Senate Finance and Public Administration References Committee

DIGITAL DELIVERY OF GOVERNMENT SERVICES
ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Contracts

Question reference number: QoNs 6-8, from Hansard 23 March 2018

Member: McAllister
Type of question: Hansard pages 25-26
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Question:

a) CHAIR: What happened to the contract with Accenture and SAP? SAP was the software vendor and Accenture was the—

Mr McHardie: Systems integrator.

CHAIR: systems integrator. What happened to those contracts?

Mr McHardie: The contracts expired and weren't renewed, and that was it. I'd have to get the exact detail. I don't have the exact detail to hand about the mechanisms.

CHAIR: You didn't terminate the contracts or the arrangements? They expired?

Mr McHardie: I couldn't tell you. I'd have to take that one on notice.

b) CHAIR: Were they completed satisfactorily?

Mr McHardie: The contracts? I'd have to take that one on notice as well.

CHAIR: You may take some of these on notice. I gather you'll take these remaining questions on notice. Were any penalties applied to either the vendor or the contractor or the systems integrator?

Mr McHardie: No, I don't have the detail about how the contract expired.

c) CHAIR: I'm providing you some things that I would like you to take on notice given this circumstance. Were any penalties applied to the contract? Can you tell me what the overall risk-sharing framework was in the contract—what kind of contract it was?

Mr McHardie: No. Once again, I'd need to go and pull that contract out to get the detail.

CHAIR: I understand that departments are often a bit allergic to providing actual contracts, but I would appreciate understanding the contractual model that was used, in some detail.

Senator PATRICK: Chair, certainly it's not unprecedented for departments to provide contracts to committees. I can point to when we did the inquiry into the Bureau of Statistics failure. The contract was provided. It was held as confidential. So you'd have to advance some public interest immunity as to why we couldn't look at that in a confidential environment.

Mr McHardie: Understood, Senator.

Answer:

a) There were separate overarching contractual arrangements (Head Deeds) with Accenture and SAP, of which there were several work packages (Work Orders) executed underneath these Deeds. There was no early termination invoked under any contracts.
   - The Accenture Agreement (Master System Integrator Agreement) ran for 18 months from execution. It was executed on 7/2/14 and expired on 6/8/2015.
   - The SAP Head Agreement had been in existence with the Department from 2012 and incorporated the provision of SAP Custom Development.

b) All work packages were performed in accordance with the contract terms and conditions. There were no disputes raised or penalties applied under the management of these contracts to any vendors.

c) The contracts were performed on a Time and Materials basis with both Accenture and SAP providing key personnel, operating under the supervision of DHS officials.