

GOVERNMENT CONTRACTS, BUSINESS INFORMATION PROCESSING AGENCIES CONSORTIUM
CONTRACT WITH COMPUTER SCIENCES CORPORATION (AUSTRALIA) PTY LTD

152. Hon Ljiljanna Ravlich to the Minister for Transport representing the Minister for Works:
- (1) What was the value of the Business Information Processing Agencies Consortium (BIPAC) contract with Computer Sciences Corporation (Australia) Pty Ltd in -
 - (a) 1997;
 - (b) 1998;
 - (c) 1999; and
 - (d) between January 1 and June 30 2000?
 - (2) What was the original estimated total value of the contract?
 - (3) What is the current estimated final cost of the contract?
 - (4) Why does the former Minister for Works and Services media statement of January 1 1997 advise that the contract is valued at \$32m, while the 1997-1998 Budget Statements (page 777) advised that the contract has a value of approximately \$100m?
 - (5) What savings, if any, were anticipated from the contract when it was signed?
 - (6) Will the Minister for Works table the original cost benefit analysis?
 - (7) If not, why not?
 - (8) Are the original anticipated savings on target?
 - (9) What are the current anticipated savings for the contract?

Hon M.J. CRIDDLE replied:

- (1) Financial information is available on a financial year basis only. The contract commenced on 27th October 1997.

(a)	27th Oct 1997 - 30th June 1998	\$7.4 million (8 months)
(b)	1st July 1998 - 30th June 1999	\$10.1 million
(c)	1st July 1999 - 30th June 2000	End of financial year reconciliation is still in progress, but estimated value is \$14 million
- (2) The Business Case written in 1997 just prior to contract award estimated the value of the contract to be \$32.5 million over 5 years.
- (3) \$54 million over the five years to October 2002. This figure reflects the addition to the contract of a new client agency (Family and Children's Services), as well as increased use of the services available under the contract.
- (4) I assume that the member is referring to the media statement dated 1 December 1997, soon after the contract was awarded. I am not aware of a media statement dated January 1, 1997.

The BIPAC contract was a project initiated and developed by the Ministry of Premier and Cabinet. I understand that the contract value in the 1997-1998 Premier and Cabinet Budget Statements (page 777) is based on an early estimate of expected growth over the 5 years of the contract. This estimate included two agencies who subsequently withdrew from the consortium.

The management of the contract transferred to CAMS from October 1997, when the contract became operational.
- (5) The 1997 Business Case estimated savings to be \$4.4 million over 5 years.
- (6) Yes. [See paper No 379.]

Some appendices of the Business Case have not been provided as they contain due diligence information about the successful tenderer, and this information is not related to the cost benefit analysis. Some information in certain tables has also been removed, because it could impact on the government's ability to get best value in future tenders if it were disclosed to the tenderers.
- (7) Not applicable.
- (8) Given the growth of the contract, the original anticipated savings are ahead of target.
- (9) \$9.1 million over 5 years.

