



Probity Advisory and Audit Services

www.charleskendall.com.au



About Charles Kendall Australia

We are a dynamic team of procurement, contract management and probity specialists that offers a wide range of procurement experience across all industries. The team is dedicated to delivering quality outcomes and long term value through best practice procurement solutions and strategic advice.

We have a broad range of clients in the private sector and at all levels of government. We have a particularly strong portfolio of clients in Queensland and New South Wales and are also involved with international projects.

As part of the Charles Kendall Group, Charles Kendall Australia (CKA) leverages over 70 years of end-to-end procurement and supply chain experience in almost every continent across the globe.

Sectors we service:



Health



Transport



Construction & Infrastructure



Resources



Education



Property

We offer 5 lines of services



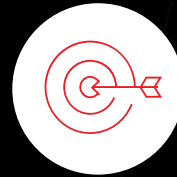
Delivery

Our procurement specialists support organisations by, delivering procurement projects, managing contracts, and offering probity advice. We provide complete, end-to-end procurement solutions.



Strategy

We help clients by developing strategies that ensure procurement functions deliver measurable, sustainable benefits and generate value for money outcomes.



Capability

Our capability assessments offer a diagnosis for the current state, a roadmap to realise improvements, and clear objectives to optimise return on investment from procurement activities.



Training

We develop and deliver customised training programs to meet the respective needs of individual public and private sector organisations.



Aid

We provide technical assistance, project management and consultancy support, primarily for governments and aid donors.

Our probity advisory and audit services fall into the delivery line of services and have been crucial in the successful delivery of numerous high profile procurement projects for clients in various market sectors.

Our role, your goal

To uphold impartiality, accountability and transparency
To facilitate integrity, uprightness and honesty
To maintain ethical behaviour in procurement

Our proven approach draws upon a combination of specialist procurement knowledge and vast experience delivering probity advisory services.

At every stage, we engage with our clients to examine potential risks, implications and options. Appropriate mitigation measures are tailored and implemented accordingly to manage risk.

Our approach has been developed and refined on a broad range of assignments and combines three key aspects.

- 1** Flexibility to accommodate critical project delivery requirements
- 2** Rigour to identify significant issues
- 3** Pragmatism to focus on solutions that add value

OUR PROCESS

When providing professional advice, we thoroughly consider all aspects of probity in the context of procurement. Generally, these aspects fall under:



Fairness and impartiality

Our process examines the objectivity, fairness and impartiality of the procurement process by considering key documents, review points, decisions, and communications.



Confidentiality/security of information

Our process examines processes and protocols for information management. We advise on effective arrangements to administer communications and sensitive records.



Accountability and transparency

Our process examines decisions and documentation to ensure transparency and compliance, thereby upholding accountability and supporting the best interests of the project.



Management of conflicts of interest

Our process manages conflicts of interest through stakeholder briefings and early identification of risks. We proactively manage perceived, potential and actual conflicts of interests.

“... high quality probity services ensuring procurement processes are transparent, defensible and auditable, whilst supporting the pursuit of value for money.”

To proactively facilitate acknowledgement of these key probity principles, we typically offer clients a probity cheat sheet, which acts as a quick reference guide to the fundamentals of maintaining probity.

In support of our probity services methodology, we have developed a suite of probity templates that can be quickly tailored to client needs for any specific project.

The fact that our probity practitioners have access to this suite of best practice templates means that more time is available to deliver what matters: providing high quality probity services ensuring procurement processes are transparent, defensible and auditable, whilst supporting the pursuit of value for money.

PROBITY PROJECTS SNAPSHOT

PROJECT NAME

Warragamba Dam Raising Optimisation

Client: Infrastructure New South Wales

Figures

- >97% dam capacity level reached during 2016
- Potential 14 metre dam raise
- >40,000 Western Sydney residents at risk of a significant flood

Description

The New South Wales Government committed to the Hawkesbury-Nepean Valley Flood Management Review in order to examine planning, management and response arrangements for flooding in the Hawkesbury-Nepean Valley. As part of the review, Infrastructure New South Wales (INSW) undertook a project to raise the Warragamba Dam by several metres.

