

Health Payroll System Commission of Inquiry

STATEMENT OF MAREE BLAKENEY

I, MAREE ELIZABETH BLAKENEY, of an address known to Crown Law, state as follows:

Background

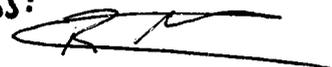
- 1 I am presently employed as a Team Leader of the Level 2 Support team for the Enterprise Procurement System within the Australian Taxation Office. I have held this position for 2 months and have worked at the ATO for five years.
- 2 I have previously held the following positions within the Queensland State Government:
 - a. Procurement Support Officer at Q Build between 2000 and 2003;
 - b. a/Contracts Officer at Treasury between March 2002 and October 2003;
 - c. Procurement Officer at CSQ between November 2003 and May 2006; and
 - d. May 06 – December 06 Principle Business Consultant, Contracts at CorpTech
 - e. Dec 06 - Dec 07 - Manager, Resource Management Unit I, CorpTech
- 3 I did not hold any formal qualifications at the time I was employed by CorpTech. In 2012 I completed an Advanced Diploma in Government (Strategic Procurement)

Employment at CorpTech

- 4 In 2006 I commenced employment at CorpTech in the role of Principle Business Consultant, Contracts for external service provider contracts. In that role, I reported to Aidan Mulvihill.
- 5 In 2007 I moved from my Principal Business Consultant, Contracts role to head up a team which was known as the Resource Management Unit. The purpose of that team was to look at strategies to reduce the operating cost of the department.
- 6 One of the strategies we were developing to reduce our costs was to look at decreasing the number of external contractors being brought into the department. At the time, a large number of non-government contractors were working in the department at great expense. Accordingly, in or around 2007 CorpTech was focused

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on reducing the number of government-employed short term consultant contracts that were in place.

- 7 As part of that process, CorpTech engaged Terry Burns to undertake a review.

Terry Burns

- 8 I cannot recall the exact nature of Mr Burns' role at CorpTech. I believe he had been involved in a cost saving project previously for the department. When he initially came into CorpTech, he conducted a review and put a proposal to the department for the appointment of a Prime Contractor for the Shared Services project. On that recommendation, CorpTech proceeded to a tender process for the appointment of a whole of government Shared Services Prime Contractor. The was done by way of an Invitation To Offer (ITO).
- 9 I do not know the exact date that Terry Burns commenced work for CorpTech but I believe he became involved with the Shared Services project about three to six months before the ITO tender went out to market.
- 10 I cannot recall how Terry Burns came first to be involved with CorpTech or if he came from a specific consultancy firm. I am aware that Terry Burns was put forward by somebody within the department and we engaged him through one of the external consultancy service providers for a particular piece of work. When that piece of work finished, he was re-engaged by CorpTech through his company. I cannot recall the name of that company.

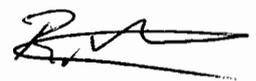
Invitation to Offer

- 11 The ITO went to market in about July 2007. I was involved in drafting the ITO, and consulting with key subject matter experts to complete the technical components of the ITO. I cannot recall exactly, but I believe I would have been involved in reviewing the documentation that went out in relation to the tender and making sure that procurement process was followed in accordance with the State Purchasing Policy. One of those persons was Shaurin Shah.
- 12 I cannot recall who provided the information that formed the basis of that ITO but I believe there would have been CorpTech subject matter experts who were responsible for drafting each of the specific sections and evaluation criteria contained in the ITO.

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- 13 Mallesons Stephen Jaques (Mallesons) were involved all the way through the ITO process. Mallesons came on very early in the process. I cannot recall whether Mallesons were recommended by Treasury Legal or if we sought them out some other way.
- 14 I cannot recall exactly how many tenderers were involved in the closed ITO tender process but Accenture, Logica and IBM were part of the closed tender process.
- 15 Prior to the closed tender process, there was a bigger group of external service providers that CorpTech considered for the Prime Contractor role. These companies were generally selected because they were working in the department through the external service provider contracts that I was helping to manage. Some of these contractors were engaged in specialist areas. However, Accenture, IBM and Logica had a broader understanding of the department's business requirements at the time and had the requisite knowledge to support a plan going forward.

