 22 of the Scope Document, issue number 16 is identified as being "Finance Integration". The document stated that:

"A number of FAMMIS Finance related issues have been raised with the QHIC Project Team and there has not been sufficient time available to evaluate the impact of this request. At this point, the Finance integration scope remains as described by this document."
43. FAMMIS was QH's SAP-based finance system. To the best of my recollection, representatives of QH seemed unsure at that time as to what were their requirements for finance integration for the interim solution.
44. Even after the Scope Document was agreed early in 2008, QH took a long time to provide its finance integration requirements. This delay had a significant, detrimental impact on the progress of the overall project which I discuss further below.
45. In my interview by the Commission I said that concurrent employment would have been an example of an open issue. Having reviewed the list of issues sent to CorpTech by Keith Pullen to CorpTech on 22 January 2008, I see this was in fact an issue which had not been discussed. The issue was still being considered in the context of the WoG solution. It was therefore an issue which could not be resolved at that stage, and I note that it was identified as an open issue on page 21 of the Scope Document.

## **MEETINGS AND REPORTING**

46. I attended weekly meetings of the QHIC Implementation Steering Committee (**QHIC Steering Committee**) between 26 February 2008, when the first meeting took place, and 1 July 2008 (around which time I began to hand over my role in the project prior to leaving IBM). Those on that committee included initially, in addition to me:
  - a. Peter Douglas (Project Manager, Corporate Services Integration - QH) as chair;
  - b. Paul Monaghan (Director QH SSP);
  - c. Steve Mitchell (Director, Sector Engagement – SDA - CorpTech);
  - d. Terry Burns (CorpTech)
  - e. Damon Atzeni (Project Lead, QHIC – QH);
  - f. Ron Fawcett (Project Manager, QHIC – QH);
  - g. Russ Wilde (Senior Director, Human Resources Branch – QH);

- h. Nigel Hey (Director, QHEST – QH);
- i. Bridget Bourke (Acting Senior Director, Finance Branch - QH);
- j. Paul Hickey (Program Director – IBM).

47. I have been provided with a set of weekly reports I prepared during that period for the QHIC workstream within the wider project. The reports were prepared for Paul Hickey. The set is not complete, and I cannot verify that all reports are final. Many on their face appear to be in draft. Where they are final they are an accurate statement of the issues at that stage of the project. Where they are draft I have reviewed them and confirm that they set out the issues for the project at those times.

## **DELIVERABLES AND OTHER KEY DOCUMENTS**

### ***Key Documents – Statements of Work***

48. It was my role to manage the project to ensure that the contractual deliverables were delivered within the tight timetable set by the contract.
49. SOW 7 lists various documents (or deliverables) which were required to be prepared by IBM, and the timeframe in which they were required to be delivered to avoid being penalised through the amount paid to IBM.
50. Detailed design under SOW 8 commenced in early 2008. There were 26 deliverables under SOW 8 as approved in January 2008.
51. I understand it has been suggested to the Commission that no deliverables were submitted by IBM on time, and that IBM was in default of the contract early on by reason of late delivery. I am not aware of the basis for those allegations. Although some deliverables were delayed (which I comment upon further below), it is my belief that most project deliverables were sent to CorpTech within the time originally proposed in SOW 8. In some instances, delivery dates were amended (by change request) due to delays, the causes of which varied, that impacted the schedule and the deliverables provided to CorpTech within the amended periods.
52. As I do not have access to all my emails I have not done an exhaustive analysis of when the deliverables were due. By way of example, however, the following set of deliverables were delivered on time, and copies of those deliverables and either a deliverable control sheet or the email submitting that document are provided to the Commission with this statement:
- a. SOW 8 deliverable 4 – Enhancement, Reports and Forms and Integration strategies (due and submitted on 22 February 2008);

- b. SOW 8 deliverable 9 - Communication Strategy (project centric) (due and submitted on 22 February 2008);
- c. SOW 8 deliverable 15 - Data Mapping Templates & Tools (due and submitted on 22 February 2008);
- d. SOW 8 deliverable 17 - Training Strategy & Plan (due and submitted on 22 February 2008).

