



**QUEENSLAND HEALTH PAYROLL SYSTEM  
COMMISSION OF INQUIRY**

**Statement of Witness**

<i>Name of Witness</i>	Malcolm Archibald Campbell
<i>Date of Birth</i>	
<i>Address and contact details</i>	Known to the Commission
<i>Occupation</i>	Project Manager
<i>Officer taking statement</i>	Jonathan Horton and Elizabeth Kenny
<i>Date taken</i>	15/ 3 /2013

I, Malcolm Archibald Campbell, state as follows:

**Background**

- From about August 2005 I was engaged as the Implementation Lead, SAP Finance Implementation in the Queensland Government, with CorpTech, a unit within Queensland Treasury. I have a Bachelor of Business (Management & Economics) from the Queensland University of Technology, am a qualified "Prince2" practitioner and hold qualifications in Unisys Team Method and PMBOK project management methodologies.
- Prior to this engagement with the government, I was involved in consultation roles in procurement, contract and vendor management and project management for ICT systems throughout Australia, United Kingdom and the Asia Pacific.
- The role I performed within CorpTech was with the Shared Service Initiative. That role was to lead a team to implement a common Finance system for the whole of government.
- At that time, Mr Geoff Waite was the Executive Director of CorpTech, and Mr Darrin

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Bond was the Program Director. My role initially reported to Mr Adrian Esler (a contractor), and then following his departure to Ms Debra White, a Public Servant who transferred to CorpTech from Treasury.


5. I finished in the role of Implementation Lead at about November 2007 during the process to appoint a Prime Contractor. At this stage, the Finance system had been implemented into 11 agencies and 3 Shared Service providers.

#### **Invitation to Offer and other early events**

6. I have no knowledge of any procurement process prior to the procurement process referred to as the Invitation to Offer (ITO).
7. I did have involvement in the evaluation of the responses to the Invitation to Offer for the engagement of a Prime Contractor for the implementation of Finance and HR systems for the Whole of Government.
8. I was part of the Evaluation Panel for that ITO and was the Team Leader responsible for reviewing the proposed implementation methodology component and the tools that tenderers would use to implement and deploy the solution. Other teams were responsible for other components of the offers.
9. I had no involvement in any prior Request for Proposal (RFP) or like process for the Whole of Government initiative. My main focus during the time prior to November 2007 was the implementation of the Whole of Government SAP Finance system.
10. During the early stages of the development of the ITO, Mr David Ekert (the Programme Manager for CorpTech at the time) did recommend that I be part of the ITO team because of my background prior to joining CorpTech<sup>1</sup>, that I should be part of the team working on the ITO procurement documentation. Mr Keith Goddard did not think that was a good idea because I was a public servant and would not have the knowledge of ICT procurement for a program of this size. I did not, for this reason, participate in the

<sup>1</sup> My background in the private sector relating to ICT procurement activities.

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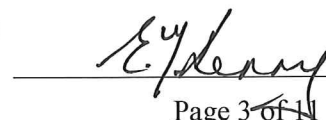
development or review of the ITO documents prior to the ITO being issued.

11. The first occasion I reviewed the ITO documentation was prior to the ITO Evaluation Process.
12. I am not aware of another tender process taking place which had been the subject of advice obtained from Mallesons Lawyers, or of any award of a tender to Accenture preceding entry into the contract. I am not aware of any controversy involving Mr Ekert (a contractor) concerning the Evaluation Panel, about his participation in the Evaluation Teams or of his having a perceived or real conflict. My recollection is that he was on the evaluation panel, but I cannot be sure of that. He was the Program Manager at the relevant time, and my recollection is that Mr Ekert did participate in the tender evaluation but I cannot confirm what his role was.
13. At that time in CorpTech, there were many contractors engaged on a variety of tasks. These contractors were sourced from a number of suppliers, but for the Finance implementation, were channelled through Logica which I recall was a 'preferred supplier'. Logica did not participate in the day to day management of the implementation of the Finance System.
14. I was responsible for the engagement of about 26 or 27 subject matter experts, with a blend of contractors and public servants. My intention was to engage from the contractor market to bring in specific skills that were not already in CorpTech. The goal was to eventually achieve a transfer of knowledge from the contractors into the Public Servants so that, in time, we could transfer responsibility to the Public Servants and reduce the number of contractors.
15. My understanding is that the Invitation to Offer was a closed tender. My professional opinion at the time was that this was unusual, but I had no knowledge of the activities that had occurred prior to the ITO process.
16. In my professional opinion, the wording of the ITO document was that it was very

