

Mr Greg Piper MP
Chair
Legislative Assembly Public Accounts Committee
Parliament of New South Wales

DGL20/684

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Dear Mr Piper

I refer to your letter of 23 October 2020 (Ref D20/51912), to Mr Mark Scott AO, Secretary, Department of Education, regarding the Auditor-General's performance audit report – *Ensuring contract management capability in Government – Department of Education*. The Secretary has asked me to respond on his behalf.

In response to your request for further information from the Department of Education please refer to the following.

Recommendation 1: Implement contract management plans for all contracts in the Assisted School Travel Program, consistent with the Department's policy.

The Committee notes that in the Department's response, the implementation of recommendation one is 'on track' and would be implemented by 31 October 2021.

How will the Department ensure that the providers are performing to the terms of their contracts while it works to establish contract management plans by October 2021?

The Assisted School Travel Program is working with approximately 650 contractors to implement individualised Contract Management Plans by 31 October 2021.

Prior to that date, the program will continue to monitor each contractor's compliance with the current contract via its Contract Performance and Audit Framework.

At the beginning of each school year, all contractors are reminded to familiarise themselves with the contract before accepting an offer of service for the year. This will occur again before Term 1 2021.

It should be noted that the term of the current contract will expire before the end of Term 2, 2021. Prior to this date, all approved and active contractors will be required to sign and agree to a variation to the contract related to contract management plans should they wish to continue providing services. This process will emphasise the terms of the contract and contract management plans while providing a clear channel of communication for any enquiry.

The Assisted School Travel Program communicates regularly with contractors on compliance and other matters, and updates its website with information and

resources to ensure a high level of contractor professionalism and contract compliance in order to safeguard the welfare of the students using the program.

The program proactively monitors the currency of insurances such as Public Liability and Workers Compensation to ensure compliance with the contract and vehicle age. The Program also undertakes an annual review to verify the accuracy and currency of each service by requesting all service providers to verify their details, their drivers and vehicles that have been assigned to each run.

Recommendation 2: Develop a risk-based framework for validating performance information to assist contract managers to select and justify appropriate validation methods for performance information

The Committee notes that the Department has reported the implementation of recommendation two.

How has the Department's risk-based framework for validating performance information been applied to new contracts, such as in the procurement of critical products to deal with the impact of COVID-19? In your response, please provide examples on how this has been applied.

The Department's Contract and Vendor Management guide has been altered to reflect to and better prescribe the processes required to address risk and performance validation methods that align to the Department's Contract Management Plan template changes.

In relation to the emergency procurements that were carried out as a consequence of COVID19 the vast majority of these procurements and contracts were completed prior to the implementation of the new contract and vendor management guide. Noting that when undertaking emergency procurements, limited KPI and contract management conditions are included in contracts due to their emergency nature.

With any new procurement processes being undertaken by the Department of Education for Goods and Services, the requirements of the Contract and Vendor management guide are being included within the resulting contract, and therefore will become an in-contract requirement.

I trust this information is of assistance.

Yours sincerely



Jo Haran
**R/Executive Director, Business Enablement
School Infrastructure NSW**
21 December 2020