***Key Documents – Project Management Plan***

53. I was the contact and primary author of the Project Management Plan (**PMP**), also known as the Project Execution Plan. Its purpose was to outline the scope purpose, organisational structure and limitations of the QHIC project.

***Key Documents – Project Schedule (and Timetable Generally)***

54. An agreed project implementation schedule was deliverable 1 under SOW 8. It was submitted in February 2008, resubmitted on 14 March 2008, the subject of further review, and eventually signed off under the contract by CorpTech. I was very involved in the schedule, which I maintained. It was a "living" document. It changed as a result of any change requests affecting the timetable. I refer to paragraph 70 of the statement of John Beeston who says he never saw that schedule. If he is implying that there was no such schedule or that it was not being used, he is incorrect. I do not recall whether he ever asked me to view the schedule I had developed, or if he was given it.

***Key Documents - Business Attributes Document***

55. I have been asked about the "Business Attributes Documents" (**BAD**).

56. The BAD was a document that QH was to provide to IBM which set out, in a systematic way, QH's configuration requirements and which contained the data necessary to identify the kinds of transaction that needed to be available in the system, including those relating to organisational structure, base pay, deductions and shift patterns. The BAD was required by IBM so that it could confirm the configuration design and system build. IBM requested this document as early as 9 November 2007 (see email Jason Cameron to Ron Fawcett of this date). It was important to the performance of IBM's work and the timing of its work.

57. This document was updated by QH many times because it was incomplete. For example, the "BRG-Decisions" note dated 28 April 2008 refers to the current version (5.0) reflecting additions, deletions and updates made to the previous version. Versions of it were still being produced around the time I ceased to be involved in the project (version 6.0 was circulated by Mark Porter to me and Jason Cameron on 10 July 2008).

58. The BAD was a document to define, within the agreed scope, the details required for the build of the software to commence and progress. Relevant parts of the BAD required for IBM to perform the system build were initially incomplete, and other parts were inaccurate causing issues with the build and impacting on the data conversion testing.

59. After Tony Price joined QHEST, he requested that I sign off on the BAD. This would have been about July 2008. I did not feel comfortable signing off on the document because I understood that Tony Price was asking me to say that it was complete and correct. I could not say whether that was in fact the case for QH. As such, I did not feel comfortable with Mr Price's request, and I offered to sign off on receiving it only. I have been told that changes to the BAD occurred after July 2008.

## **PROBLEMS ENCOUNTERED IN THE PROJECT**

### ***Problems Encountered – Delays in Review of Deliverables***

60. I was often concerned about delay in the review process. Assumption 2 in the Scope Document was that deliverables would be signed off in a timely manner. Delay in sign off by CorpTech however was a common issue.

61. In my status report for week 3 (week ending 18 January 2008) I noted a delay in the review process in the overall section of the report. In the 'project office' section of the report I noted that:

- a. the process of approving deliverables required urgent attention;
- b. the focus of the SPO and SDA had been on "contractual issues, semantics, and minor details" rather than an assessment of the quality of the work and deliverables; and
- c. feedback from the SPO had been significantly late and of poor quality, with most focused on the IBM proposal rather than the deliverable.

62. In my status report for week 4 (week ending 25 January 2008) I raised as an issue that continued delays in the document approval process would impact delivery of the QHIC project.

63. In my status report for week 6 (week ending 8 February 2008) I noted that new versions of the Technical Architecture Definition and Contingency Plan had been submitted on 18.01.08 and no feedback had been received.

64. To try and reduce delay in review of deliverables IBM would, where possible, submit drafts in advance for discussion with QH and CorpTech. For example, in my status report for week 8 (week ending 22 February 2008) I noted that all required SOW 8 deliverables had been submitted as scheduled and were with the SPO for review - each

(except RICEF strategy) had been submitted for draft review prior to formal submission.

***Problems Encountered – Lack of Continuity and Resourcing***

65. There was a turnover of project managers at QH, leading to a lack of continuity (some changes in roles within the QHIC team are noted at paragraph 5.1 of the 29 April minutes of the QHIC Steering Committee). This made it difficult to keep to the tight timetable which had been set. This was because the preferred approach was to keep QH project management staff across all developments in the project documents as they happened. They would then be across the document when they were asked to sign off on the document at the end of the process. This could not occur when there was a change in staff. Changes during the process included:

- a. Nigel Hey was replaced by Neil Glentworth, who also subsequently left QHEST. He was replaced by Tony Price in around March / April 2008;
- b. Ron Fawcett, a project manager on the QH side, also left that role and was replaced by Mark Porter.