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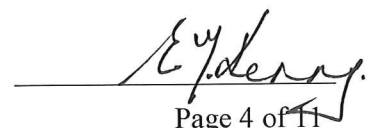
prescriptive and did not present to the market the opportunity to offer a solution based on the bidders unique capability to implement a systems solution to support business processes of the Finance and HR workstreams.

17. My recollection is that the ITO was sent to four companies, SAP, IBM, Logica and Accenture. My understanding is that SAP indicated that it was not interested in responding as its role was to supply the system, not to implement. It had involvement through a preferred implementation partner. The remaining three bidders were Tier One integrators.
18. My understanding is that Logica's response was non-compliant because it only addressed the Finance system not the HR system.
19. In saying that having a tender invitation process which was closed was unusual, I refer to the process proposed by the Queensland Government Chief Procurement Office and a requirement that that office sets out a process to follow. My professional opinion was that this process was not being followed.
20. In general terms, that process is to engage with the market to identify which participants in the market have the potential to meet the requirements of the customer. A series of reviews are undertaken to see which companies are capable of undertaking the role. Consideration is normally given as to whether a single company or a number of companies would be responsible for delivering against the request. My understanding is that this process is to try to make the procurement process as open and honest as possible, so that vendors have that feel they can offer something, have the opportunity to respond if they wish. Normally this is the RFI stage of the Procurement process.
21. In my professional opinion, if the business processes have been clearly articulated during the procurement process and the responding bidders have indicated that they can propose a system solution that supports these business processes, then an evaluation process can then look at the way each bidder proposes its solution and how the proposal meets the business requirements. The customer can evaluate how each vendor proposes

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to meet the requirements.

22. If during the procurement process, the customer prescribes quite clearly the specific system requirements and timeframes during the process, then a bidder is only required to respond to the specific questions, not to propose a solution that can be evaluated as to how each bidder's solution will meet the business requirements. If, during the procurement phase the customer fails to document all the system requirements to meet business requirements, then this gives the opportunity for the successful vendor to implement changes during the implementation phase using a change control process or contract variation process to meet what would be considered "Out of Scope" during the procurement process.
23. My professional opinion was that the ITO in this case was very specific in what it called for bidders to do in relation to implementing the Whole of Government system, by way of systems and timeframes. There were many attachments to the ITO, including information concerning the Shared Services Initiative and the various awards.
24. In my experience, an important component of the procurement process is to ensure that the customer offers as much information as possible to the bidders wishing to respond to the offer so that they understand fully the environment to which they are responding. My professional opinion of what should have been documented during the ITO process (and is the actions I have undertaken on many occasions in private enterprise) is to provide as much background information in schedules to support the ITO. An example of these schedules follows:
- Schedule 1 – The Invitation to Offer
  - Schedule 2 – Instruction to Bidders
  - Schedule 3 – Sample Contract
  - Schedule 4 – Scope of Supply and Timetables
  - Schedule 5 – Technical Descriptions about the target environment with response schedules
  - Schedule 6 – Drawings
  - Schedule 7 - Sample Forms

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- Schedule 8 – Abbreviations

25. CorpTech provided information in the attachments to the ITO, not in separate schedules. In my professional experience, the way the wording in the ITO is framed should be to ask the bidder to support a business requirement, and the evaluation then looks to how companies propose their approach to solving that business requirement. If the bidder misses a major component in its response, and the business requirement is not resolved to the satisfaction of the customer, then that problem remains with the bidder, and the bidder needs to manage that risk, not the customer.
26. One important document I normally include in the schedules supporting the procurement process is a draft contract. This is to ensure that bidders responding to the offer understand the future contractual framework that they will be operating within and offer a solution that can be delivered within the proposed contractual environment. Whilst there can be some negotiation after the awarding of the tender, it sets the environment and the obligations so that, after the completion of the successful bid, there can only be negotiation around certain points of the contract, not the whole contract.

