



Government of **Western Australia**  
Department of **Treasury**

Your ref : A319220  
Our ref : 00053076  
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Hon J C Kobelke MLA  
Chairman  
Public Accounts Committee  
Parliament House  
PERTH WA 6000

Dear Mr Kobelke

**QUESTIONS ON NOTICE ARISING FROM PUBLIC ACCOUNTS COMMITTEE HEARING – ADDITIONAL INFORMATION**

Thank you for your letter of 5 December 2011. Provided below are responses to the additional questions that you raised regarding the Public Accounts Committee hearing on the contracting of non-clinical services at Fiona Stanley Hospital.

**Question 1** – *With respect to the information regarding the PPP Commercial Advisor Panel:*

- a) *What is the process for companies to be added to the panel?*
- b) *What assessment of companies is undertaken before they can be added to the panel?*

The tender for the establishment of the PPP Commercial Advisor Panel (PPP Panel) was released publicly on 10 February 2010 and closed on 3 March 2010. A number of proposals were received and evaluated in accordance with the State's standard tender evaluation processes. An evaluation report was produced and endorsed by the State Tenders Review Committee and approved by the Under Treasurer. Following this, the panel contract was awarded on 15 April 2010 and commenced on 19 April 2010.

To date there have been no additions to the panel, and the PPP Panel does not include a specific mechanism to add new providers. However, should Treasury seek to add providers to the PPP Panel, this would be done via a public tender. In this case, the standard evaluation process will be undertaken with an evaluation report created for endorsement by the State Tenders Review Committee and approval by the Under Treasurer.

**Question 2** – *With respect to Paxon Consulting Group:*

a) *How long has the company been on the PPP Commercial Advisor Panel?*

Paxon Consulting Group has been included on the PPP Commercial Advisor Panel since the panel was established on 19 April 2010.

b) *Provide a copy of any assessment of the Paxon Consulting Group carried out by Treasury associated with the decision to add the company to the PPP Commercial Advisor Panel*

Below is a summary of the evaluation of Paxon Consulting Group's Offer to the State. This summary is extracted from the evaluation report for the selection of the PPP Commercial Advisor Panel from which the Department of Health subsequently used to engage Paxon Consulting Group:

**PAXON GROUP**

• **Demonstrated Organisational Capacity to Provide Client Focussed Services (Weighting 20%):**

The Respondent demonstrated excellent organisational capacity. They have identified the personnel that can provide advice across all services. The Respondent provided a detailed service delivery mechanism including a planned approach and contact availability during work hours. They have provided a reasonable strategy for skills transfer to the Customer. Customer satisfaction is evident from the references provided in the submission.

• **Demonstrated capacity to provide experienced professional advice and expertise in Public Private Partnerships, Major Project Procurement and Similar Infrastructure delivery arrangements (Weighting 80%)**

The Respondent identified the roles of their proposed personnel. The personnel have the skills and expertise to provide these services to a high standard. They have demonstrated extensive experience in high value PPP infrastructure contracts for government and private organisations.

• **Summary of Price**

Paxon Group daily rates, when balanced with the qualitative assessment, are considered competitive.

**Question 3** – *With respect to the selection of the Paxon Group to provide PPP advisory services for the non-clinical services PPP at Fiona Stanley Hospital:*

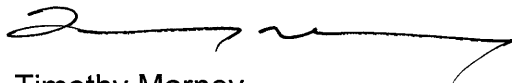
a) *Did the Department of Treasury provide advice to the Department of Health regarding the selection of an appropriate advisor for the Fiona Stanley Hospital project?*

No.

b) *If so, what was the nature of that advice?*

Not applicable.

Yours sincerely



Timothy Marney  
UNDER TREASURER

19 December 2011