



cutting through complexity

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Detailed Transport Canberra Strategy - considerations	Short term (before transition)	Medium (1-2 years)	Longer (2-5 years)
Customer transport needs of the community etc (gained through customer survey)	✓		
Customer Experience Charter	✓		
Development of customer innovation & technology strategy	✓	✓	✓
Strategic asset management plan	✓	✓	✓
Network management strategy, including multi-modal coordination policy (integration of bus, light rail and other transport)		✓	✓
Progress a single ticketing solution	✓	✓	✓
Land and urban design policy principles and governance arrangements	✓	✓	✓
Light rail implementation strategy (underway), link to other forms of transport eg. bus, light rail stops, destinations and nodes	✓	✓	
Review of the effectiveness of current bus scheduling and routes	✓		
Parking, walking and cycling policy	✓	✓	✓
On-demand services and transport integration policy		✓	✓
KPIs including environmental impact strategy		✓	✓
Identify linkages in contributing to a healthier Canberra		✓	✓
Social inclusion and equity strategy (in relation to transport)	✓	✓	✓
Private sector engagement strategy		✓	✓
Pricing strategy		✓	✓
Future investment strategy		✓	✓

MR Cagney Recommendations

Detailed Transport Canberra Strategy - considerations	Before transition	1-3 years	3-5 years	5-10 years
Business Practice Systems				
Fix fuel system usage and bus kilometre transponders at the earliest possible time. Create a data extract to enable the export of the kilometre and fuel data to netBI		✓		
Transfer TIMS data to netBI (data warehousing) to allow immediate reporting across a range of parameters.		✓		
Bus number costs to be costed in the ACTION Network costing, rather than included as ACTION overheads.	✓			
Greater use and management of legally enforceable contracts to ensure that costs are competitive in an open market trading economy and that products and services are being supplied on a value for		✓		
Formalise arrangements with the suppliers of Parts - including establishing conditions on parts pricing,		✓		
Incorporate labour hours in the TIMS system and reconcile with the payroll system to enable job analysis.		✓		
Review maintenance and MUO functions for make or buy decisions		✓		
Pursue the opportunity for increased advertising internal and external bus advertising revenue based on other jurisdiction models to increase revenue.		✓		
Fares and Ticketing				
Distance-based fare structure – investigate introduction.		✓		
Fare products – remove monthly caps and replace with weekly caps.		✓		
Fare products – provide on-board MyWay sales and		✓		
Boarding policy – allow all-door boarding and alighting.		✓		
Service Delivery				
Implement a suite of KPIs to measure the productivity and performance of public transport services.	✓			
Optimise existing run times.		✓		
Consolidate under-utilised and/or redundant services.		✓		
Take advantage of the new Light Rail project to operate a more efficient network by designing bus services to act as feeders and distributors connecting to the light rail corridor, rather than duplicating and competing with it along Northbourne Avenue.		✓		
Reduce depot-based dead running and depot operational costs through the re-establishment of the former Woden Depot and later a new depot located in Mitchell.		✓		

Review age profile of buses and develop complete fleet strategy incorporating a bus replacement strategy for the current bus fleet with a review to reducing average age of fleet and the associated costs/risks attached.		✓		
IR and Work Practices				
Review the EA with a view to improving cost and operational efficiencies and reducing the number of specific clauses that give rise to and/or maintain restrictive practices within ACTION, and which restrict management's ability to exercise normal decisionmaking processes. Implement a new block and rolling shift arrangement to address the significant inefficiencies attached to the current				✓
Review and refine ACTION Leave Entitlements and implement an improved system of absence management.				✓
Implement specialist positions into the ACTION structure to manage, reconcile and analyse payroll.			✓	
Review and Reduce Emergency relief ratios. Record emergency relief utilisation at depots.		✓		
Target a 10% reduction in driver overtime.		✓		
Revenue protection				
Develop and implement fare revenue protection strategy and program by reference to other jurisdictions.		✓		
Organisational Improvements				
Create a clearer PT structure that is consistent with the various service model possibilities and which endorses the PT role as the purchaser.	✓			
Clarify functional organisation of ACTION and add specialist positions.	✓			
Make functional adjustments to Public Transport that better suits the evolving transport agenda and future possibilities in the ACT especially with the integration of Capital Metro light rail in 2018 and the future possibility of multiple bus operators.	✓			
Revise and adjust the Strategic Organisational Planning process to deliver high level strategic plan with functional sub-plans				
Adopt a more formal management system using netBI as an integrated business intelligence platform to provide the starting point for all core		✓		
Extend netBI to provide visibility over all current IT systems. Add payroll, TIMS and Transequel to ensure data visibility across all systems and operational data		✓		
Improve management accounting processes.		✓		
Improve absence management and incident management processes and procedures.		✓		
Develop a formal maintenance strategy. Such a strategy would likely tailor generic "Reliability		✓		
Develop a comprehensive Fleet Strategy utilising the framework provided for guidance	✓			