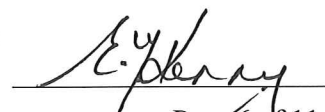
### **Evaluation process**

27. My recollection is that the ITO evaluation process was led by Mr Terry Burns, and managed by Mr Keith Goddard and Mr Shaurin Shah. My recollection is that Mr Burns had originally been engaged by CorpTech to look at what was going wrong with the implementation of the Whole of Government systems program, and advise on a way forward. I had no involvement in this engagement.
28. My recollection is that Mr Burns was engaged by a process initiated by Mr Philip Hood. This recollection is that he was originally engaged through a company called Information Professionals, the principal of which is Mr Mark Nicholls. I was introduced to Mr Terry Burns by Mr Mark Nicholls.
29. My understanding is that Mr Burns was brought in to present a very independent view and to provide independent advice on what was needed to progress with the Whole of

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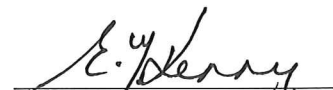
Government initiative. My understanding is that Information Professionals had been part of the procurement process for Mr Burns because Mr Nicholls from Information Professionals had a role within CorpTech under the Prince2 Methodology called a "Trusted Advisor". My recollection is that Mr Nicholls was a Trusted Adviser to Barbara Perrott.

30. There was, I recall, some connection with a company known as Arena Consulting. A number of contractors in the CorpTech office were engaged through Arena, as I believe they were a preferred supplier, as was Logica. David Ekert was also engaged through Arena. I have no recollection on how many consultants were engaged through Arena, nor the relationship between Information Professionals and Arena.
31. My first contact with Mr Burns was soon after he had been engaged by CorpTech to advise of issues relating to the delivery of the Whole of Government initiative. My recollection is he operated independently from CorpTech management. I recall at one point in time him referring that he had a direct line to the Under Treasurer, and that calls from the Under Treasurer would take precedence over any activity.
32. Mr Burns worked on a team which had a number of contractors. Mr Keith Goddard and Ms Trish Brabbin. He also engaged Mr Shaurin Shah and I am not certain whether Mr Shah was a public servant at the time or whether he had transitioned to work as a contractor. Mr Burns wrote a series of draft reports. My understanding is that the report titled Program Rebuild Phase III Report dated 15 September 2007 was the final. That report, along with a number of other recommendations, suggested the engagement of a Prime Contractor.
33. I had a discussion with Mr Burns to suggest to him to split the role of delivering the Shared Services Initiative into two parts: the Finance implementation which was now going very efficiently, so we should look at continuing that process, and perhaps using a prime contractor for the HR component. At this time, there was a very skilled CorpTech team that was running the finance system implementation.

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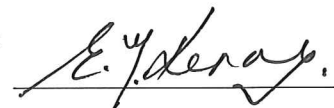


34. Mr Burns, however, was clear in his view that it was better to give all roles to the Prime Contractor. I did not pursue this matter with him.
35. I have been asked whether Mr Ekert could not sit on the Evaluation Panel because advice had been given preventing him doing so, in effect, because he was connected with Arena. I do not have a recollection of this.
36. I have no knowledge of the connection between Mr Burns and Arena Consulting. Mr Burns' company is called Cavendish Risk Management. He had to my knowledge done a lot of work in acquisitions and mergers and failing projects. This information is on the Cavendish Risk Management website.
37. I am not aware of any association which Mr Burns had with IBM prior to the ITO process.
38. He did recommend in his report(s) the team structure for the management of a Prime Contractor. He recommended the role of a Program Delivery Directorate managed by a Program Delivery Director. He recommended there be a Solution Design Authority (SDA). In his report he expressed the view that the SDA be an empowered organisation (as the group responsible for design).
39. One recommendation was the establishment of a Program Office. On completion of my role with the Finance System implementation, I was engaged in the Program Office. The Program Manager was Mr John Beeston. I was engaged as the Vendor Manager. Mr Chris Bird was engaged as the Contract Manager and there were a number of Project Officers. Due to complexity of the contract and the need to ensure that the contract was well managed, I engaged Mr Bird (a lawyer). He had practised in Hong Kong with a company called Linklaters and then he came to Australia where he did contract and vendor management within the construction industry. My view was he was very knowledgeable in the management of contracts.
40. My role in the ITO evaluation was Team Leader to review the offers in relation to the

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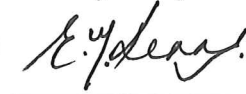
Implementation of the offered solutions. I cannot recall all the members of that team.

