



QUEENSLAND HEALTH PAYROLL SYSTEM
COMMISSION OF INQUIRY

Statement of Witness

<i>Name of Witness</i>	Colleen Shirley Orange
<i>Date of Birth</i>	Known to the Commission
<i>Address and contact details</i>	Known to the Commission
<i>Occupation</i>	
<i>Officer taking statement</i>	Tony Cross
<i>Date taken</i>	4 / 3 /2013

I, Colleen Shirley Orange state;

Background

1. I am a Certified Practising Accountant (CPA) and I hold the award of a Bachelor of Business. I am presently employed at the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs.
2. I commenced working for Treasury in the Queensland Government in 1998 and I worked there on a part time basis until 2007. I worked in the Fiscal Strategy Branch within Queensland Treasury managing the team which supported the whole of government financial management system. Later this expanded to include a coordination role in terms of whole of government budget development. When I was with Treasury I had no role with the Shared Services Initiative (SSI) which I understand was based on government departments coming together and pooling their corporate services and information systems.
3. In 2005 I was working on the whole of government financial management system known as Tridata. I was not employed with the SSI at all. In September 2007 I was successful in obtaining a position with CorpTech in the Director of Finance role. This was a full time position. In this role I reported to Jan Dalton who was the Executive Director of Corporate Services.

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Request for Proposal

4. I have not seen any of the reports or reviews of the SSI which were undertaken by consultants engaged by CorpTech in 2007. I have not seen a report produced by a consultant named Terry Burns which recommended the appointment of a prime contractor for the SSI. I did not have involvement in the initial phase of the process which was the Request for Offer or Request for Proposal stage. I believe this occurred prior to my commencement with CorpTech on 17 September 2007.

Invitation to Offer

5. I had no role in the drafting of the Invitation to Offer (ITO) and I did not see the ITO prior it being sent to the market.
6. Initially, when I commenced work at CorpTech on 17 September 2007, I was not allocated any tasks in relation to the ITO. My predecessor in the Director of Finance role was Joanne Bugden and she told me she would return to undertake the pricing evaluation process of the ITO.
7. I recall that Joanne had moved to work at the Department of Justice. It is my memory that she called me on the day the offers were due back in, or close to this date, and said she was unable to return to complete her role in the evaluation as there was an issue at her workplace. I do not know who else she may have called with this advice.
8. I was asked fulfil her role but I am not sure who asked me. It may have been Terry Burns but I can not be sure.
9. I recall meeting with Ms Bugden prior to my commencement with CorpTech for a handover of the Director, Finance and Business Services' role. This was a run through of the finance and business services section functions, staffing and the CorpTech budget. I met with Ms Perrott prior to commencement in which I recall receiving an overview of the new organisational structure. I cannot recall what briefing I received on the ITO, as it was not expected that I would play a role. Once I was required to play a role, I have recollection of participating in briefing/s (I do not recall how many) regarding the process. I was never briefed on the RFP. I did not see the RFP pricing estimates. I cannot recall any one explaining the pricing estimates contained in the RFP. Ms Bugden made herself available for any queries that the evaluation team had. The evaluation team did

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seek advice of Ms Bugden during the evaluation process. Upon being provided by the Commission with a copy of the email from Ms Bugden regarding the pricing matrix, I recall it being sent to me. I do not recall having any comments regarding the pricing matrix.

10. I first met Terry Burns around this time. I think I met him at a meeting or a briefing of the evaluation team at about the time the offers were due in. My memory is not clear on that. I understood that Terry Burns was leading the procurement team for the engagement of a prime contractor and he was reporting to Barbara Perrott, the General Manager CorpTech, through to the Under Treasurer.

Evaluation Phase

11. I recall Terry Burns had a small team of people assisting him and he was responsible for organising the teams and the timetable. Terry Burns conducted briefings for the evaluation team but I can not recall how often these took place. I recall he had a person by the name of Shaurin Shah assisting him. There was a person from our procurement section named Maree Blakeney who was working offline dealing with the practical aspects of the procurement.
12. There was quite a large number of people involved in the evaluation process and they were divided into streams for specific parts of the evaluation. Each stream would take that part of the tender documents relevant to their stream and undertake their own evaluation and then finally the different streams would come together to finally assess them. I do not recall Terry Burns having a role in actually assessing tender responses. He seemed to make the process happen in that he scheduled meetings, ensured time frames were met and he seemed to pull it all together.
13. I was assigned to the Finance evaluation stream and Rose DiCarlo and Shaurin Shah were also members of that team. I also arranged for an accountant named John Leahy from my department to assist with the transport of data onto spreadsheets for our team during the early part of the evaluation process.
14. I do not know who drafted the evaluation criteria for the finance stream. The evaluation criteria were designed before I commenced with the evaluation team. I have been shown

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WITNESS: *MAREE BLAKENEY*

a spreadsheet which was used to compile the pricing information provided by the offerors and make the comparisons.