Develop an internal service agreement between ACTION's Maintenance and Operations.		✓		
Realign maintenance shifts to meet peak fleet demands by restructuring shifts, RDOs, weekend work and overtime and adjust full time positions. Realign fueller and cleaner shifts and increase the number of full time positions.		✓		
Investigate whether ACTION may seek commercial hosting quotations for specialist software such as HASTUS.		✓		
Develop ways to apply new technologies monitoring and analysis processes.		✓		
Service Delivery Models				
Consider outsourcing model for service delivery - ensure business policies, practices, procedures and interim organisational re-structure aligns and enables this potential future delivery option.			✓	



Transport Canberra

Executive search strategy
for establishment of the
Ministerial Public
Transport Advisory Board



April 2016
This report contains 19 pages

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1 Background

1.1 Transport Canberra

Transport Canberra will be established and commence operations on 1 July 2016. Transport Canberra will integrate transport operations across the ACT, including existing bus and light rail functions known as ACTION buses and Capital Metro.

In establishing a new and integrated public transportation agency, the ACT Government is seeking to achieve:

- A modal shift to public transport, creating transportation choices for the ACT community;
- Financial Sustainability in Public Transport; and
- A single point of accountability for the integration of public transportation in the Territory.

Transport Canberra's vision is:

Transport Canberra – smart transport that connects us to a better future

Transport Canberra is building a bigger and better public transport system which will increase customer usage through fast, reliable and comfortable services for residents and tourists alike.

The stated purpose is:

Transport Canberra plans, builds, operates, regulates and maintains a growing and diverse public transport system.

There are three overarching strategic priorities:

1. Improve the efficiency of the business
2. Improve customer satisfaction and drive an increase in patronage
3. Drive innovation and a sense of excitement about public transport

1.2 Governance arrangements

Good governance arrangements to support the integrated agency will enable Transport Canberra to successfully set its direction, and manage its operations to maximise outcomes and effectively discharge accountability obligations.

A non-statutory Transport Canberra Advisory Board will be established to oversee the governance of Transport Canberra. The Advisory Board will require the support of the government of the day, and will not be able to make decisions independent of government. It will function as a key advisory body, providing independent and expert advice to the Government. It will specifically advise the Minister for Transport on the

development and implementation of an annual statement of intent and state of expectations for Transport Canberra.

2 The Transport Canberra Advisory Board

The Transport Canberra Advisory Board (Advisory Board) Chairperson and Members will be appointed at the Minister's discretion for an initial term of two years. The Advisory Board will report directly to the Minister for Transport.

2.1 Role of the Advisory Board

The Advisory Board will review progress, address strategic questions and plan for the coming financial year. The Advisory Board may request to review Transport Canberra's budget and financial accounts each year. However, the Advisory Board will not be a formal Board of Directors and does not have fiduciary responsibility for Transport Canberra.

The Advisory Board may request information that is not publicly available regarding the performance of Transport Canberra to support its provision of strategic advice.

