

STATEMENT OF GERARD PATRICK BRADLEY

I, Gerard Patrick Bradley, of an address known to Crown Law, Chairman of the Capital Markets Board of Queensland Treasury Corporation, state as follows:

Background

1. I was the Under Treasurer for the State of Queensland between 1998 and 2012. I first became the Under Treasurer in 1995, when Keith De Lacy was Treasurer. There was then a change of government and my contract was terminated. I was the Under Treasurer in South Australia for two years. I came back to Queensland in 1998 following the election of the Beattie government and I was appointed as Under Treasurer in August 1998. I remained in that position until May 2012.
2. I was then appointed as chairman of the Capital Markets Board of Queensland Treasury Corporation in late May 2012 and I have since become chairman of Queensland Treasury Holdings and I have a private sector board appointment that is under way at the present time.
3. Between about 2005 and 2010, I was the accountable officer for Queensland Treasury as Under Treasurer and all of Queensland Treasury's various portfolio offices including the Office of State Revenue, the Motor Accident Insurance Commission, and the Shared Service Agency, which joined the portfolio in about July 2006. In that period, Queensland Treasury was also responsible for CorpTech.

Qualifications

4. I have a Bachelor of Commerce and a Diploma of Advanced Accounting.


CorpTech and the Shared Services initiative

5. CorpTech was the main organisation within Queensland Treasury that was responsible for the roll out of Shared Services IT systems.

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6. CorpTech requested Arena Consulting through Gary Uhlmann to conduct a review which resulted in a report dated 20 December 2005 entitled the "Strategic Review of Shared Services Solution Program". I do not recall if this 2005 report was provided to me. However I requested Mr Uhlmann to prepare a succinct "Rapid Five Day High Level Review" report presented on 18 April 2007.
7. On 1 July 2006, the Shared Services agency was formed, hosted by Queensland Treasury. This previously comprised of three separate shared service providers under the operations of line agencies. CorpTech was also Queensland Treasury's responsibility at that time, in addition to the Shared Services Implementation Office which had policy oversight. At that time, CorpTech had commenced actively rolling out a whole series of new systems, particularly finance systems.
8. From 2006 to about early 2008, CorpTech delivered about 10 major systems. It was a very busy and complex period of time and all these systems were successfully implemented, despite certain challenges.
9. After five years of operating the Shared Services initiative, the Service Delivery and Performance Commission undertook a major review of the Shared Services initiative, which commenced towards the end of 2006.
10. This was very challenging for CorpTech and the Shared Service Agency as all the agencies involved in the process were encouraged to raise concerns. The senior executives within those entities had a heavy workload, responding to all the Service Delivery and Performance Commission's information requests and other issues raised in that context. A range of concerns relating to the Shared Services initiative became apparent to me during this major review.
11. The Service Delivery and Performance Commission was chaired by Leo Keliher and I believe that Tony Hays led the review as Head of the Commission's review area with a supporting team of agency and Commission officers.

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12. Through this period, CorpTech also undertook the first major implementation of a payroll project in the Department of Housing. This was very challenging and had to be delayed before it was able to "go live". When it did "go live", there were performance issues around the system.
13. CorpTech used a number of contractors, namely SAP, IBM and Accenture.
14. At about that time, Geoff Waite and his team told me that they were unsure of the "way ahead" and that they were concerned about the ability to continue with their systems implementations. I was concerned that it was necessary to carefully evaluate the next steps, so I sought the assistance of an external consultant, Gary Uhlmann from Arena Consulting, to provide me with a high level review to identify potential courses of action from then on.