Evaluation Panel

- 16 To the best of my recollection, I believe I was involved in the selection of the final three closed tenderers, being Accenture, IBM and Logica. Whilst I believe I was involved in discussions about the selection process, and had some discussions about that selection, I cannot recall to what extent I was involved or the content of those discussions. I cannot recall who those selection discussions were with. I believe they were with the Finance Director, Joanne Bugden.
- 17 Joanne Bugden also had an offsider in CorpTech but I cannot recall her name. I also recall Phillip Hood was involved with Legacy data issues, as well as another lady who was involved around business support whose name I cannot recall. Darren Bond was also involved with this group who formed the 'Tender Team' (the Tender Team).
- 18 The Tender Team had a series of meetings, but I cannot recall exactly who attended them or when they occurred. They were generally attended by people at a higher level than I was in the project area. I had some staff who worked for me at that time but they were more focused on the administration and HR side of things, so they weren't really involved in the tender process.
- 19 Terry Burns was involved in the tender process.
- 20 Prior to the ITO, I had been involved in other tenders for the government. By comparison with other tenders I had been involved with, time frame wise, there was a

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lot of pressure to get the ITO done quickly. There was high level pressure, pushing it through. There was some side influence from the external consultants as well.

- 21 When I talk about side influence, I do not mean the other three tenderers. There was influence from Terry Burns. Mallesons and John Swinson were involved in the ITO process too.
- 22 The timeframe between the issuing of the ITO to market and the response was about two weeks. In my experience that is a very tight timeframe for a tender. Some of the tenderers complained that that was a tight timeframe and they sought extensions of time to respond. I cannot recall if those extensions were granted, but I was aware that the tenderers thought it was a tight timeframe for responding to the ITO. I cannot recall which tenders sought an extension of time.
- 23 I was the point of contact for each of the tenderers. Generally the tenderers communicated with me via email.
- 24 I cannot recall the names of the contact person from the three tenderers. I can picture the man from Logica, he was "a big bloke", but I cannot remember his name. At Accenture, I dealt with someone named Simon. I cannot recall the name of the person I dealt with at IBM.

Timeframe for the Evaluation

- 25 I observed that Terry Burns was trying to condense the timeframes to deliver the project. He didn't understand government procedure or the process around government procurement.
- 26 I proposed a timetable for what I thought was a feasible timeframe for the project but that timeframe was condensed.
- 27 I cannot recall exactly, but to the best of my recollection, I initially put a timetable forward of six months plus to complete the tender process. I was aware that the project was in a hurry- but I don't know if that was driven by Terry Burns or CorpTech. The project budget was tight and the department was looking for options to minimise that budget impact. The department's approach was that the quicker we could get a Prime Contractor in place, the sooner we would know exactly what our costs were each month. I do not recall how that was communicated back to me, but it was likely to have been through Joanne Bugden.

Tender Responses

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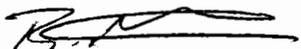
- 28 I cannot recall exactly, but I believe each of the tenderers submitted their bids and responded by the deadline. The responses were all sent to Mallesons. Then, from Mallesons, they were receipted and I would have played a part in that process.
- 29 Prior to the receipt of those responses, the Tender Team worked on our evaluation strategy. During the evaluation period, there were lots of little sub-evaluation groups formed, and we worked late into the night most times. I cannot recall each of the evaluation teams but there was a technical team, a finance team, a business team. I sat on the procurement and legal team.
- 30 A lot of little evaluation teams were formed to bring the whole evaluation process together. Presentations were made to us by the tenders and then an evaluation report was drafted with a final recommendation.
- 31 I cannot recall if CorpTech provided a briefing to the tenderers.
- 32 At one of the Evaluation Team meetings, the finance team put a series of numbers up on the board about the price of the project as estimated by the tenderers. I don't know whether that coincided with a presentation from the tenderers about price but I recall that the Evaluation Team asked questions about cost to support the numbers being proposed.
- 33 I do not recall how the evaluation strategy was determined or who drove the evaluation strategy or selected the sub-groups.
- 34 I cannot recall who decide to break the teams into separate evaluation groups or whether that was a decision of any one person. I was aware that we were simply trying to get the assessment of the tenders done quickly and the approach was taken to help break things down into smaller manageable sized pieces.
- 35 Barbara Perrott was the general manager at the time and the head of the Evaluation Panel .
- 36 I cannot recall exactly when the various evaluation sub-groups were formed but I believe it would have been determined while the tender was out in the market.