15. We worked as a cohort in undertaking the evaluations in our stream. Shaurin had a technology background as well as knowledge of the current systems implementations. Rose DiCarlo had the program understanding, by which I mean that Rose had been with the SSI from an early stage and she had an understanding of the whole of government HR and Finance system solution strategy. I believe she was part of the group that developed the original business case for the shared services initiative. I was involved principally in collating offers and comparing them.
16. It is my recollection that the finance team was only provided with the financial tables from each of the three tender responses. These tables were entered into the spreadsheet to which I refer at paragraph 14 above.
17. The financial information was provided in a set format from each of the three tenderers and we just had to undertake the analysis. Each piece of work, for example the Transitioning, Program Management and Shadow Management were lined up side by side and we compared the costings. We compiled that information into Excel spreadsheets to undertake the comparison among the three offerors.
18. The procurement team instructed us to focus on the responses from IBM and Accenture. Our sub team did not give scores as we progressed with our evaluation. We relied on comparing the costings provided from each of the offerors in our evaluation. We were advised that Logica should not be considered because they only offered to do the finance implementation whereas what was being sought was a prime contractor for both HR and Finance solutions.
19. I did not have the business or technical knowledge of the other members of the finance sub team regarding the SSI so we worked together as a group to complete the pricing evaluation.
20. The finance team conducted its evaluation separately to the other sub-team leaders – we were effectively quarantined on the issue of price. I recall that after the evaluation was completed there was a process of coming together with other sub category team members to discuss our findings.

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21. I recall going through the Finance sub team's findings with Terry Burns after we had completed our evaluation as a sub team. I can not recall for certain but I think Terry's interest was to ensure that everything had been included in the finance sub team's evaluation and that he could speak to our findings when required. I recall discussing with Terry the difference in the pricing of the submissions from IBM and Accenture but I can not recall the detail. I was not aware from my discussions with Terry that he had a preference for one of the offerors over another.
22. I recall that after the sub category teams had completed their evaluations the offerors were called in for different sessions and key people in the different evaluation streams asked them a range of questions relevant to their evaluations so that greater clarification could be obtained. I recall our finance sub team discussed some aspects of IBM's pricing but I can not remember any other detail of the discussion. I can recall that both IBM and Accenture representatives attended for the question and answer sessions. These sessions were held separately for IBM and Accenture and the venue was 61 Mary Street Brisbane. Logica was not called upon to provide a question and answer session.
23. I do not recollect Terry Burns or anyone else ask me or any member of the finance sub team to reconsider our evaluation or reassess the weightings given to some items in the submissions.
24. I am not aware of IBM having received information that other tenderers did not receive during the response process.

Evaluation Report

25. At the request of the Commission of Inquiry, I considered a document entitled 'Summary of Financial Issues - Appendix D'. It is my recollection that Rose DiCarlo authored the five page 'Summary of Financial Issues' document. I assisted in the preparation of it.
26. I recall that when we were comparing the costings provided by IBM and Accenture there were differences in pricing in some areas. Based on the documents provided to me by the Commission, it appears that one of these areas was Priority Core Development. The costings for this category were requested on a fixed price arrangement whereas IBM costings were based on best estimates costing. I do not know how the costings were finally calculated for this particular category. I recall that Shaurin Shah and other technical experts were involved in interpreting IBM's costing for this category.

W. Orange

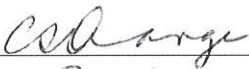
witness *M. A. Burns*


27. I cannot recall to whether a formal probity advisor was appointed to assist during the evaluation process.

Post Evaluation Phase

28. After IBM was awarded the prime contract I was included in some early meetings between IBM and CorpTech representatives but Jan Dalton, Executive Director Corporate Services, became concerned about the time I was spending at these meetings and my involvement ceased.

This written statement by me dated 8/3/2013 and contained in the pages numbered 1 to 6 is true and correct to the best of my knowledge and belief.

 Signature
Signed at Brisbane this 8th day of March 2013

Witnessed:
 Signature
Name MATTHEW SKOEN 8th day of March, 2013