Reviews by Arena Consulting in 2005 and 2007

15. In 2005 CorpTech used Arena Consulting to conduct a strategic health check of the implementation of its system rollout. A report dated 20 December 2005, entitled "Strategic Review of Shared Services Solution Program", provided a strategic review of the Shared Services Solution.
16. The "CorpTech Snapshot Review", dated 18 April 2007 was prepared by Arena Organisation Consultants during the Service Delivery and Performance Commission's review and after my discussions with CorpTech about their concerns about the "way forward". I then engaged Gary Uhlmann of Arena Consulting to conduct an independent assessment.
17. Gary Uhlmann conducted a five day intensive review on or about 18 April 2007 and the primary recommendation made in this report was for the appointment of a Operational Program Director to undertake a replanning process.
18. Gary Uhlmann identified a whole range of issues about the capacity and ability of the team to continue to manage the implementation of a very challenging program. The roll out across very large agencies still lay ahead, particularly concerning Queensland


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Health. At about that time, the Service Delivery and Performance Commission review was finalising its recommendations, although it was not formally tabled in Parliament until some months later. Gary Uhlmann, in his review, identified a significant skill gap in the team's capacity in terms of strong program management skills.

19. Gary Uhlmann identified Terry Burns as a resource to conduct a more detailed review. Mr Burns prepared the May 2007 shared delivery Initiative Replanning Report. The work performed by Gary Uhlmann and subsequently Terry Burns was quite confronting for the senior executives in CorpTech.
20. Geoff Waite's concerns were listed in the terms of reference for the 2007 April rapid review. Geoff Waite told me he was concerned about the "way forward" and that he had difficulties with the relationship with the major agencies in terms of obtaining their cooperation and getting them to finalise their systems and user requirements. There was a lot of tension around what had arisen in the implementations that had occurred and the ability to ensure appropriate cooperation from agencies in the process.
21. Some Departments resisted having a system imposed upon them in a centralised way, having regard to their unique requirements.
22. Queensland Treasury was seeking to standardise systems across Government.
23. At the time, I understood that without the various departments' assistance, issues such as those for contractors or subcontractors like Accenture, IBM, Logica and SAP would arise. It would be difficult to identify a scope of works and the business requirements of that particular department for the purposes of rolling out a new system.
24. There had been an exhaustive process in preceding years to work with agencies to develop a standard offering which met all the agencies' needs, and if an agency had specific requirements, that would be at the particular agency's cost.

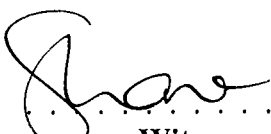

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25. The overall conclusion of the April 2007 report was that the Program had reached a point of "Critical Vulnerability". It recommended that Queensland Health should not be advanced. It also said, "Refocus on DETA and other agencies."
26. That report also concluded that "Program budget will be exceeded". Queensland Treasury had allocated a certain amount of budget to the Shared Services initiative and the Shared Services Solution. At that time, there was a concern that Queensland Treasury did not have sufficient resources to fund the remaining roll out of systems implementations.
27. That report recommends appointing an operational program director by 23 April 2007, which led to the engagement of Mr Terry Burns.
28. In his 18 May 2007 report, Mr Terry Burns suggested that the rest of this Shared Services program could not be rolled out for what was remaining in the budget under the implementation process and approach being taken by CorpTech.
29. Upon reading these reports, it was clear that if Queensland Treasury continued with CorpTech's implementation process, in which CorpTech managed the projects internally and hired quite expensive consulting and contractors to do the technical work, such process was not a viable "way forward". It was necessary to implement a tighter regime and process by which there was much more certainty around future costs and roll out strategies.
30. This led to the commissioning of a further analysis outlined in the report "Shared Services Initiative Program Rebuild Phase III Report", prepared on 15 September 2007. This proposed a fundamental "re-think" of the way ahead and identified the potential use of a prime contractor to take over the program management role from CorpTech and manage the consulting or contracting workforce to support that.
31. After Mr Uhlmann's report dated 18 April 2007 was compiled, Mr Uhlmann spoke to me in person about his report. Mr Uhlmann told me he had fundamental concerns

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about the systems implementation process as being run by CorpTech, and told me I needed to make some very important decisions and fundamental changes to ensure that systems implementations could occur in an appropriate way.


32. I then consulted key senior management of CorpTech as to the difficulties CorpTech were encountering in the roll out of the Shared Services solution. In particular, I consulted the senior executive team in CorpTech which included Geoff Waite, Executive Director of CorpTech, Darrin Bond, who assisted Mr Waite in the roll out and Philip Hood, a deputy executive.
33. The content of Mr Uhlmann's report dated 18 April 2007 was more alarming than I expected. I understand that CorpTech found it a bit confronting as well.