41. Each team member was assigned a numbered copy of the bidders' responses. The evaluation process, as I recall was broken into two phases. The first was an overall appraisal of each offer and an initial recommendation made after this general review. My understanding is that after this phase, the offer from Accenture was preferred.
42. The next phase was to examine the responses in more detail, to review the initial recommendations, to propose questions to the bidders in relation to any issues each team had with the review, and to either confirm the initial recommendation or to change the recommendation. Mr Burns recommended we undertake this phase to look more forensically at the responses.
43. My recollection is that IBM, at the time it won the 2007 contract, was already engaged in Queensland Health doing work associated with a rostering system. That was one of the reasons why I considered IBM as the Prime Contractor. IBM had other involvement with the State's IT system before this time. It was a party to a 2005 contract. This contract with IBM was for the supply and maintenance of WorkBrain, SABA and RecruitASP. It was in place well before the 2007 contract was signed.
44. As part of the evaluation process, I undertook research into IBM's Project management methodology and its approach to projects using information available on the internet. IBM has a methodology called the "Ascendant Methodology". My view was that it looked quite sound, and was very much like the ASAP Methodology which is recommended by SAP. It is very similar to the Prince2 Methodology, but it was proprietary to IBM.
45. Project Management Methodology is very important in project management. One of the features is that it proposes phase gates that must be achieved prior to entering subsequent phases.
46. As part of their offer, I recall IBM proposed using SAP as the HR/Payroll system and

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using WorkBrain primarily as a rostering system. At this time, SAP did not offer an integrated rostering system. From my limited technical point of view, I could see there should be no problem using SAP and WorkBrain together as WorkBrain had interfaced to other ERP systems. I and others in CorpTech had conversations independent of IBM with reference sites around the world which were using WorkBrain as a rostering solution. My recollection is that we spoke with the Chicago Health Authority and Westfarmers in Australia. There were also others which I cannot remember. We spoke with three or four separate companies who all used WorkBrain as a rostering system.

47. As SAP did not have a rostering system at that time, one issue of concern for the Evaluation Panel with respect to WorkBrain was that IBM could not present a reference site that had WorkBrain interfaced to SAP.
48. During the final stages of the evaluation, Mr Terry Burns suggested that two members of the evaluation teams undertake a role play, in that one person would represent (sell) to the group the solution offered by Accenture, and one person would represent the solution presented by IBM. I undertook the role play for IBM and presented to the group why IBM should be chosen. Mr Steve Mitchell represented Accenture. I cannot say whether this role play had any impact on the final decision of the other evaluation teams.
49. Both IBM and Accenture were Tier One SAP implementers.
50. At the end of the evaluation, I drafted the final report and conferred with team members as to its content. My recollection is that the final recommendation was for the solution offered by IBM.

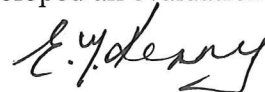
### Evaluation Report – Cost

51. I have been referred to Appendix D of the Evaluation Report. Mr Shaurin Shah and Keith Goddard were responsible for the day to day running of the evaluation procurement process and my understanding is that Mr Shah developed an evaluation

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matrix based on an Excel spreadsheet. I am unaware of the formulae behind the calculation of the matrix for the scoring or the financial analysis component. My understanding is that this was the first time that either of those gentlemen had done a procurement of this magnitude.

52. I was approached by the Commission of Inquiry to make this statement. I make this statement voluntarily. 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.

**Declaration**

This written statement by me dated 15th MARCH 2013 and contained in the pages numbered 1 to 11 is true and correct to the best of my knowledge and belief.

 Signature  
Signed at BRISBANE this 15th day of MARCH 2013

Witnessed:

 Signature  
Name ELIZABETH KENNY

Malcolm Archibald  
Campbell Signature: 

Witness signature: 