Mallesons

- 37 Mallesons provided a lot of input in to the legal and procurement team assessment.
- 38 I recall having frequent contact with Mallesons during the evaluation period. Although I cannot recall precisely, I doubt I would have reviewed the legal side of things. That section of the tender would have gone straight to John Swinson for his assessment. I

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was not reviewing the legal issues, but I ensured that Malleasons had been provided with all the relevant documents so that they could review legal issues.

- 39 I cannot recall how I ended up being the team leader legal and procurement. I believe I would have been assigned this role as I was leading procurement process for the department at the time.
- 40 Malleasons reviewed the contract conditions and any departures from the contract conditions that were put forward by the three tenderers. They also considered the issues of compliance and risk. I cannot recall any discussion about why Accenture came out on top of the assessment of the legal and procurement team.
- 41 Malleasons lead from a probity and legal point of view, and their recommendations were put forward to the executive, by which I mean Barbara Perrott, for final approval.
- 42 I do not know exactly who comprised the legal and procurement team. I was involved, as was John Swinson from Malleasons. There may have been somebody else from Malleasons working on the evaluation, but I cannot recall the name of that person. I acted as the conduit between Malleasons and CorpTech.
- 43 I did not report directly to Barbara Perrott. Joanne Bugden was my direct manager at the time.

The Sub-Reports

- 44 My role throughout the evaluation process was mainly collating the sub-reports and making sure the documents came together for the final report.
- 45 Jan Douulton was the head of the resourcing and transition team.
- 46 I had some involvement with Malcolm Campbell who headed the IR team evaluation report, although not through the tender process. I had involvement with Malcolm Campbell after the evaluation was completed as he headed up the contract management support area.
- 47 The sub-reports came in from the individual teams. The key elements of the sub-reports were extrapolated and fed into the final evaluation outcome report. I would have played a part in that process. I am not certain if I was the lead in that role, but I definitely played a part in pulling out, in the first instance, the key elements of the sub-reports and bringing those elements to the attention of the evaluation group as a whole. I worked on the final report from there.

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- 48 The sub-reports were considered broadly by the evaluation team and then any adjustments or amendments were made by team leaders as well as their teams.
- 49 I cannot recall exactly who had primary responsibility for drafting the final report. I think it was the case that I had responsibility for drafting the final report, but I did not have the authority to sign the final report. I think it would have gone up to the people with the authority to sign the final report.

Communication with Tenderers

- 50 I cannot recall if I had a role in offering constructive feedback around the reports to tenderers or whether my role was limited to collating the documents and pulling out key elements of the sub reports to draft the final evaluation outcome report. I believe I would have read all of the evaluation sub-reports but I cannot exactly recall what I did with them.
- 51 I do not recall having more contact with any one of the tenderers than the others. I cannot recall any specific queries from the tenderers. When a query did come in, I sent it to the relevant subject matter expert to provide a response and then followed the normal process of sharing that information with all of the tenderers. That response would be provided through me. I was the nominated point of contact for tenderers in the ITO and tenderers generally contacted me by email.
- 52 I not aware of IBM ever being given knowledge that the other tenderers were not.