The appointment of Terry Burns


34. Mr Uhlmann discussed with me his recommendation for an operational program manager and as a result of those discussions, Mr Uhlmann identified an appropriate resource who could assist CorpTech, namely Terry Burns.
35. I believe that Queensland Treasury then entered into a consultancy contract with Terry Burns to undertake some specific defined pieces of work to review in more depth the position the Department was currently in and the "way forward". There were some quite defined deliverables within a certain period that Mr Burns was asked to undertake. Mr Burns was initially engaged to assist Queensland Treasury to identify a "way forward".
36. I am not sure if Mr Uhlmann suggested to me at that meeting that Terry Burns would be an appropriate operational program manager, however it certainly came about through the process of engaging Mr Burns.
37. At that stage, I had not met Mr Burns. I understand that Mr Burns was a South African who had been involved in significant systems implementations in a range of settings, including some large systems in New Zealand.

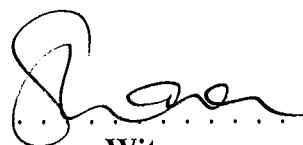
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38. I cannot recall who was the prime contractor or the contractor in these large projects in New Zealand that Mr Burns was concerned with. It may have been IBM.
39. Terry Burns then undertook a series of further work. I believe that Mr Burns' further work was seen by Geoff Waite as very confronting and he had difficulty accepting Mr Burn's views. This was after five years of extremely challenging work in CorpTech. I believe that Mr Waite was under some stress as a result at this time.
40. I discussed this with Mr Waite and we agreed that Mr Waite should have a break. I have a very high regard for Mr Waite, who had achieved an enormous amount in the five years heading CorpTech.
41. I hoped that Mr Waite would return from leave and resume his role. After Mr Waite returned from leave he indicated he did not wish to continue and by mutual agreement, I terminated his contract and he left CorpTech. I would have agreed to find Mr Waite another role but he indicated he wanted a fundamental career change outside the sector.
42. When Mr Waite went on leave, I think someone may have acted in his role. I cannot recall if Barbara Perrott acted in that period or not.
43. When it was apparent that Mr Waite needed to be replaced I looked for a suitable candidate from Shared Services senior executives. I knew that Ms Perrott had very good relationship skills which she had demonstrated in her running Shared Service providers across a diverse range of portfolios. She was a very mature and experienced person and I thought she could step into Mr Waite's role and ensure that CorpTech continued to operate.
44. Ms Perrott had strong experience in the Shared Services implementation, but she was not an IT expert.

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45. Notwithstanding that, there was a strong team within CorpTech of very experienced people in IT implementation, such as Darrin Bond and Philip Hood.
46. When Barbara Perrott started at CorpTech, she ran the CorpTech organisation.
47. Terry Burns was initially at CorpTech in a strategic review role, although his initial work was essentially reporting his findings for my consideration and action.
48. During this period, my Deputy Under Treasurer, David Ford, played a key role in actively working with all of the parties involved, providing oversight of what was occurring through this period.

Reports of Terry Burns dated May 2007 and September 2007

49. I am aware of the "Shared Services Initiative Re-planning Report" prepared by Terry Burns dated May 2007.
50. I cannot recall if Mr Uhlmann told me that Mr Burns was involved in the Arena Consulting April 2007 five day high level review.
51. I am not aware that Mr Burns was not paid by Arena Consulting for conducting that review and had offered to participate in that review as a consultant for free.
52. I believed that Gary Uhlmann had undertaken that review and I am unsure of what resources he used in that process.
53. I am not familiar with a consultancy firm called "Information Technology".
54. I believe that Mr Burns' May 2007 Shared Services initiative re-planning report was presented to me and I believe I read it at that time.
55. The primary recommendation made in this report concerned a fundamental change in the way CorpTech conducted program delivery. It proposed that the Program

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continue with significantly reduced scope and stringent new productivity, acceleration and governance processes while further replanning was undertaken.

