



DPS ref: 04/559

25 October 2004

Mr David R Matthews
Managing Director
Leda Security Products Pty Ltd
PO Box 6212
SILVERWATER NSW 1811

Dear Mr Matthews

Bollards for Parliament House security project

1 I refer to several letters about the tender process for bollards conducted on our behalf by our project managers, GE Shaw & Associates (ACT) Pty Ltd (GE Shaw), as follows:

- (a) your undated letter to Mr David Cossart of this department;
- (b) your letters dated 15 October 2004 to the Prime Minister, the Attorney-General and the Minister for Defence, which have been passed on to me for reply; and
- (c) your letter dated 15 October 2004 to Mr Kevin O'Hara of GE Shaw.

Tender evaluation

2 The specification developed for the tender for the supply of bollards for the current Parliament House security project called up electro-mechanical retractable bollards for the Forecourt. It further allowed for either electro-mechanical, or pneumatic, or hydraulic retractable bollards in other locations.

3 The project manager's Tender Evaluation Committee (TEC) concluded that there were no complying tenders for this supply. Accordingly, the TEC then considered and evaluated the alternative offers, including that provided by your company, Leda Security Products (Leda).

4 I understand that this evaluation indicated that the electro-magnetic bollards offered by Leda did not meet the technical security-related specifications in two respects.

5 First, the tender called for either:

- (a) "Endorsement by the Commonwealth Security and Construction Equipment Committee" (SCEC); or
- (b) provision of "calculations and test results showing that the product complies with the SCEC specification and requirements document entitled 'Vehicle Barriers and Perimeter Systems for Ram Raid and Crash Protection' Revision 1 dated April 2004".

6 I understand that Leda has not provided either SCEC endorsement, or calculations or test results that substantiate that their product complies with the specification.

7 Secondly, the tender called for "Evidence that the bollards offered can stop a vehicle weighing 5 tonnes travelling at 40 km per hour", whereas the impact resistance figures used by Leda were for a 2500kg vehicle with impact height 0.5m above finished ground level. The document mentioned in paragraph 5(b) above specifies that for a 5 tonne truck, the impact height is 0.7m above finished ground level.

8 In these circumstances, the TEC has not recommended Leda's proposal for the provision and installation of bollards at Parliament House for this project.

9 In accordance with our normal quality management system, DPS's project director has reviewed the tender process and recommendation before making a final decision. Among other elements of his review, he has raised the TEC recommendation with the Commonwealth agency which undertook the original security assessment of Parliament House. That agency has endorsed the TEC recommendation.

10 Taking account of the results of his review, the project director has advised me that there is no reason to reject the TEC recommendation. I have therefore advised the project director to proceed as recommended by the TEC.

Other matters

11 You have raised a number of other matters in your letters, and I make the following comments about those which seem to need a response.

Industry involvement in design process

12 I understand that it is usual in the construction industry for designers to seek current information from appropriate suppliers and manufacturers to ascertain product availability, range, possible costs and other technical information. I believe that the design team sought this type of information from a number of firms including Leda.

13 However, I have been assured that the design team did not give Leda or any other potential supplier any commitment regarding any aspects of the required products during this information-gathering stage.

Design meetings

14 On page 3 of your letter to Mr Cossart you refer to "our early design meetings ...", and suggest that the architects "selected Leda's slimline range of stainless steel Bollards". As you are aware, Leda was at no time part of the design team for this project. Furthermore, I have been assured that no commitment was made or given to Leda about any of their products. In particular, there was no selection of a particular product in advance of the specifications being finalised.

Alternative offer

15 In accordance with GE Shaw's Conditions of Tender, tenderers were free to offer alternative proposals. Leda offered an alternative proposal but did not offer a pneumatic bollard system for consideration. I note your comments about Mr O'Hara's views about pneumatic bollards, but I have been assured that Mr O'Hara did not rule out any system. As well, it is DPS policy that all design solutions have to be reviewed and assessed to ensure that they are appropriate for the building.

Australian content

16 I understand that, wherever possible, Australian content was preferred in the construction of Parliament House. Currently, while Australian content remains important, our basic obligations under government procurement policy are to achieve value for money in procuring a product that meets our specifications. As well, there is to our knowledge no government policy requiring us to support particular Australian technology, or Australian manufacturers, on strategic grounds.

Yours sincerely

A handwritten signature in black ink that reads "Hilary Penfold". The signature is written in a cursive, slightly slanted style.

Hilary Penfold QC
Secretary