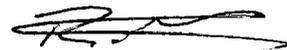
Meetings of the Evaluation Panel

- 53 The Evaluation Panel had regular meetings during this time. I remember staying back working some ridiculous hours. The leads got together on several occasions, especially around presentations from the tenderers, to discuss key points in those presentations and things that needed to be addressed as a result of those presentations.
- 54 I do not recall taking minutes at those meetings. I took notes at those meetings, but I no longer have copies of those notes. The meetings were not formal.
- 55 I recall a sense of urgency went right throughout the tender evaluation process.
- 56 I attended an Evaluation Team meeting where a pricing model was put up on the board for our consideration. I was not personally involved in any decisions around pricing. My participation in that meeting was limited to addressing any questions which arose from the presentation. I observed that pricing was a key element of the decision making process.

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- 57 Terry Burns was involved throughout the entire evaluation process. He was involved as a consultant, in an advisory capacity. I didn't have any direct dealings with him as he was advising at a level senior to me.
- 58 Although I cannot recall specific dates, from the best of my recollection, I think Terry Burns was present at some of the Evaluation Team meetings. I cannot recall whether it was all of the meetings or some of the meetings.
- 59 I cannot recall if Terry Burns had a preference for one tenderer over another. Although I cannot recall the specifics of the tenders that were submitted, Logica did not submit a full response to the ITO. Logica did not want to take up the whole scope of the project, and were only interested in part of it.

Contract Negotiations with IBM

- 60 I was involved in the contract negotiation with IBM at the beginning of the process.
- 61 The negotiations generally took place at the offices of Mallesons in Brisbane. My role in the negotiations was limited to 'backseat learning' and observation. The negotiations were directed by people senior to me. I had not previously been involved with large negotiations of that kind. I attended a number of meetings in the Mallesons boardrooms. Also present at the negotiations were Terry Burns, Darren Bond and Joanne Bugden. I cannot recall exactly who else was present at the negotiations.
- 62 Some aspects of the negotiations were hard fought and time pressure was again present. CorpTech at that time had established Project Management Office. John Beeston came in to lead that process.
- 63 The negotiations occurred in parallel with settling up the structure within CorpTech to support the contract and, again, I observed that there was haste to get the contract signed. It was my observation that IBM was keen to get signatures on a piece of paper so that they could get their bonuses and CorpTech was also keen to get the deal finalised so that they had a better idea of the on-going costs of the project to facilitate budget requirements. Terry Burns was still involved around this time. I cannot recall the role he played but I do recall him being in the boardroom at Mallesons room, walking around.
- 64 I do not have much recollection or understanding of the technical requirements in the contracts. That information came from a subject matter expert or group of experts.

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Darren Bond lead the technical team so those technical requirement may have come from his department or his division.

Reporting lines of the Evaluation Panel

- 65 I cannot recall if the Evaluation Panel had a centralised person that we reported to. I always reported up my line to Joanne Bugden. I can't recall Joanne's level at that time but she reported to Jan Dalton and then Jan Dalton reported to Barbara Perrott.
- 66 Phillip Hood was more involved around the Legacy systems at the time. Jan Dalton was focussed on the HR and finance side of the business.
- 67 My one concern about the tender process was the tight timeframe. In terms of putting those concerns in writing, I drafted a timetable, like a calendar events, and I submitted that timetable up the reporting line for consideration. The timeframe I proposed subsequently was condensed down. I do not recall how that was communicated back to me, but it was likely to have been through Joanne Bugden. I cannot recall the specifics, but I had discussions with people about my concerns around the timeframe. I cannot recall, but I believe I would have discussed it with Joanne Bugden at the time.
- 68 It has been suggested to me that, at a meeting of the sub-category team leaders in the evaluation process in or about October 2007, at which Terry Burns was in attendance, Mr Burns urged each of the heads of the sub-teams to revisit the scores they had given to their particular categories in respect of each of the tenderers. I do not recollect such a meeting.
- 69 I voluntarily make this statement to the Commission of Inquiry. The contents of this statement are true and correct to the best of my knowledge. I acknowledge that any false or misleading statement could be an offence against the *Commissions of Inquiry Act 1950* or contempt of the Commission.



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RENAE MCCORMACK.