56. I had a meeting with Mr Burns after he presented his review to me and the senior executives in CorpTech attended that meeting also.
57. In that meeting, Mr Burns explained his findings and said that his fundamental concern was that the current delivery model was not viable, and that CorpTech needed to fundamentally change the way it went about it.
58. CorpTech had achieved significant systems implementations up until that point in time. It was arguable whether the case was as adverse as asserted in the reviews by Mr Uhlmann and Mr Burns respectively however, I believed that a fundamental change was necessary.
59. After Mr Burns presented his report to me, he was then engaged in a different role other than the role of simple reviewer. Mr Burns prepared a report with appropriate recommendations and then went through a quality assurance process where he engaged an accounting firm to review his proposal. This was then presented to the CEO Shared Services Implementation Governing Board. Leo Keliher had joined the Governing Board.
60. The "SSI Program Rebuild Project" dated 11 September 2007 was prepared by Terry Burns, the "The Program Review Director: SSS program". This included the strategy of having a prime contractor as recommended to the CEO Governing Board.
61. Mr Burns was engaged during this period as a private consultant through CorpTech to assist CorpTech in market testing and to consider the prime contractor model. I do not believe that Mr Burns had ever been a public servant in the Queensland Public Service.

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62. Mr Burns' position was designated under Barbara Perrott and Philip Hood. Given that Mr Burns was an expensive resource, after the prime contraction was in place, we decided to end his contract and replace him with a permanent public servant in the first half of 2008.

63. A large number of staff left CorpTech in 2007 and 2008, including Terry Burns.

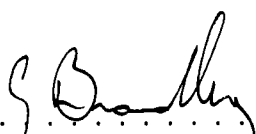
Conflicts of interest

64. It has been suggested to me prior to a prime contractor being determined after the Invitation To Offer ("ITO") process in or about April 2007, Mr Damon Atzeni from Queensland Health commenced to request CorpTech, initially through CorpTech, engaged IBM for the Lattice replacement scoping. I am not familiar with the signed contract between IBM and Queensland Health for the Lattice replacement scoping.

65. I am not aware of the work that was being undertaken for Queensland Health by IBM, which ultimately became the prime contractor. However, this would indicate the difficulty Queensland Treasury had in stakeholder management of agencies which often were impatient for a solution from CorpTech and some of them may have sought to find a way to move their project forward.

66. I cannot say if that it would cause me concerns in terms of potential conflicts of interest if the person who was engaged in that process of contracting, or who caused IBM to be contracted for the scope of works in relation to the Lattice replacement scoping, was eventually on the assessment panel for the closed tender,. However, the assessment panel had representatives from a number of agencies. The technical aspect of this panel was chaired by Darrin Bond, who I held in high regard.

67. Experienced IT executives may have had periods of work with significant companies like IBM, but that in itself would not preclude them from the assessment panel. This assessment process was conducted in accordance with the State Purchasing Policy and a full competitive process and full evaluation were conducted. Tenders were submitted for evaluation by a panel of experts from a range of agencies. We sought

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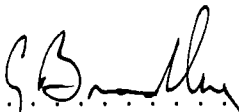
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to conduct the assessment in a professional way to ensure that the outcome took into account all the issues.

68. I am now aware that Terry Burns did not declare as a conflict of interest that he had worked with IBM in 2006. I do not recall Mr Burns stating that, "I have a conflict because I worked for IBM." Had Mr Burns been working for IBM at that time, there would have been a conflict of interest. However, the fact that he had previously worked with or for IBM would not necessarily have been a conflict of interest.
69. In relation to the mechanism by which the State of Queensland through its procurement policy brings to the attention of an independent contractor the need to declare conflicts of interest for a tender process, I am not sure of the precise requirements that exist in the consultancy agreement that Mr Burns would have signed. However I expect there was a standard form contract that applied in these cases.

Request for Proposal ("RFP") process

70. The RFP process came about because of the decision to consider the prime contractor model. It was necessary to conduct some market testing to ascertain whether there was sufficient interest in the private sector to undertake that role.
71. The RFP process was undertaken to invite the major partners working with CorpTech or who had been working with CorpTech through that period, such as Accenture, IBM, SAP and Logica to present their proposals to the Government. I recall attending some presentations which occurred at about that time by the major providers, as I wished to inform myself as to the relevant credentials of the various parties involved.
72. I cannot recall a meeting with Marc Salouk from Accenture, Barbara Perrott and Terry Burns prior to this RFP process, whereby Accenture expressed concerns that it regarded a response to the RFP as different from a Request for Information in that

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Accenture believed that a Request for Information would result in the intellectual property in its proposal being made public.