66. Some particular resourcing matters that caused delays were noted in my status reports include:

- a. the QH project administrator, Shona King, left the project during week 8 (week ending 22 February 2008). SOW 8 specified this resource was to be provided by QH as part of the QHIC team. Shona was not replaced until 21 April 2008; and
- b. the area of data migration had a 'red' rating in the week ending 21 March 2008 due in part to a key resource not being replaced by QH. (I noted serious potential impacts possible to QHIC delivery timeframes resulting from this). In my report for the week ending 28 March I noted that IBM had been asked to resource this position but the lead time involved was 3 weeks. In later reports I noted that a replacement was due to start work on 29 April;
- c. in the week ending 11 April 2008 there were issues in the area of cross functional applications (or "XFA") resourcing (a CorpTech responsibility) and IBM had provided a short term resource to assist; and
- d. there was a delay in QHEST sourcing training developers. They had been due to commence 1 April 2008 but that was delayed to 17 April 2008.

***Other Problems Encountered***

67. I reported in my status report for the week ending 14 March 2008 that the QHIC team had not received assessment criteria for any contractual deliverables. It would be usual for customers to provide criteria for acceptance to enable the contractor to know

what was required when a deliverable was produced. It was therefore less clear to IBM what specific content or form was required by CorpTech in deliverables.

68. There was a SAP development environment outage (as reported in my status report for the week ending 14 March 2008). The environment was unavailable for 5 days.
69. As mentioned above, my status report for the week ending 21 March 2008 reported that there was a red rating for data migration, in part because the current quality of data received from QHEST was below expectation. A marked improvement in quality of data load files being provided was reported during the week ending 11 April 2008.
70. In my status report for the week ending 16 May I noted that the QHIC team awaited receipt of the revised interface requirements specifications for DSS, reference data and PAYMAN and work would not continue in this area until final versions were received. In my status report for the week ending 25 May 2008, I noted that a number of already developed or specified interfaces to DSS required change based on revised requirements documents.

#### **HR FINANCE INTEGRATION AND CHANGE REQUESTS 60 AND 61**

71. An ongoing issue throughout my involvement in the project was the interface between the SAP HR Payroll and QH's Finance system.
72. To summarise, this was something that was the responsibility of QH pursuant to the Scope Document, but significant delays were experienced as a result of customer (QH) based issues and IBM was asked (in around June 2008) to lead the process of redefining the solution for QHIC HR/Finance integration. This is reflected in change request CR000061.
73. IBM had proposed that architecture for the interface would be between SAP HR Payroll and the PAYMAN application. PAYMAN would in turn then interface with the finance system (FAMMIS). As mentioned above, QH had responsibility for developing their side of their interface, that is to set up the PAYMAN side of the interface (see page 66 of the Scope Document).
74. PAYMAN was the application developed by a contractor within QH that linked to the FAMMIS finance system. The scheduled delivery time, and the minimalist change approach for the QH Interim Solution did not provide enough time to develop a new application. Using PAYMAN therefore made sense as it was already being used.
75. To prepare this interface, an interface specification needed to be developed. This would identify the nature of the data, the fields for the data, its frequency, and so on. IBM and QH/CorpTech had been unable to reach agreement on what the interface specification should have been. Until that issue was addressed it was not possible to commence work on the build phase on each side of the interface.

