

WATER CORPORATION — ENGINEERING AND CONSTRUCTION SERVICES — PRIVATISATION

4529. Mr D.J. Kelly to the Minister for Water:

- (1) With respect to the privatisation of the Engineering and Construction Services (ECS) of Water Corporation (WC), announced on 14 August 2015, with RCR Tomlinson as the successful bidder, I ask:
  - (a) what are the dates of all meetings where the board or members of the board discussed the privatisation of Engineering and Construction Services;
  - (b) what is the name of the Probity Auditor for the privatisation of the Engineering and Construction Services; and
  - (c) will the Minister table a copy of the Probity Audit for the sale of the Engineering and Construction Services, and if not, why not?
- (2) In relation to the tender process concerning Engineering and Construction Services:
  - (a) how many tender submissions were received in total;
  - (b) what are the names of all persons, entities or companies which submitted a tender;
  - (c) what were the tender bid amounts for each submission; and
  - (d) what are the names of all persons who were on the panel evaluating the tender submissions?
- (3) When did the WC begin consideration the potential sale of the Engineering and Construction Business?
- (4) When did this matter first come to the Board for consideration?
- (5) Did the Chair participate in the discussion or decision to put the ECB up for sale?
- (6) Did the Chair participate in any discussion or decision on this matter?
- (7) When did the Chair declare a conflict and step aside?
- (8) Who was the Probity Consultant?
- (9) Will their report be made public and how much were they paid?
- (10) Have final contracts for the \$130m worth of future been signed with RCR?
- (11) How will the Chair manage the conflict going forward?
- (12) Has RCR previously won contracts with the WC? If so when, for what and what was the contract value(s)? Did the Chair declare a conflict in those cases?
- (13) Has McMahon Holdings won contracts with the WC during the term of the current Chair? If so when, for what and what was the contract value(s)? Did the Chair declare a conflict in those cases?
- (14) What other projects are RCR to be considered for as a result of this deal and how will RCR's position differ to other potential bidders?
- (15) What physical assets are included in the deal with RCR?
- (16) What other assets are included in the deal with RCR?
- (17) Has any legal entity been sold to RCR as a result of this deal?
- (18) Which projects are included in the \$130m of work RCR say they are guaranteed?
- (19) When was the Minister aware of the Chair's conflict of interest in this matter?

**Ms M.J. Davies replied:**

- (1)
  - (a) [See tabled paper no 3521.]
  - (b) Stantons International
  - (c) Yes [See tabled paper no 3521.]
- (2)
  - (a) 19 expressions of interest
  - (b) The final three bidders in the tender process were RCR Tomlinson Limited, Civmec Limited, and Clough Limited. The names of the other companies submitting an expression of interest remains confidential and would only be released with their permission.
  - (c) The information is commercially confidential
  - (d) Nathan Hardwick, Maria Russo, Deepak Sharma, Joe Azzam, Tim Day

- (3) [See tabled paper no 3521.]
- (4) [See tabled paper no 3521.]
- (5) Yes, [see tabled paper no 3521.]
- (6) Yes, [see tabled paper no 3521.]
- (7) [See tabled paper no 3521.]
- (8) Refer to response to 1(b)
- (9) Refer to response 1(c) \$13 914.50.
- (10) An ongoing services agreement has been signed, which sets out the terms and conditions of the \$130m worth of projects. Projects in the first year are known and were competitively bid. Individual contracts for these projects will be signed when details such as timing and access to sites is confirmed.
- (11) The Chair will continue to be excluded from all discussions and decisions with respect to RCR Tomlinson — as is already the practice at both Water Corporation and RCR Tomlinson.
- (12) Yes, [see tabled paper no 3521.]  
The Corporation awards approximately 2 500 separate projects each year. The Board has delegated decision making for contract awards below \$10m to management. None of the projects that make up the values outlined in the table required Board approval.
- (13) No
- (14) RCR has preferred bidder status for the next two years. They will be able to bid competitively along with up to eight other selected private sector companies on projects they have capability to deliver.
- (15) Plant and equipment
- (16) Transfer of business name, 'CWS Electrical and Mechanical Engineering' and Trademark
- (17) No
- (18) An ongoing services agreement has been signed, which sets out the terms and conditions of the \$130million worth of projects. Projects in the first year are known and were competitively bid. Individual contracts for these projects will be signed when details such as timing and access to sites is confirmed. These projects will not be announced prior to this time.
- (19) [See tabled paper no 3521.]