



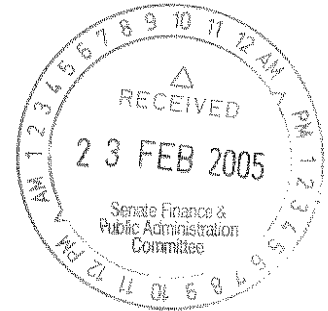
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Australian Government

Department of Finance and Administration

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Mr Alistair Sands
Secretary
Senate Finance and Public Administration Committee
Department of the Senate
Parliament House
CANBERRA ACT 2600

Dear Mr Sands

**CLARIFICATION OF EVIDENCE - COMMITTEE HEARING –
15 FEBRUARY 2005**

I am writing to clarify some evidence provided to the Committee at the hearing on Tuesday, 15 February 2005.

During the discussion about the Department of Finance and Administration's (Finance's) Departmental Security Review, I indicated that as part of the Review, Finance is engaging a Defence Signals Directorate (DSD)-accredited Information Technology security consultant and that the engagement is occurring following an open tender process (Refer Committee Hansard page F&PA43).

Following the conclusion of the hearing I was advised that Finance's procurement process did not involve an open tender process. Rather, Finance sought quotes from three companies that are included on the list of DSD-accredited IT Security consultants.

Finance has specified in its *General Procurement Requirements* that wherever a procurement is estimated to be between \$10,000 and \$50,000 and an approach to the general market place is required, 'at least 3 written proposals be sought or, where appropriate a select or open tender be conducted'. The guidelines also permit 'sole sourcing' of goods and services where only one specialist supplier is capable of meeting the requirements, or urgent timing constraints exist or standard operating environment issues exist.

Noting that the nature of the procurement of the IT Security consultant was not such that it necessitated a sole source procurement process and having regard to the estimated cost of the consultancy being between \$10,000 and \$50,000, Finance sought three written quotes.

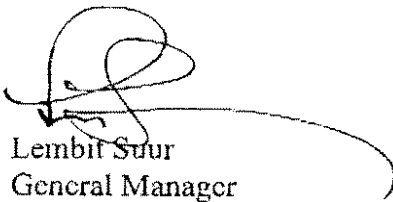
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By approaching three suppliers, Finance satisfied itself that it was obtaining value for money. This procurement method is also consistent with the Government's *Commonwealth Procurement Guidelines* (January 2005) and represents efficient, effective and ethical use of resources.

Please note that the engagement of the successful company will be gazetted following the assessment of bids and execution of the necessary agreement.

I would be grateful if you could bring this matter to the attention of the Committee. If you have any questions, please do not hesitate to contact me on (02) 6215-2575.

Yours sincerely



Lembit Suur
General Manager
Corporate Group

22 February 2005