A critical element of the project entailed initial investigation work including review of options and development of a feasibility study for the dam wall raising. Given the high-profile and somewhat sensitive nature of the project, CKA provided valuable probity advice to INSW throughout the key elements of the review.

As the dam raising construction work is yet to proceed, during 2016 the Warragamba Dam reached levels greater than 97%.

As a result of ongoing flood risk monitoring, the New South Wales Government committed to proceed with further design and eventual construction for the dam raising.



\$690M
PROJECT VALUE

PROBITY PROJECTS SNAPSHOT

PROJECT NAME

Coomera to Helensvale Rail Duplication

Client: Queensland Rail

Figures

- \$163 million value
- 8.2 km of train tracks
- 8 new bridges
- 4.5 million passenger journeys per year
- 3.8 km of timber barrier fencing

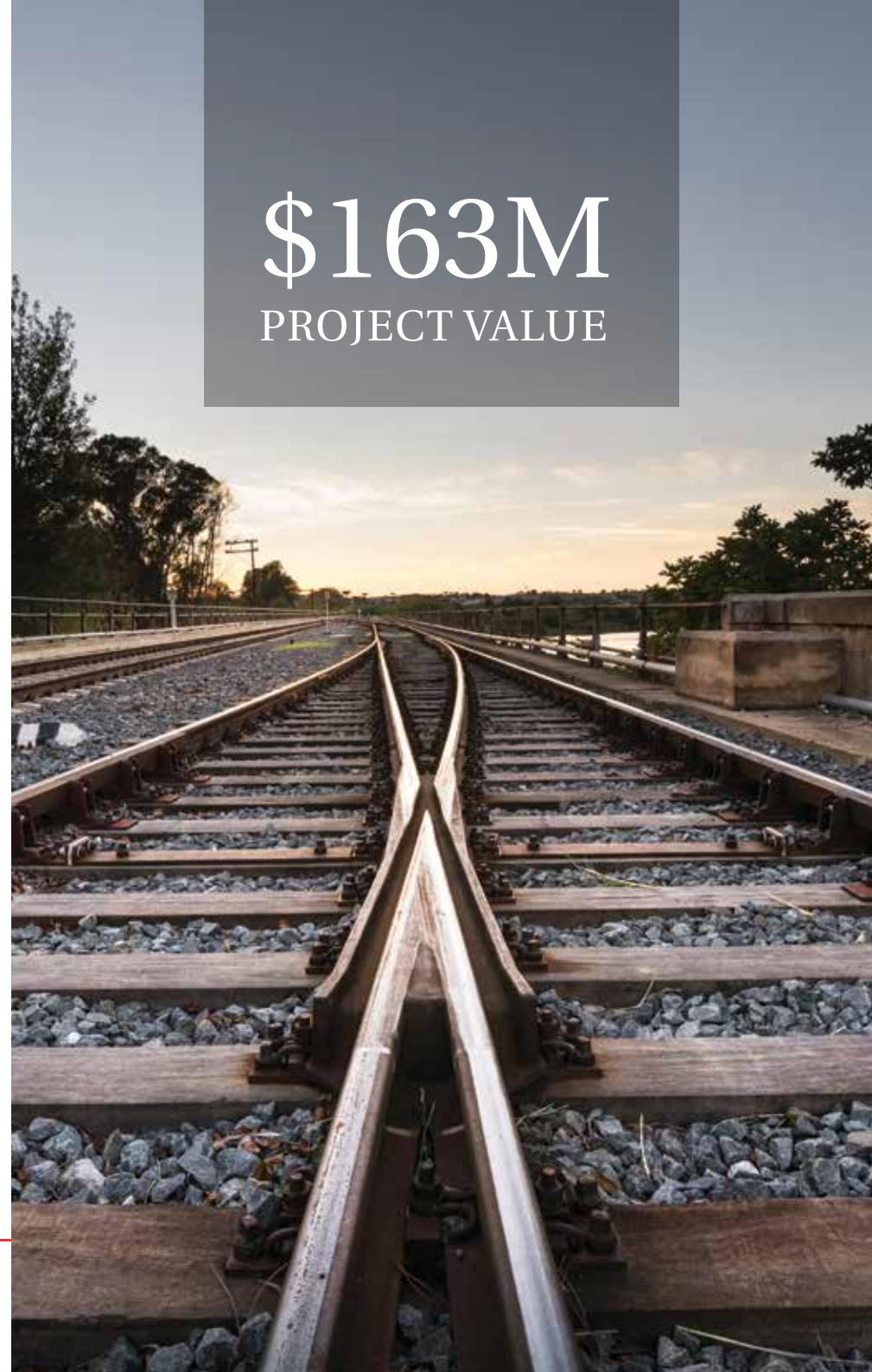
Description

This pivotal project duplicates the only remaining section of the Gold Coast train line that does not have two tracks. The project also includes installation of overhead electrification and signalling systems. Construction is due for completion by late 2017.

Benefits

- Increase peak-hour capacity from 6 to 8 trains per hour.
- Increase off-peak services from 2 to 4 trains per hour.
- Enable 8 trains per hour in each direction to run during the 2018 Commonwealth Games.
- Improve safety, efficiency and reliability of the network.
- Reduce impacts of crowding.
- Reduce transport-related impacts on the natural, cultural and built environments.

\$163M
PROJECT VALUE



PROBITY PROJECTS SNAPSHOT

PROJECT NAME

Bus Contract Reform

Client: Queensland Department of Transport and Main Roads (TransLink Division)

Figures

