



Committee Secretary
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Committee Secretary

Inquiry into procurement at Services Australia and the National Disability Insurance Agency

Salesforce would like to take this opportunity to thank the Joint Committee of Public Accounts and Audit (**the Committee**) for its invitation to participate on the 20 November 2023 to discuss this issue.

Further to your correspondence dated 24 November 2023, which asked Salesforce to review the transcript for questions taken on notice at the hearing and provide responses by Friday 8 December 2023, Salesforce has responded to the Committee's Questions-on-Notice based on its understanding of those questions and information available to it as at the date of this letter. Salesforce's Responses and annexures are **enclosed**. [REDACTED]

Salesforce is committed to assisting the Committee with its work. Should further relevant information become available that may assist the Committee and Terms of Reference Salesforce will provide updates.

Please do not hesitate to contact me should the Committee wish to discuss Salesforce's response in further detail.

Yours sincerely

[REDACTED]

Sassoon Grigorian

VP, Government Affairs & Public Policy, APAC



Joint Committee of Public Accounts and Audit Inquiry into procurement at Services Australia and the National Disability Insurance Agency Public Hearing –20 November 2023

Salesforce's answers to questions on notice

Date set by the Committee for the return of answer: 8 December 2023

1. Table a copy of the opening statement

A copy of the Opening Statement was tabled on 20 November 2023.

2. Can you take on notice precisely the value of the NDIA contract, and do you expect other variations from now until the end of the term?

The precise amount invoiced to date is AUD\$103.74 million over 4 years. The National Disability Insurance Agency (NDIA) is best placed to comment on any other variations. To the best of our knowledge, no further variations are expected.

3. Can you take on notice a table that sets out the date, the dollar value of the contract and what the scope variation was for?

The expected license subscription revenue per year under the original contract entered into in April 2020 was as follows:

Year 1 \$4.92m,

Year 2 \$8.49m,

Year 3 \$10.46m.

In Year 1 of the contract, there were variations to include Mulesoft (integration) platform in the sum of \$1.2m.

In Year 2 of the contract, there were variations to include claims management functionality, additional testing capabilities, and appointment scheduling capability, in the sum of \$10.19m.

In Year 3 of the contract, there were variations to include a renewal to licenses obtained in Year 2, and an uplift in user numbers plus obtain additional functionality and capacity, in the sum of \$13.57m.

The NDIA exercised its option to extend the contract in Year 4, and were invoiced the sum of \$18.4m, plus renewal of licenses obtained in Year 2, and an uplift in user numbers plus obtain additional capacity in the sum of \$11.57m.



Regarding Salesforce Professional Services, there was no expected revenue beyond Year 1 of \$4.45 m as this was to be determined by how the PACE program was progressing and what support NDIA determined was required. In 2021, at the NDIA's request, Salesforce provided an additional \$7.36 m worth of professional services. In 2022, at the NDIA's request, Salesforce provided a further \$9.19 m worth of professional services. In 2023, at the NDIA's request, Salesforce provided a further \$3.94 m worth of professional services.

- 4. Can you take on notice whether the subscription model, in terms of how you have rolled out the licenses to the NDIA, is a fairly standard process for you with other clients as well?**

The subscription model is a fairly standard process for our clients. The license subscription model used for NDIA is similar to that used for other large government and commercial customers. It strikes a balance between purchasing licenses as they are anticipated to be needed as well as purchasing in volumes to drive the lowest possible unit price for each licence.

- 5. Can you take on notice the specifications you were building to and what were the requirements you understood you were working towards? (Preferably in a table)**

The NDIA is best placed to respond. [REDACTED]

- 6. Can you check if there are any other contracts you have had with the NDIA since 2019?**

No, we did not have any other contracts with the NDIA. Refer to Question 3 above.

- 7. Did you have a formal contract with Synergy 360?**

Yes, we had a formal contract with Synergy 360.

- 8. Did Synergy 360 suggest to you at the initial engagement that you enter a teaming agreement, or have a success fee included?**

Synergy 360 did not suggest we enter a teaming agreement.

Synergy 360 did propose the inclusion of a success fee, which Salesforce rejected.

- 9. What are your general global policies regarding success fees, if you have any?**

There are no specific global policies about success fees. Salesforce employees are required to abide by the Salesforce Code of Conduct.