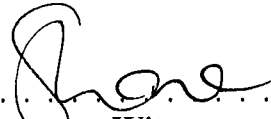
73. The intellectual property in a RFP would ordinarily remain confidential as the property of the tenderer. However, I believe that there may have been provisions in the RFP that resulted in the information becoming the property of CorpTech also.
74. If CorpTech had the right to utilise that information, it would not utilise it for the purpose of giving it to another tenderer, when the closed tender process eventuated, as this would offend the procurement policies for the State of Queensland.
75. It was correct for Accenture to have expected that had these RFPs been acceptable, that would then have led to a process under which a contract would have been awarded. However, it is not necessarily always the case that a RFP will lead to a contract being awarded, as a RFP is more in the nature of market sounding or credentials. It is unusual practice for a second Request for Offer (RFO) process to then be used to allow a contract to be awarded.
76. At the end of the RFP process, I cannot recall if Accenture was rated first and IBM second. I recall that they were strong proposals, but I cannot recall whether they were formally rated one against the other.
77. These proposals confirmed that a prime contractor model was reliable and a viable "way forward".

Report dated 16 August 2007 to the Shared Services CEO Governing Board

78. The Agenda item 5.2 report dated 16 August 2007 to the Shared Services CEO Governing Board indicated that the strategy has been to move to a competitive bid process for a Prime Contractor under a carefully constructed contract.
79. This did not in my view imply a contract would be awarded at the RFP stage but rather flagged the process (including the RFO) that was subsequently undertaken.

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80. The RFP process informed the closed tender process where potential providers were identified who then participated in the next formal tender process.

Meeting with Accenture

81. It has been suggested to me that I attended a meeting with Accenture, whereby Accenture specifically asked me and I told Accenture that a contract could be awarded for the Shared Services solution after the RFP process. I do not recall that meeting.
82. I cannot recall Accenture seeking any assurances from me that a contract could be granted as a result of the RFP process. I do not have any specific recollection of Accenture being rated 1 after that process and I do not recall anyone objecting to that process with the awarding of a contract for that process.
83. Whether notes were taken of meetings depended on the nature of the meeting.
84. I am aware of two meetings in August 2007 at about the time of the RFP presentation, so the process was well under way by then. I do not know if there were notes of these meetings.
85. Legal advice was sought as to next steps following the RFP process. I do not recall if the advice stated that a contract could be awarded from the RFP process, my recollection was it advised we should proceed to the next stage of the ITO and the closed tender process.
86. I sought the advice of Queensland Treasury's Commercial Counsel, Keith Millman, as to the appropriate process. It was complicated, given that there were existing contracts with those various parties and it was not clear whether taking on a new role could occur under one of the existing contracts.

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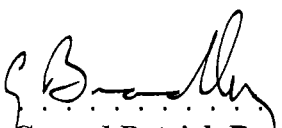
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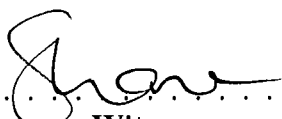
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87. Mr Millman obtained external legal advice which recommended proceeding with the next stage of the process, which then occurred.
88. I cannot specifically recall if Marc Salouk from Accenture expressed concerns to me about Accenture's proposal to the RFP, which was more than 100 pages and contained sensitive intellectual property and pricing information being leaked to competitors.
89. It has been suggested to me that Mr Salouk from Accenture asked me the following question in a meeting in July 2007, "Is this RFP the first stage of two because, if it is, we have concerns around commercial information being leaked after this stage if we have to go through another process." I recall that they advised they had legal advice and that the RFP for the PSP was going to be the binding RFP. I understood that to mean that the RFP was a one stage process, after which the contract would be awarded to a prime contractor." I cannot recall that meeting.
90. It has been suggested to me that Mr Salouk recalls me telling him that I had taken legal advice and was confident in the RFP process. I cannot recall that meeting and I cannot locate any records showing that this meeting took place.