- \$7 billion value
- 15 bus service operators
- 2 year engagement duration

Description

Involving multi-billion dollar contracts, this was the largest passenger transport services strategic procurement project ever undertaken in Queensland. The reform aimed to increase efficiencies and facilitate contestability across 15 bus service operators servicing south-east Queensland on behalf of the State Government.

Challenges and constraints

- Similar projects in other jurisdictions had been subject to considerable scrutiny in relation to probity.
- The project was driven by initiatives at a state government level (as opposed to a departmental level), which made it difficult to accommodate project requirements while being fair to the market.
- State legislation dictated that the government provide incumbent service providers with a first right of reply for any competitive process.
- While many of the incumbent contractors were private sector operators, the largest operator was a local government-owned entity.
- During the course of the project, the project delivery strategy was amended by state government.
- The interests of numerous stakeholders, representing various groups, had to be managed.
- Vast quantities of sensitive data needed to be kept secure.



\$7B
PROJECT VALUE

PROJECT NAME

ICT Transformation Program

Client: City of Gold Coast

Description

City of Gold Coast has undertaken an unprecedented program for complete transformation of the city's ICT infrastructure. In doing so, the council administered several high profile procurement activities requiring careful consideration from a probity and compliance point of view. Engagements were each of high cost, high complexity, and were strategically significant to council's vision.