The Advisory Board will provide independent and expert advice on the strategy and direction of Transport Canberra, including:

- Transport network and planning;
- Ongoing procurement and contract management;
- Implementation of infrastructure projects including environmental impact;
- Customers, social inclusion and community satisfaction;
- Fleet and asset management; and
- Innovation and performance improvement.

2.2 Board composition

As specific skills sets are required, candidates who live or work outside Canberra will be considered, provided they can meet their obligations.

The Advisory Board will consist of four members, allowing capacity to adequately deal with the size and complexity of Transport Canberra and its operations, and to cover the range of competencies required for strategy development and proper governance.

2.3 Skills and expertise

The Advisory Board should collectively possess a sufficient range of competencies to effectively deal with the issues and opportunities the organisation is likely to face. Appointees need to bring to the boardroom a range of skills and expertise in relevant areas. Their individual strengths should complement each other.

Transport Canberra
Executive Search Strategy for Establishment of
March 2016

The skills matrix below proposes a range of generic and technical competencies for consideration and refinement, to articulate the skills required of Board Members.

Skill	Chair	Board Member 1	Board Member 2	Board Member 3
Governance				
Strategy/vision				
Innovation				
Business judgment				
Commercial acumen				
Risk management				
Government knowledge				
Accounting and finance				
Employment/industrial relations knowledge				
Stakeholder management, incl community and media				
Customer-centric operations and customer engagement				
Integrated transport network planning				
Asset management planning				
High-level program/project management				

Prospective Board Members will also need to demonstrate key personal attributes of:

- Personal and commercial maturity suited to providing Ministerial advice
- Strong ethical standards
- Integrity and fairness
- Sound judgment
- Ability and willingness to challenge and probe
- Strong interpersonal skills
- Collaborative problem solving

2.4 Diversity

As stated in the *ACT Government Boards and Committees Handbook*, the ACT Government has a commitment to achieving 50 per cent representation of women on its boards and committees. The ACT Government also encourages greater participation of Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds and people with a disability. Representation from a broad cross section of the community, include community organisations, is also encouraged.

Advisory Board Members should therefore be selected to cover a range of gender, age, perspectives and backgrounds, in addition to providing a mix of skills and experience.

This will enhance the Advisory Board's capabilities in analysis, debating, decision making and independence of view, and provide a stronger connection with customers, employees and other stakeholders while lessening the risks of complacency and group think.

2.5 Board remuneration

If Board remuneration is deemed to be appropriate, it should ideally be set prior to the commencement of the engagement, but no later than the early stages of candidate identification. The level of remuneration will be set through a determination of the ACT Remuneration Tribunal.

As an indication of potential ranges of appropriate remuneration, we refer to Determination 12 of 2015: Part-time Public Office Holders which sets the remuneration rates for the Chair of the ACT Capital Metro Board at \$73,455 per annum, and for Members of the ACT Capital Metro Board at \$44,080 per annum.

3 The executive search strategy

This section outlines the recommended executive search strategy for the establishment of the Ministerial Public Transport Advisory Board.

Executive search is typically used to profile and target individuals who meet the selection criteria for a particular role. We recommend that competent executive search consultants be engaged, as they will be able to position the opportunity appropriately in the market, enhancing the brand of the ACT Government and attraction to the Advisory Board.

3.1 Selection of the executive search consultants

It will be important to select reputable executive search consultants who demonstrate commitment to the highest professional practices and demonstrate actions that are in the best interest of their clients, candidates, and the community at large.

A track record of supporting clients, particularly in the government sector, with Board appointments will ensure an understanding of the appropriate governance requirements.

The executive search consultants need to demonstrate appropriate identification and attraction approaches, and a rigorous and objective assessment process that recognises the needs for confidentiality, diversity and inclusion.

The process for identifying and avoiding conflicts of interest with clients and candidates needs to be clear, as well as how potential conflicts will be disclosed and resolved.

3.2 The executive search process

A rigorous executive search process should cover the following:

3.2.1 Briefing and engagement specification

The executive search consultants should be thoroughly briefed at the commencement of the process to provide them with a sound understanding of Transport Canberra, its strategic objectives and key drivers. The briefing will inform the search process and provide the basis for candidate evaluation.