Terry Burns' role

91. I believe that Mr Burns was keen to progress something and Mr Millman's advice was that a more formal process was required.
92. I understand that after the RFP process, Mr Burns thought that IBM potentially was the preferred tenderer, because Mr Burns thought provided a better "way forward". Mr Burns expressed these views to me when we discussed the "way forward" at that time.
93. The briefing note from Queensland Treasury to the Deputy Treasurer and Minister for Infrastructure dated 27 August 2007 specifically identifies the use of a prime contractor model. That briefing note states that the Shared Services CEO Governing

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Board endorsed a revised "Conceptual Model for Program Delivery". This included a redefinition of supplier partner arrangements. It advised an RFP process has confirmed the Prime Contractor arrangement and an RFO is planned to secure a prime contract on a fixed price basis. This is a reference to events after the completion of the RFP process, that is the results in the ITO.

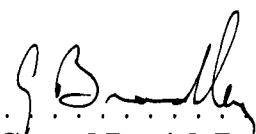
94. I attended presentations as a result of the proposals of Logica, SAP, IBM and Accenture in response to the RFP, but I cannot recall reading the proposals of these parties.
95. Terry Burns was the lead person in the RFO and ITO processes.
96. I recognised that Mr Burns was a contractor rather than an experienced Queensland public servant, however I believed that Mr Burns had the technical expertise to undertake the processes. Queensland Treasury sought to ensure that appropriate government processes were followed and that the full process of requests for offer or the requirements of the State Purchasing Policy were followed. That is why I obtained legal advice to ensure that the process was closely overseen.

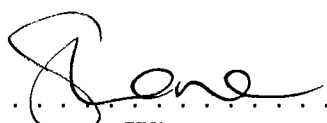
David Ekert's conflict

97. I can vaguely recall a short advice from Mr Millman in relation to whether David Ekert had a conflict. I believe that Mr Ekert ultimately decided that he had a conflict.

Mallesons

98. I am aware that John Swinson, a solicitor and senior partner from Mallesons, led the legal work from Mallesons.

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Briefing note dated 23 October 2007

99. I am aware of a briefing note dated 23 October 2007 from Queensland Treasury and the Department of Public Works for the Treasurer and Minister for Public Works Housing and Information Communication Technology.
100. At that time, Queensland Treasury was transitioning the whole Shared Services initiative across to the Department of Public Works. The ministerial orders at the time had a shared responsibility between Treasurer, Andrew Fraser and Minister Schwarten. As the Shared Services agency had already gone to the Department of Public Works, and that CorpTech was going to the Department of Public Works at the end of that financial year, I believed that key decisions such as this should be submitted to both Ministers for consideration, so this briefing note was cosigned by Mal Grierson and me.
101. This briefing note was prepared by Declan McNamara, in consultation with Barbara Perrott and David Ford, the Deputy Under Treasurer.

Accenture's letter dated 31 October 2007

102. The letter dated 31 October 2007 from Accenture clearly tried to reopen the tender process, which would have required everyone else to be informed of that.

ITO process

103. I had regular fortnightly meetings with the senior executives of each portfolio office in order to keep me informed of their activities.
104. Declan MacNamara provided me with support on Shared Services generally. He prepared a Status Update Report dated 18 October 2007 as to the ITO process, i.e. the ITO's progress and that it was still being assessed. In that Status Update Report, it refers to an evaluation report and recommendations to be submitted to the Under Treasurer on 22 October 2007. Further, it was stated that under this funding strategy,

\$153 million was available towards phased implementation of the business solutions under a private contractor arrangement. This estimate is the same as that provided in the 23 October briefing note to Ministers (see paragraph 15 of the briefing notes for further details).

