

Mr. Peter Davidson
Executive Director Environment and Infrastructure
Administration of Norfolk Island
Post Office
NORFOLK ISLAND 2899

14 September 2004

Dear Peter

**FINAL PROBITY REPORT
REQUEST FOR TENDER PROCESS
AIRPORT RUNWAY WORKS**

Gary Clarke Consulting has been engaged to provide probity services for the Norfolk Island Airport Runway Project. This service has involved observing, scrutinising, reviewing and advising for the Request for Tender (RFT) process from the probity perspective.

This letter is to advise that as the independent Probity Advisor I express my complete satisfaction with the conduct of the RFT, evaluation process and probity compliance for this project, including the Tender Evaluation Panel meetings held in Sydney on Thursday 5 and Friday 6 August and Monday 30 August 2004.

The tender and evaluation process has been conducted in a fair, equitable and impartial manner with no party being given advantage over another or unfairly discriminated against. I attest that probity principles together with the adopted evaluation methodology and criteria have been applied consistently and maintained throughout my involvement in the process, commencing 13 May 2004 prior to the tender briefing held on Norfolk Island on 20 May 2004.

The Tender Evaluation Panel adhered to the approved Tender Evaluation Plan dated 21 May 2004 and all probity advice and tender requirements.

As Probity Advisor, in accordance with the Probity Advisor Working Paper Checklist, I:

- reviewed and assessed as appropriate from the probity perspective all relevant tender documentation including the Invitation to Tender Document dated May 2004, Addendum 1 dated 28 May 2004, Addendum 2 dated 1 June 2004 and Addendum 3 dated 24 June 2004;
- concur that tender documentation has been designed to elicit the information necessary for proper assessment of the selection criteria;

- ensured that all members of the Tender Evaluation Panel signed the Confidentiality and Conflict of Interest Deed for this project, undertook to comply with the Norfolk Island Administration Code of Conduct and were aware of their responsibilities;
- ensured that all Panel members acknowledged and accepted that there was to be no communication between members outside of the Tender Evaluation Panel meetings in relation to this project, with all communication via the Chairman;
- ensured that the Panel was made aware of the role of Probity Advisor and that the Probity Advisor is not part of the decision-making process;
- acknowledge that the Panel had been selected on the basis of their individual expertise and that the Panel was established prior to the tender briefing and close of bids;
- witnessed that the Tender Evaluation Plan was approved prior to the tender briefing and close of bids, including the evaluation criteria and weighting;
- witnessed the tender briefing session held on Island on 20 May 2004 that tenderers were expected to attend as stated in the Invitation to Tender Document;
- ensured that the extensions of time granted in Addenda 1 and 3 were conveyed in a timely manner to all tenderers;
- attended all Tender Evaluation Panel meetings;
- concur with the process for the lodgement and opening of tenders as detailed in a memo from the Deputy Crown Counsel of 20 July 2004, providing accountability and confidentiality;
- express the opinion that there has been no deviations from the approved process;
- received copies of and concurred with all communications from the Panel Chairman to respondents;
- ensured that the selection criteria and weightings have not been altered during the process and that all bidders have had timely access to the same information;
- express the opinion that no significant probity issues have arisen that warranted special report and further that all probity matters were discussed with either the Panel and/or the Panel Chairman and yourself and satisfactorily resolved/addressed; and
- express the opinion that no conflicts of interest have been raised or disclosed that warranted special report and further that there has been no alleged breaches of confidentiality for this project.

I have reviewed and assessed the Tender Evaluation Report (V1.doc) dated September 2004 and offer my endorsement from the probity perspective.

Following determination of the preferred tenderer, final negotiation and execution of contract, unsuccessful tenderers should be advised, in writing, that their tenders have been unsuccessful.

Public sector procurement practice provides that debriefings should be available to unsuccessful tenderers on request. The debriefings should explain how their tender performed against the selection criteria, rather than against the successful tender, with the objective of enhancing their future performance.

Attached is my completed Probity Advisor Working Paper Checklist.

Please contact me directly on 0417 281393 or email should you require any further probity advice in relation to the conduct of the tender and evaluation process.