76. This issue was summarised by me and reported in my weekly workstream status reports. Relevant extracts from those reports were included, along with extracts from other emails and documents, in what became Change Request CR000060.
77. Change Request CR000060 quotes extensively from earlier communications on QHIC issues which had been encountered in the course of the project. These identify the issue as being a significant cause of the delay in the project at that time.
78. Change Requests CR000060 and CR000061 were proposed to address the issues raised by the delays to that point in time which most prominently included the HR Payroll Finance integration issue.
79. Liz Miles, who I believe worked for IBM and who was working on the finance aspect of the WoG solution, had been brought across to assist with this issue by around June 2008. She was involved in conducting workshops with QH and CorpTech on this issue. Whilst I was involved with oversight of the issue, it was Liz Miles who used her experience in this area to perform that work. I did not generally attend these meetings myself, and was mostly a conduit for information being passed on by Liz Miles. Tony Price and others at QH and CorpTech were involved in the workshops and in giving feedback on the draft documentation which was circulated for comment. For example:
  - a. on 10 June 2008 I sent an email to Terry Burns, Tony Price and Mark Porter (copied to Steve Mitchell and Paul Hickey) regarding roles and responsibilities for the work on HR / Finance integration;
  - b. on 23 June 2008 I sent an email to Mark Porter of QHEST, copied to Tony Price, Terry Burns and Shaurin Shah commenting on a list of questions in relation to the HR Finance integration issue;
  - c. on 26 June 2008 Mark Porter sent an email to me, Craig Vayo, Terry Burns, Tony Price, and Jason Cameron with action items from a meeting held that day;
  - d. on 27 June 2008 Tony Price sent an email to me and many others concerning scope validation workshops to be conducted by the SDA re the HR Finance integration issue;
  - e. on 11 July 2008 I sent an email to Tony Price and Craig Vayo attaching the following documents for review the following Monday:
    - i. QHIC design – HR Finance integration v0.5;
    - ii. Business Requirements Responses v1.0;
    - iii. H2R2.3.1 WOG Payroll Accounting Treatment v0.1;

- iv. Action Item Log – QHIC Final v 0.5;
  - v. Business Process Master List v11;
  - f. on 11 July 2008 I received an email from Paul Hickey to myself and Tony Price attaching an issues list for a workshop held on 11 July 2008. I did not attend the workshop, Tony Price did. Tony Price replied to the email that day with only minor feedback;
  - g. on 14 July 2008 I received an email from Craig Vayo, copied to Paul Hickey, Jason Cameron, Andrea Sams, and Tony Price in respect of a proposed workshop. Tony Price was to attend, and I was not.
80. I have been told that in the course of giving his evidence Tony Price has said that he said to me that he was dissatisfied with the workshops that were being conducted. I do not recall whether or not Tony Price said that to me. I would have expected if he had an issue that he would have put it in writing. I do not recall receiving such a complaint in writing and I have not seen any record of such a complaint. I have no knowledge of any basis for such a dissatisfaction.
81. I have been shown copies of several versions of a document called "QHIC Solution Design – HR/Finance Integration" (versions 0.1, 0.2, 0.3, 0.4 and 0.5). I have also been shown several later versions of this document called "QHIC Solution Blueprint Design – HR/Finance Integration" (versions 0.7, 1.0 and 1.1).
82. The revision history of this document in version 1.1 shows that I reviewed several versions of this document (version 0.2 and version 0.4), and that I was jointly involved with Liz Miles in updates which resulted in version 0.3 and with Jason Cameron in reviewing version 0.5 for QH review.
83. On 19 June 2008 I sent version 0.2 by email to Mark Porter and Tony Price, copied to Terry Burns and Shaurin Shah. On 11 July I sent version 0.5 by email to Tony Price and Craig Vayo, copied to Paul Hickey, Jason Cameron and Terry Burns.
84. I no longer have any specific recollection of this document. I did not contribute to the technical aspects of the document. However I do recall that IBM was asked by around June 2008 to lead a process of redefining the solution for QHIC HR<-> Finance integration (as is reflected in CR61). I believe that this document may have been part of the work product which resulted from that process.
85. The review process on this document, and in respect of the HR Finance Integration issue, had not been resolved by the time I stepped down as project manager in July 2008, and to the best of my recollection remained an issue in the period I remained in my more limited role on the project.

### **OTHER CHANGE REQUESTS**

86. Delays in performing the work were generally addressed by way of IBM raising a change request to the contract. I provided information to assist in their preparation, but did not have the primary responsibility for them.
87. In preparing this statement I have had access to copies of change requests for the period in which I worked on the project. The extensions provided for in those change requests are summarised in a schedule to this statement.
88. The only change request of which I now have a specific recollection is CR60, relating to a 6.5 week delay to the schedule (as mentioned above). I was extensively involved in preparing that change request.
89. At paragraph 43 of Malcolm Campbell's statement he refers to contract variations to extend time submitted by IBM. Many of these change requests were submitted at the request of the client or as a result of delays experienced by the client.