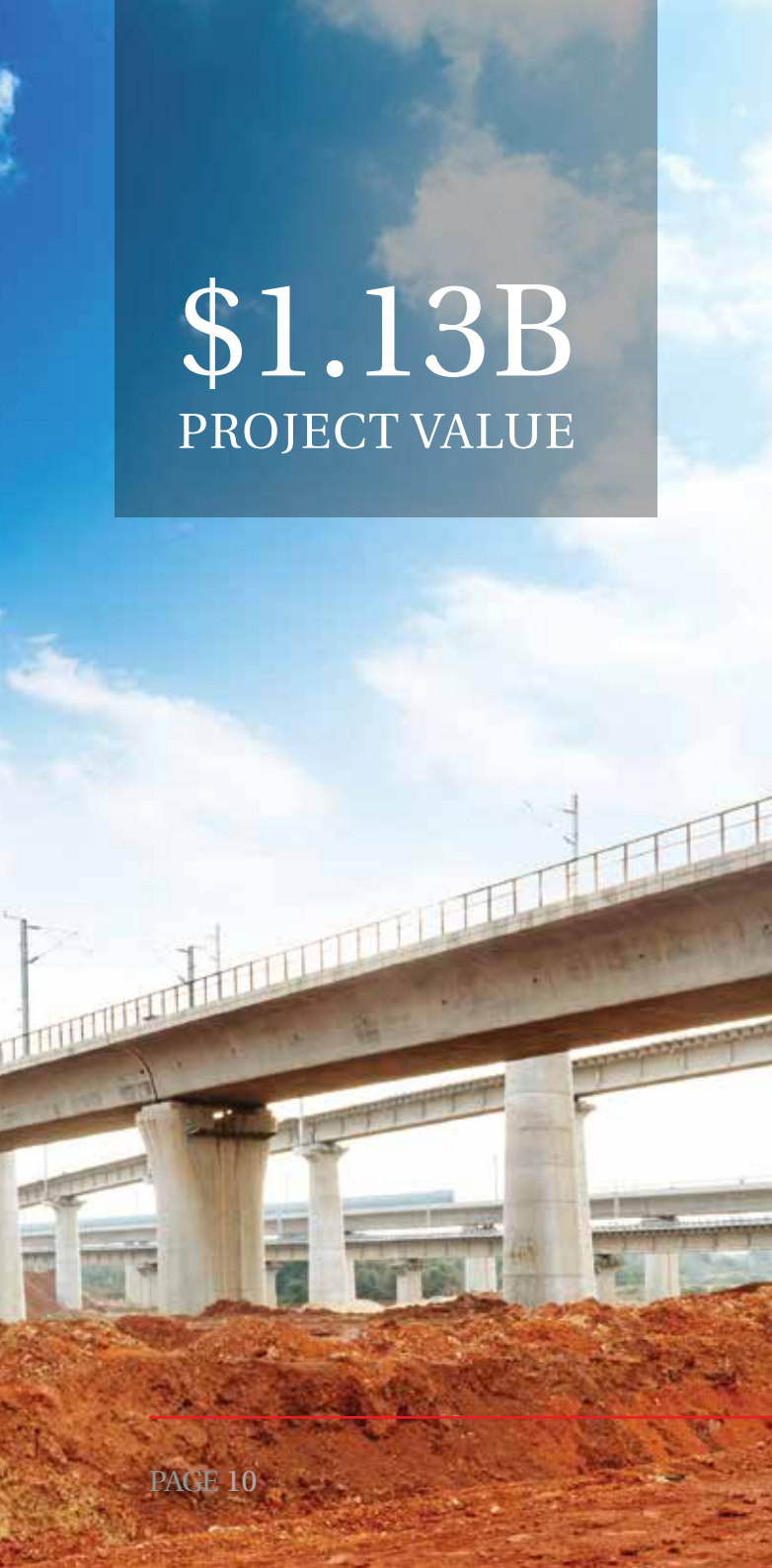
The program's expedited schedule required detailed planning to meet strict deadlines. CKA provided probity advice with respect to several major procurement activities such as the outsourcing of ICT managed services and the implementation of a local government platform solution.

The ICT managed services and the local government platform contracts together represent spend in excess of \$200 million. The ICT managed services project attracted significant media attention and required frequent oversight, from a probity perspective, to maintain strict compliance and minimise risk to confidentiality.

Summary

- \$2.8 million to engage a specialist consultant to manage and coordinate significant procurement activities for the ICT Service Transformation Program.
- \$140 million for the engagement of a partner to supply ICT managed services.
- \$61.5 million to implement a single local government platform solution to consolidate a number of legacy applications related to community services; customer management; corporate services; health services; compliance; planning and development; rates; and water services.

\$204M
PROJECT VALUE



\$1.13B
PROJECT VALUE

PROBITY PROJECTS SNAPSHOT

PROJECT NAME

Bruce Highway Upgrade Project

Client: Department of Transport and Main Roads

Description

Major upgrades between Caloundra Road and the Sunshine Motorway are needed, including an expansion to six lanes, upgrades to the two interchanges and the incorporation of service roads to cater for local traffic. Given the scale of the project and its status as one of Queensland's highest-priority road projects, the procurement and implementation process has been governed by Queensland Treasury's Gateway Review process.