Yours faithfully

GARY CLARKE
PROBITY ADVISOR

PROBITY ADVISOR WORKING PAPER CHECKLIST

REQUEST FOR TENDER PROCESS ADMINISTRATION OF NORFOLK ISLAND AIRPORT RUNWAY WORKS

| | Initials of Probity Advisor |
|--|--------------------------------|
| Pre- evaluation | |
| <ul style="list-style-type: none"> • Review and assess all relevant documentation <ul style="list-style-type: none"> ▪ RFQ/EOI Call document ▪ RFQ/EOI Addendums | <i>gc</i> |
| <ul style="list-style-type: none"> • Ensure the documentation is designed to elicit the information necessary for proper assessment of the selection criteria. | <i>gc</i> |
| <ul style="list-style-type: none"> • Ensure that the Assessment Panel members sign a Confidentiality and Conflicts of Interest Agreement and are aware of their responsibility to disclose conflicts of interest. | <i>gc</i> |
| <ul style="list-style-type: none"> • Ensure that the Assessment Panel is aware that the Probity Advisor is not part of the decision-making process. | <i>gc</i> |
| <ul style="list-style-type: none"> • Ensure that Assessment Panel members are selected on the basis of their expertise and established prior to the calling of bids or at least prior to the close of bids. | <i>gc</i> |
| <ul style="list-style-type: none"> • Ensure that the selection criteria is established prior to the calling of bids and included in the RFQ/EOI document. | <i>gc</i> |
| <ul style="list-style-type: none"> • Ensure that any weighting of the selection criteria is established prior to the calling of bids or at least prior to the close of bids. | <i>gc</i> |
| <ul style="list-style-type: none"> • Ensure that a Tender Evaluation Plan or Evaluation Methodology is established prior to the calling of bids or at least prior to the close of bids. | <i>gc</i> |
| <ul style="list-style-type: none"> • Observe debriefing sessions with bidders. | <i>gc</i> |
| <ul style="list-style-type: none"> • Ensure that any extension of time granted to the call is granted to all bidders. | <i>gc</i> |
| Evaluation | |
| <ul style="list-style-type: none"> • Attend all Assessment Panel meetings. | <i>gc</i> |
| <ul style="list-style-type: none"> • Attend Tender Opening or review and assess the Tender Opening Committee documentation to ensure accountability and confidentiality. | <i>gc</i> |
| <ul style="list-style-type: none"> • Act as an independent observer and comment on all relevant processes from beginning to end or at least from engagement to signing of the Assessment Panel Evaluation Report. | <i>gc</i> |
| <ul style="list-style-type: none"> • Scrutinise the process to determine whether relevant government guidelines and appropriate policies and best practice have been followed. | <i>gc</i> |
| <ul style="list-style-type: none"> • Ensure that the process has been impartial and fair with no party being given advantage over another or unfairly discriminated against. | <i>gc</i> |
| <ul style="list-style-type: none"> • Be available to tenderers through written communication during the process if they wish to raise issues of probity about the process. | <i>gc</i> |
| <ul style="list-style-type: none"> • Review and assess all relevant documentation to ensure accountability (recording of decisions, minutes, approvals including any departures from established procedures). | <i>gc</i> |
| <ul style="list-style-type: none"> • Monitor the procedures used by the organisation to protect confidential information. | <i>gc</i> |

| | Initials of Probity Advisor |
|---|-----------------------------------|
| Evaluation (cont.) | |
| <ul style="list-style-type: none"> Identify whether the process has been applied consistently according to the pre-established plan/model. | GC |
| <ul style="list-style-type: none"> Ensure that the selection criteria is not altered during the process and that all bidders have timely access to the same information. | GC |
| <ul style="list-style-type: none"> Provide advice to the organisation and interested parties on how emerging issues can be resolved or managed (e.g. conflicts of interest). | GC |
| <ul style="list-style-type: none"> Assist with improving the level of decision-making if the circumstances warrant. | GC |
| <ul style="list-style-type: none"> Observe and document the process followed and report any probity issues that may arise. | GC |
| <ul style="list-style-type: none"> Liaise with other agencies if appropriate (e.g. ICAC, Premiers Department, Department of Commerce, Treasury). | GC |
| Reporting to the organisation | |
| <ul style="list-style-type: none"> Obtain, analyse, interpret and document information to support the outcomes of the audit. | GC |
| <ul style="list-style-type: none"> Review and assess the Assessment Panel Evaluation Report. | GC |
| <ul style="list-style-type: none"> Prepare a signed written report describing the organisation's performance in the conduct of the call process. | GC |

GARY CLARKE
PROBITY ADVISOR
14 September 2004

