

**Submission
No 6**

**ACCOUNTABILITY MEASURES FOR DECISION-MAKING FOR THE DELIVERY
OF MAJOR INFRASTRUCTURE, CONTRACTING OF PUBLIC SERVICES
AND/OR THE PRIVATISATION OF PUBLIC ASSETS IN NSW**

Organisation: Amalgamation Pty Ltd

Date Received: 30 November 2023

INQUIRY AREA OF FOCUS:
CRITICAL COMMUNICATIONS ENHANCEMENT PROGRAM (CCEP)

Good afternoon,

In response to the inquiry into the accountability measures for decision-making for the delivery of the [Critical Communications Enhancement Program](#) (CCEP), Amalgamotion would like to provide the following feedback on the requested areas:

Our experience relating to the management and communication of CCEP timelines, scope and budgets including any changes to these

Amalgamotion commenced work on the CCEP Program in mid 2018, which was at the time initially funded for a total of 357 sites (circa 50% funded) and during transition into the program a review was performed on the program schedule. The outcome of this review determined that the vendor forecast for project delivery were substantially optimistic and a deep dive review was undertaken on the two major vendors at that time. Following this detailed review the vendors reforecast their committed dates for the initial business case scope which created a large shift in project end dates. This was immediately reviewed by NSWTA and a revised forecast struck. Subsequently iNSW was advised along with the Board of Commissioners as key customers. This led to the creation of an intermediate business case to accommodate for any financial impact on the program and in support of this business case, a new schedule was developed, which was subsequently approved by the NSW Government and Treasury. All of these activities followed the standard agreed governance and stakeholder communication process to our best knowledge, with formal approval and acceptance being provided in the CCEP Steering Committee meeting.

Immediately following on from the intermediate business case, NSWTA commenced development of a final business case which incorporated the modelling of cost and schedules to complete the full statewide CCEP design of 675 sites and included additional scope requirements such as In building Coverage, Mobile Sites and Generators to meet customers full requirements. This was taken to the NSW Government and Treasury and subsequently approved with a target end date of December 2024.

Following approval of this business case, the project was hit initially by substantial bushfires from 2019 to 2020 delaying deployment in the interim term. The Emergency Services and Government Agencies were continually updated on the impact to rollout via monthly published schedules (detailing site level dates and changes) and all governance forums such as the Project Controls Group (PCG) and Project Steering Committee (PSC) meetings.

As these fires abated, Australia was immediately pivoted into COVID-19 supply chain and lockdown impacts. These were managed via regular dedicated monthly bespoke COVID-19 reporting into government which detailed both cost and schedule impacts and was also communicated via the monthly published schedule to the customers and all governance forums such as PCG and PSC.

During the final year of COVID-19 impacts, 2 years of catastrophic flooding and wet weather impacted the program. This impacted the ability to work on site and was also instrumental in damaging access tracks, delaying access to many sites on the program. Once again these were communicated in real time throughout monthly published schedule and via the regular PCG and PSC meetings which had dedicated reporting on the cost and delay of all weather delayed sites.

In February of 2022, NSWTA took a key Change Item to the PSC based on the above schedule and flow on cost impacts seeking approval from the forum. This was in line with iNSW recommendations as follows:

'The re-baseline of the program complies with the mandatory iNSW recommendation (December 2021) to undertake a forensic schedule analysis to de-risk activity durations and incorporate adequate schedule contingencies to allow for the potential impacts of fire and weather events, COVID impacts, labour shortage and mobility risks, supply chain risks, vendor capacity and TA resourcing levels'

3 x schedule scenario's were presented for review a 'Likely', 'Accelerated' and 'Stretch' with the 'Accelerated' schedule (completion date of 30/4/2026) being approved by the forum charged with that responsibility. Financial impacts and a need to access contingent budget were also approved. This was subsequently more broadly communicated within NSW Government stakeholder Agencies, to our best knowledge and was reflected in a schedule change.

It needs to be noted that the end date of the program is linked directly to the design and acquisition of sites and their timeframes (cycle time from initiation) at a site level. With final business case funding, additional supplementary funding was provided for In Building coverage and Augmentation Sites and it is the acquisition of these sites which will form the critical path for the end date of the project beyond the initial 675 sites approved.

Further to the above, in mid 2020 NSWTA has further developed live project schedule reporting by sites and milestone and has further functionality to report on completion dates by agency of operational areas. This provides a self serve portal directly linked to the project schedule database that allows customers, government departments and internal NSWTA staff to access all project schedule data with complete transparency at any time. To our knowledge regular forums are held with key agencies to communicate and manage the priority operational area delivery, priority sites and any changes to schedule so that the customers are continually updated and have the ability to communicate bi-directionally on the status of any aspect of the project. A dedicated team has been established within the NSWTA to support this activity and the summary of these activities are reported at monthly PCG forums.

iNSW regularly review the project and are provided transparent views of the state of CCEP, along with many other audits that have been conducted over the last 5 years.

Our experience with CCEP contracting arrangements including financial management, risk management, procurement, and stakeholder engagement

Risk Management has been an integral part of the CCEP project management with dedicated risk registers, regular risk review meetings/workshops and risk being discussed at various levels of the CCEP governance structure. Key risks managed by the program include environmental impacts due to bushfires and floods, COVID-19, personnel safety, vendor performance, infrastructure upgrade requirements to meet CCEP standards, acquisition of long lead time sites and the staged funding of the overall program.

The program level contingency included in the final business case is centrally managed by NSWTA Finance and any draw down of this contingency must be endorsed by the CCEP Change Board and formally approved by the Program Steering Committee. All changes to a vendor's scope are tracked, reviewed and endorsed using the project change request management process and formal approval is always provided by a Commercial Manager with an appropriate DCS delegation of authority, the CCEP Change Board or the Program Steering Committee.

Based on lessons learnt during the early stages of program delivery, Amalgamation worked with NSWTA Procurement/Commercial to improve the delivery of construction services (Stage 4 construction contracts). The number of construction vendors was reduced from four to three and new performance measures were put in place. The Stage 4 construction contracts allow early go to market contract awards where sites are awarded for construction services prior to completion of the Site Acquisition Environmentals and Design (SAED) phase and also support single source procurement where a cluster of sites can be directly awarded to a construction vendor based on a vendor's safety record, performance, capacity and price. In addition, construction vendors now complete a constructability audit on site prior to submitting their final price which will reduce the number of post contract award variations.

Stakeholder engagement is managed via a team of dedicated experienced professionals who engage customers, members of the general community and in general anyone with a stakehold on the CCEP project to deliver clear and consistent views around the CCEP project at both a macro and detailed site level.

Any other related matters

None

Regards,

Steven Bush
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