105. I remember that there were requests for offers and that each bidder was given an opportunity to do their best and final offer. The decision was then made as to which was the preferred tenderer. I believe that Accenture then became aware that it was not preferred and it sought another opportunity to revisit its offer.
106. I did not participate in the assessment process.
107. I recall that the IBM offer was considered to be superior in terms of price and timing for the roll out of various systems relative to Accenture.
108. I am aware that IBM as an IT contractor submitted an offer at a lower price and used a shorter time frame than the other bidder. I had no reason to believe that IBM would not be able to deliver at the tendered price.
109. I relied on the assessment of the Government's technical team as to the viability of the offers, bearing in mind that significant due diligence had occurred during this period. The Government was looking to use the standard offering, such as the SAP and other software which had already been implemented in a number of agencies.
110. IBM had its particular configuration of this software, which it believed would achieve the time lines proposed. I believe that site visits were conducted and it was checked whether IBM's technical solutions were viable.
111. In relation to the probity of the tender process, I knew that for the roll out of the Shared Services initiative, prior to going to a prime contracting model, that CorpTech had engaged IBM, Accenture and Logica as contractors in relation to the Department of Housing roll out for finance and HR.

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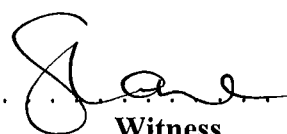
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112. It was a challenging period of time that contractors from Accenture, Logica and IBM were engaged with CorpTech when a closed tender process was being conducted.
113. CorpTech was rolling out systems continuously through this period and all these providers were essential for those processes. As to any leakage of confidential information, CorpTech had requirements in terms of access to its records and systems. There was an internal auditor, who monitored any issues arising during any of those processes.
114. I am not aware of intellectual property of a tenderer in this RFP process being conveyed to its competitors through the ITO process.
115. There was a debriefing with Accenture after it lost the ITO process. I signed a letter to Accenture, which stated that, "I would, however, like to meet with you to discuss a number of other issues which have arisen in regard to this ITO. Could you please make contact with Ms Tanya Byriel in my office to arrange a suitable time".
116. At about this time, there was a concern that an Accenture contractor may have inappropriately accessed CorpTech's files. I was also aware during this time Accenture was making informal approaches to Ministerial offices. It was intended at the end of the process to give a debrief and to go through those issues at that time.
117. I was not involved in this debrief with Accenture. My only purpose in meeting with Accenture was to tell them that if they had issues or concerns, it was not appropriate to go outside the process but to work within the process and to undertake a proper debriefing. I do not have a note of that meeting.
118. As to Terry Burns being a non-public servant and conducting the tender process, I sought to ensure that the process was conducted in accordance with the State Purchasing Policy and the Queensland Treasury legal team and CorpTech management was overseeing the process and ensured it was properly documented and conducted. I believe that the Auditor-General either then or in his 2010 process

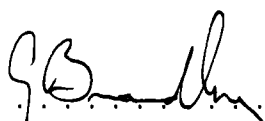

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reviewed the process and I am not aware of any concerns he raised about the manner in which the process was conducted.

The evaluation process of the ITO

119. An evaluation committee comprising of many individuals undertook this assessment. There were a whole series of teams led by key executives such as Darrin Bond, who did individual assessments which were consolidated by the evaluation committee, of which Mr Terry Burns was a member.
120. It has been suggested to me that Darrin Bond was in charge of two teams and that when one of his teams did its initial assessment, it ranked Accenture first and IBM second. It has been suggested to me that Mr Bond has a specific recollection that two-thirds of the way through this process, independent of price, Accenture was leading the bids. Further, it has been suggested to me that Terry Burns then called all the team leaders into a meeting where he said, "I want you to look again at your assessment" and "look at questions of experience and capability." It has been suggested to me that Darrin Bond's team had already assessed the proposals in terms of capability and experience, but because of Terry Burns' urging, his team reconsidered. It has been suggested to me that as a result of that reconsideration, the scoring by his team was changed so IBM became the lead tenderer over Accenture. I have no personal knowledge of these events.
121. It has been suggested to me that Mr Bond was sufficiently concerned about that process that he then went to Barbara Perrott and expressed concern about Mr Burns' intervention. It has been suggested to me that Barbara Perrott told Mr Bond that he had had his "chance and now it's someone else's chance." I cannot recall Barbara Perrott bringing Mr Bond's concerns to my attention.
122. If Ms Perrott had raised those concerns with me, I would have been concerned.