### **HAND OVER PERIOD**

90. By June and July 2008 I felt that the relationships between staff at IBM on the one part, and QH and CorpTech (as well as between QH and CorpTech) were becoming increasingly strained. I had decided that I would not renew my contract with IBM.
91. Around 6 weeks before my contract ended, a meeting was held between Bill Doak, Terry Burns and Tony Price (who was QHEST Manager after Nigel Hey). Bill Doak told me after the meeting that Tony Price had made criticisms of me.
92. Bill Doak rang me the night after this meeting. I told Mr Doak that in the circumstances I did not see that it would be productive for me to renew my contract, given that relationships seemed to be breaking down.
93. I handed over my role to Paul Hickey. I stepped out of that role immediately, but continued to assist in aspects of the project from July through to approximately August or September 2008.
94. Craig Vayo refers in his statement at paragraph 67 to heated discussions between him and me in August and September 2008. I also recall heated discussions with him in that period. His observations as to what work IBM was required to perform were made by him without reference to the Scope Document, and I repeatedly referred him back to what had been agreed as in scope under that document. I am unaware of him ever doing so.

95. Ultimately I finished my contract with IBM in approximately September 2008 by agreement with IBM.

Signed:



Date:

1 MAY 2013

Witness:

  
Lucy Kenny

**SCHEDULE OF CHANGE REQUESTS EXTENDING TIME FOR PERFORMANCE**

<b>Change Request No.</b>	<b>Date</b>	<b>Final Sign Off Date</b>	<b>Change Sought</b>	<b>Summary of Impact</b>
CRN001	20.12.07	21.12.07	Delay delivery of SOW 8 and SOW 9 to 08.01.08.	3 working day extension.
CR0004	16.01.08	21.01.08	SOW 7 deliverables varied	Some SOW 7 deliverables combined (2 with 1, and 5 with 4), others moved from SOW 7 to SOW 8A (6 and 7, being the PMP and the fixed price and SOW for application and service support).
CR5005	19.02.08	19.02.08	Delay submission of some deliverables	The preparation of the project schedule had clearly shown when final deliverables would be able to be submitted. These were later than originally anticipated. As a result 7 submission dates were delayed, generally by 1 or 2 months.
CR5008	28.02.08	28.02.08	Change deliverable date	The deliverable date for the Lattice contingency plan was changed to 21.02.08.
CR5010	11.03.08	11.03.08	Move deliverable to subsequent milestone	Implementation schedule moved to 14 March milestone (contract change to SOW payment milestone of 22 February).
CR5014	13.03.08	20.03.08	Change deliverable date	Milestone "Detailed Design 2" changed from 5 March to 25 March to accommodate delay of interface specifications delivery from 14 March to 25 March.
CR5015	14.03.08	14.03.08	Extension of time	Deliverable 6 under SOW 8 delayed from 14 March to 14 April due to late review by CorpTech of contractual deliverables in January.  Deliverable 20 under SOW 8 delayed from 29 May to 25 July at the request of QH.

CR5033	30.05.08	30.05.08	Redefined deliverables	<p>Affects deliverables relating to Definition of SOE, Desktop and bandwidth, and Legacy data assessment strategy and plan. These will be developed by CorpTech and QHEST but responsibility for ensuring they are completed to an adequate level and in a timely manner remains the responsibility of IBM.</p> <p>The deliverables identified as payment milestones in SOW 8 includes ones which were required to be provided by QH. As IBM did not have any control over those deliverables, this variation was made to redefine those variables.</p>
CR000060	18.06.08	28.06.08	Contract variation – associated delay payment of \$1,887,940	<p>Changes to SOW 8 include schedule delay payment milestone and revision of implementation schedule (6.5 week delay). Issues leading to delay primarily relate to QH's ability to deliver required changes to their legacy environments. This change request includes a detailed history of reporting of relevant delays to the Executive Steering Committee and via status reports.</p>
CR000061	18.06.08	21.12.07	Contract variation – no additional cost	<p>Amendment of SOW 8 to reflect additional deliverables and milestones associated with scope changes related to CR000060.</p>