The procurement process incorporated a double early contractor involvement (ECI) methodology and concept design phase with significant collaboration between principal and contractors prior to awarding the main works contract. The end-to-end process to select the preferred contractor was based on a multi-staged approach, as depicted by the diagram below.

Figures

- \$1.134 billion project value
- 10 years from inception to completion
- 6-lane expansion
- 2 major interchange upgrades





\$1.3B
PROJECT VALUE

PROBITY PROJECTS SNAPSHOT

PROJECT NAME

Connors River Dam and Pipeline

Client: SunWater Ltd

Figures

- 373,662 ML of water
- \$1.3 billion project value
- 133 km of pipeline
- 18 km access road

Description

Originally conceived to meet water demands for Central Queensland's resources sector and to benefit the economy of the region long-term, the Connors River dam was also expected to provide a reliable water supply for the Bowen Basin townships of Moranbah and Nebo. Although SunWater Ltd is no longer proceeding with the dam, the procurement process was completed prior to cessation.

This high-profile project required a double early contractor involvement (ECI) methodology. Phasing of the procurement process allowed for shortlisting until two contractors were selected to participate in an ECI contract. The ECI process involved an intense period of interactive workshops to aid development of concept designs. Two contractors worked within extremely tight timeframes to develop concept designs responsive to critical issues concerning scheduling, environmental risks, construction methodology and value for money.

Probity Practitioners Snapshot

Our probity practitioners are subject matter experts who take pride in offering specialist advice in a way that is easily understood by client representatives and relatable to practical applications.

As a result, our personnel rapidly earn respect and trust of team members working in any capacity or discipline. Such trust tends to result in better coordination during delivery and superior outcomes upon project completion.

Our probity practitioners are not only probity experts - they are also project managers and procurement specialists. This is a key point that differentiates us from other probity advisors with a law, general business or accounting core business.



GREG EDMONDS
Managing Director

Greg has over 20 years' experience in various facets of procurement. Whilst managing CKA at director level, Greg has provided valuable procurement-related services to both private and public sectors in Australia and overseas. For the last several years, Greg has focussed on probity advisory, specialist procurement advice, delivery of training, and development of procurement capability. Greg has worked in the private sector and for all levels of Australian governments with exposure to market sectors including health, transport, construction, retail, manufacturing, water infrastructure, and information technology.

Greg specialises in providing probity services for complex and high value projects across a range of industries including transport and construction. He has significant experience providing probity advice for multi stage procurement processes that include activities such as market sounding and early contractor involvement (ECI).



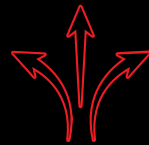
MARK HENDERSON
Director

Mark has over 20 years' experience delivering and leading complex procurement activities, with experience internationally and across all levels of government in Australia. Mark has worked within numerous industry sectors including health, transport, public infrastructure, construction, aerospace and aviation, defence, public safety, manufacturing and information technology. He has extensive experience conducting probity advisory and audit services as well as managing strategic, high risk, high cost contracts. Throughout his career, Mark has grown his abilities in capacity building and training delivery, as well as developing and implementing strategies, processes, and systems. Mark's excellent commercial, analytical and problem solving skills have enabled him to very effectively manage probity risks for a variety of significant procurement projects.



MATT DICKSON
Manager – Project Delivery

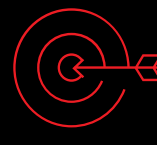
Matt has over 10 years' experience working on a variety of health, information technology, government, retail, commercial, education and resource sector projects. Matt's exposure to various contract types, market sectors, project phases and stakeholder groups has resulted in a broad knowledge of numerous aspects of procurement, probity, construction work and contract administration. Matt has conducted numerous procurement events as well as provided probity advice for significant, high value and high risk procurements. Matt's probity expertise is underpinned by an extensive career focussing entirely on procurement and contract management.



Delivery



Strategy



Capability



Training



Aid

*To learn more about our probity advisory and audit services,
contact us to arrange a consultation.*

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