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Gerard Patrick Bradley

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Witness

123. I am not aware of any allegation as to if Accenture's intellectual property in its 100 page proposal in response to the RFP was passed on to IBM for the purpose of the closed tender process.
124. I do remember a technical breach which involved an Accenture person referred to in paragraph 116.


The contract

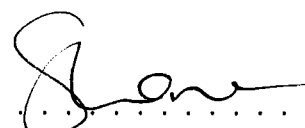
125. The contract was a "not to exceed price" contract. It was a fixed price contract for each statement of works.
126. Any additional work sought or required beyond the contract required negotiation.
127. During the process by which Terry Burns conducted his own review and other work, CorpTech sought and requested that Mr Burns undertake a process of quality assurance, so he engaged independent sources of advice to confirm the nature of his assessment.
128. I do not recall a specific briefing note to me prior to the contract being signed on 5 December 2007.
129. I met John Swinson from Mallesons, as well as Keith Millman and other people who discussed the contract in detail with me. The final version of the contract was then signed.
130. I signed the contract dated 5 December 2007 as Under Treasurer. The contract was not signed jointly signed by Mr Grierson as Director-General of the Department of Public Works and me, because CorpTech was in charge of this process and was part of the Queensland Treasury portfolio. As the accountable officer for Queensland Treasury, I was advised by the legal team that I was the appropriate officer to sign the contract.

131. All CorpTech's documents and files moved across to Mal Grierson as soon as he became responsible for CorpTech. I do not know if there was a formal hand over process which included large volumes of material as well as the IBM contract.

132. Schedule 17 of the contract dated 5 December 2007 states that:

"Prior to accepting a relevant statement of work for the fixed price, the customer may ask third parties to provide a quote for the work covered by the statement of work and may engage a third party to do that work.


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Gerard Patrick Bradley


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The contractor will not be liable for any work undertaken by the third party”.

133. I am not aware of whether an independent assessor process was ever followed in terms of converting the best estimate price to a fixed price.

134. Schedule 19 of the contract dated 5 December 2007 states that:

“IBM's overall demonstration of leadership, effective engagement and responsiveness of the project”. It is then stated that the “level of IBM performance against expectations above, below to expectation, data collection, interview with Under Treasurer, survey of IBM's leadership, timely escalation of program issues and competence and skill in driving the successful execution of the program.”

135. I did not give a rating for the relationship scorecard quadrant.

136. I did meet IBM at least once at the start of the process where I emphasised to IBM the importance and critical nature of the contract.

137. Schedule 39 at clause 1.1 of the contract says:

“The customer may nominate an independent assessor to conduct a service and performance review of the operation of the deliverables against the project implementation and payment plan, the applicable statement of works or against any service levels. The independent assessor will measure the effectiveness of the solution designed by the contractor, having regard to the customer's requirements, the implementation and roll out of plans that underpin the solution and the services provided by the contractor included but not limited to the overall suitability of services, deliverables and design supplied.”

138. I am not aware of whether the State appointed an independent assessor to conduct a service and performance review of IBM under this contract.

I make this statement of my own free will believing its contents to be true and correct.

Dated at 4 pm this 1st day of March 2013.

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Gerard Patrick Bradley

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Witness

QUEENSLAND HEALTH PAYROLL SYSTEM COMMISSION OF INQUIRY

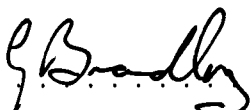
STATEMENT OF GERARD PATRICK BRADLEY


I, Gerard Patrick Bradley, of an address known to Crown Law, Chairman of the Capital Markets Board of Queensland Treasury Corporation, state as follows:

1. While I do not recall the events referred to in paragraphs 121 and 122 of my Statement dated 1 March 2013, I do have some recollection that on one occasion during the evaluation process, Darrin Bond sought my advice as to what approach he should take in his assessment. I advised him that he should do his assessment correctly as he saw it, which is what I understood he did.

I make this statement of my own free will believing its contents to be true and correct.

Dated at 9.30 am this 5th day of March 2013.

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Gerard Patrick Bradley

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Witness