

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 93

Senator Ludwig asked the following question at the hearing on 17 February 2006:

Regarding the reported contract to develop a weapons detection system for international mail and packages:

- a) What is the full cost of the contract?
- b) What is the timeframe for the contract? When does it expire?
- c) When is the technology due to be completed?
- d) What is this project intended to deliver?
- e) What are the exact key performance indicators?
- f) How was the contract for this project awarded? Was it by open or closed tender?
 - i) If it was by closed tender, which companies were invited to tender and how they were chosen?
 - ii) If it was by open tender, was the tender advertised and, if so, where?

The answer to the honourable senator's question is as follows:

- a) \$741,721 (including GST).
- b) The timeframe for the contract is five months and eight days, commencing on 9 January 2006 and continuing until 16 June 2006. The contract includes the option to extend up to a maximum of an additional nine months (15 March 2007).
- c) In accordance with the terms of the contract, the design, construction and installation of a prototype advanced metal detection system will be completed by 16 June 2006.
- d) This contract is intended to cover the development of metal detection equipment to screen inbound international mail for firearms and firearm parts, in accordance with the Commonwealth Government's 2004 *Stronger Border Protection* initiative.

The specifications on this metal detection equipment are that it should be automated, have a low false alarm rate and discriminate based on the size, shape and/or composition of metal detected.

- e) The key performance indicators for this contract are that:
 - a prototype advanced metal detection system is designed, built and factory-tested;
 - the prototype meets Customs acceptance testing criteria in field trials;

- based on outcomes of field trials, one advanced metal detection system is designed, built and factory-tested;
 - a functional advanced metal detection system is installed at one international mail centre and meets Customs acceptance testing criteria; and
 - a report is prepared containing test results and recommendations based on field trial experiences.
- f) It was awarded through a direct source approach to QR Sciences Pty Ltd, in compliance with Commonwealth policy and the *Commonwealth Procurement Guidelines, January 2005* issued by the Department of Finance and Administration.

The reason for a direct source approach was:

- research and trials conducted in early 2005 concluded that there were no known existing commercial products that suited Customs requirements; and
- the research and development funded under this contract is based on adapting an existing QR Sciences proprietary metal detection product to meet Customs requirements.