- 10. Provide a copy of any agreement entered into with Synergy 360 (Please indicate if you prefer they weren't published.)**



11. Can you take on notice what date exactly David Milo approached Salesforce in May 2019?

David Milo approached employees of Salesforce in May 2019. We are unable to provide a precise date for when David Milo approached Salesforce as the relevant employees are no longer employed by Salesforce.

Our records indicate an introductory call was arranged with Synergy 360 on 30 May 2019.

12. Can you take on notice the exact date that the tender for the NDIA came out the first time around?

NDIA released the first tender on 29 July 2019. Salesforce was part of the bid submitted by DXC.

13. Can you take on notice the precise dates of the 3 meetings with Minister Robert? Who requested them and any emails confirming who requested them. For each meeting, who attended, where they were, and what was discussed.

Date	Location	Topic	Attendees	Request ed By
4 June 2019	Commonwealth Parliament House, Canberra	General introduction of Salesforce to Stuart Robert and discussion on Services Australia and Salesforce's experience with Service NSW Meeting focused on digital transformation in the Australian government and Salesforce platform capabilities	Minister Stuart Robert Barry Dietrich (Salesforce) Nick Slater (Salesforce) Michael de Hennin (Salesforce) David Milo	Minister
12 June 2019	Salesforce Offices, Darling Park, Sydney	Presentation and demonstration of Salesforce's capabilities for potential use by	Minister Stuart Robert	Minister



Date	Location	Topic	Attendees	Request ed By
		<p>Commonwealth based on Service NSW offering</p> <p>Meeting focused on digital transformation in the Australian government and Salesforce platform capabilities</p>	<p>Kathryn Campbell (Services Australia)</p> <p>Paul O'Sullivan (NDIA)</p> <p>Barry Dietrich (Salesforce)</p> <p>Bradley Cook (Salesforce)</p> <p>Nick Slater (Salesforce)</p> <p>Michael de Hennin (Salesforce)</p> <p>David Milo</p>	
<p>30 September 2020</p>	<p>Commonwealth Parliamentary Offices, Bligh Street, Sydney</p>	<p>Discussion on permissions, whole of government case management, Customer Relationship Manager products and national COVID-19 contact tracing coordination</p> <p>Meeting focused on digital transformation in the Australian government and Salesforce platform capabilities</p>	<p>Minister Stuart Robert</p> <p>Barry Dietrich (Salesforce)</p> <p>David Milo</p>	<p>Minister</p>



[REDACTED]

- 14. Can you take on notice to provide us with any corporate records or contemporaneous notes, memos or emails between you and Synergy 360 that were produced at that time around those three meetings?**

[REDACTED]

- 15. Can you take on notice if DXC attended the 3 meetings with Minister Robert?**

No, DXC did not attend.

- 16. Can you take on notice if Synergy 360 sought or obtained time with people in government on your behalf?**

We do not hold records suggesting that Synergy 360 obtained time on behalf of Salesforce with the NDIA or the Minister in relation to the NDIA tender.

- 17. Can you take on notice whether Synergy 360 offered you a 'government and minister level liaison advice' service, and did they offer you this service as part of their pitch to you?**

No, Synergy 360 did not offer this service in their written proposal to us.

- 18. Can you take on notice if any executive at Salesforce, or those involved in the projects where Synergy 360 was engaged, have a personal relationship with Synergy 360 staff, including David Milo or John Margerison?**

Salesforce had a professional relationship with David Milo during the term of Synergy 360 engagement.

Salesforce did not have a relationship with John Margerison.

- 19. Can you take on notice any details of meetings with representatives of Synergy 360, particularly if there were any meetings with the Public Service; if there were any other meetings with public officials aside from the three meetings with the Minister, whether that is NDIA, procurement people, or so on.**

As far as we are aware, Synergy 360 did not attend any meetings with the NDIA other than the 12 June 2019 meeting referred to in the response to question 13 above.

- 20. Can you take on notice which Salesforce executives attended the meetings with Minister Robert?**

We refer you to our answer to question 13 above.



21. Can you take on notice whether the meetings involved Gisele Kapterian?

Ms Kapterian did not attend the three meetings.

22. How do you ensure that your policy around gifts or hospitality to clients is consistent with APS policy?

Salesforce policies are regularly reviewed for best practice. Salesforce's Global Gifts and Entertainment Policy requires that employees seek pre-approval from the Office of Global Ethics & Integrity before offering gifts or hospitality (of any value) to government employees. The regular reviews undertaken are designed to ensure compliance with local law and regulation.

23. Can you take on notice providing the Committee a copy of the hospitality and gifts policy?



24. Can you take on notice if Salesforce ever provided hospitality or anything of a pecuniary value to NDIA executives or decision makers during either of the open tender processes for the CRM procurement? If Salesforce can give all details on notice, including any communications (written or otherwise) between Salesforce and the individual receiving the hospitality or gifts. Make sure that includes anyone during those tender processes or proximate to (e.g if anyone was taken to lunch at Vue de Monde or indicated their champagne preference or anything like that).

According to Salesforce's records, it did not provide hospitality or anything of a pecuniary value to NDIA executives or decision makers during either of the open tender processes for the Customer Relationship Management (CRM) procurement.

25. Can you take on notice whether you ever engaged or have a relationship with Scott Briggs?

DPG Advisory Solutions (DPG) registered Salesforce as a client on the lobbyist register on 19 January 2021. Salesforce met with Scott Briggs in his capacity as a director of DPG.

26. Can you take on notice if any opposition member has spoken to Salesforce before this hearing in preparation for this hearing?

No opposition member has spoken to Salesforce before the 20 November 2023 hearing in preparation for the hearing.

27. Can you take on notice the expected revenue per year under the original contract?

The expected license subscription revenue per year under the original contract entered into in April 2020 was as follows:



Year 1 \$4.92m,

Year 2 \$8.49m,

Year 3 \$10.46m.

Regarding Salesforce Professional Services, there was no expected revenue beyond Year 1 of \$4.45 m as this was to be determined by how the PACE program was progressing and what support NDIA determined was required.

28. Can you take on notice if everyone was charged the same fee or whether it differed depending on access?

The Salesforce Subscription Licenses purchased by NDIA comprise of products used by internal NDIA users (including Partners in the Community, who work with the NDIA to deliver the NDIS) and also products to allow access to Salesforce via portals by external participants and providers. The fee charged for internal users is different to the fee for external portal access.

The fee for external portal users is different to internal users as the internal users have access to different functionality.

29. Can you take on notice the marginal costs of adding a user to a system (keeping all other things equal)?

Salesforce does not calculate the marginal costs of adding a user to the Salesforce platform.

Generally, as the number of users increases there are more complex usability and design considerations which impact the number of engineering resources allocated and thereby the costs. Marginal costs are driven by storage, compute resources, charges associated with data transfer, scaling, data centre infrastructure and related costs.

30. Can you take on notice the percentage of the contract that is user dependent and the percentage that is fixed?

Of the \$103.74M over 4 years, \$74.77M (72%) subscription licence services are user based. The Mulesoft platform which provides integration capability is \$4.03M (4%) and is priced on the number of Processor Cores.

\$24.94M (24%) is for professional services used for the implementation. These professional services are contracted on an as required basis to ensure the NDIA only procures professional services as they need them.

31. Can you take on notice if the NDIA ever asked you to provide a fee that was either less user dependent or not dependent on the number of users at all?



Our records do not show that NDIA asked for a fee structure that was not dependent on numbers of users.

32. Can you take on notice whether the CRM data has ever been stored offshore?

The NDIA has since the start of the contract in April 2020 been running the Salesforce PACE system on our infrastructure hosted by AWS in Australia.

The NDIA commenced using the Salesforce Marketing Cloud (separate to PACE) to distribute newsletters to participants in July 2022. Salesforce informed NDIA that Salesforce Marketing Cloud was hosted in the Salesforce German data centre. NDIA approved storage at this data centre. In December 2023, this data will be hosted in Australia.

33. Can you take on notice full details, during both of the tender processes, of any conversations that were had (emails, meetings, or telephone calls) between Salesforce and officials, the Minister or the Minister's staff?

Our records do not reveal any communications with the Minister or the Minister's staff about the NDIA during both of the tender processes. There were various email exchanges between an employee of Salesforce (who is no longer employed by Salesforce) and a member of the Minister's staff between 24 July 2019 and 4 August 2019 to arrange a catch up. As the employee is no longer employed by Salesforce, we cannot ascertain if a discussion occurred and the topic of discussion.