The Board skills matrix should be finalised and the required experience, qualifications, background and time commitments of and the selection criteria for the Board roles should also be clarified.

The executive search consultants should design a search strategy that will identify relevant target organisations in the public and private sectors. They should also produce an information pack for your approval, which will be used to inform candidates on Transport Canberra, its intent and anticipated challenges, political or otherwise. A

clearly articulated document is important to support the attraction and engagement of quality candidates, once identified.

3.2.2 Candidate identification and attraction

The executive search consultants should propose an approach to market that includes a number of processes conducted in parallel. A national executive search should deliver a pool of candidates that offer diversity in gender and in age, while contributing the capabilities required for this Board.

While it is likely that suitable candidates could come from anywhere in Australia, candidates with a demonstrated connection and commitment to the ACT should be targeted. Candidates for the Chair position should ideally be ACT residents with recognised profiles, sound reputations, deep governance experience and extensive networks.

Search consultants would typically make use of their researchers, as well as their networks and candidate database to build the candidate pool.

Possible roles to target may include:

- Non-Executive Directors serving on the Boards of relevant transport organisations in other jurisdictions;
- Non-Executive Directors with experience gained in high profile transport infrastructure institutions; and
- Experienced Non-Executive Directors and Chairpersons in the ACT market, with sound governance experience and community standing.

We note that there is not a specific position for union representation. However, union leaders may choose to apply for a board appointment and will be considered on the merit of their applications.

You may wish to consider the executive search consultants also managing the placement of one prominent advertisement in a relevant national newspapers, such as the Australian Financial Review. This will expose the opportunity to the Director demographic nationally and may attract additional relevant candidates. It will also serve as a message to market regarding this particular initiative of the ACT Government.

Co-branding the advertisement with the executive search consultancy's brand will provide prospective high profile candidates with the confidence that their potential interest will be dealt with in a highly professional and confidential manner, and may also attract candidates who may not otherwise have considered opportunities with the ACT Government.

3.2.3 Diversity and inclusion

Identifying the most qualified talent will require that the search and assessment processes are conducted without bias. The executive search consultants should

understand and assist you in achieving your gender balance and diversity goals. They should demonstrate an understanding of the business case for diversity, while being mindful of compliance with legal and regulatory requirements. They should also demonstrate a commitment to provide to you best practice in supporting diversity.

The attraction strategy should include a commitment to attracting sufficient numbers of female candidates, with the aspiration of achieving the ACT Governments commitment to achieving 50 per cent representation of women on its Boards. As transport is universally relevant, it will also be important to reach and engage with potential candidates from diverse age groups and cultural backgrounds, as well as people with a disability, to aim for a Board that reflects and represents the diversity of the community it serves.

The opportunity also needs to be exposed to potential candidates who are Aboriginal and Torres Strait Islander people, through relevant community and business networks, media and publications.

3.2.4 Candidate assessment

Throughout the search process, the executive search consultants will engage in discussions with potential candidates to promote the opportunity, and gauge their interest and suitability. Once applications have closed and been assessed, the executive search consultants should discuss with you the candidates suitable for progression to the assessment stage.

The candidate assessment process should be thorough and rigorous. It should include initial interviews conducted by the executive search consultants to assess candidate suitability and interest, as well as potential conflicts of interest. These interviews should be followed by panel interviews, reference checks, and ideally psychometric assessment and pre-employment screening.

Psychometric assessment is recommended as it will provide information on personal style and having the profiles of all preferred candidates will provide indicators for potential board dynamics.

Given the nature of the position of the Advisory Board roles, and to avoid unnecessary costs and organisational risks to the ACT Government, we recommend pre-employment screening to assist in verifying representations made by candidates. This involves conducting objective, impartial and comprehensive probity checks, without violating candidate privacy.

Pre-employment screening allows the detection of misrepresentation or cases of fraud and other white-collar crime, business malfeasance and regulatory violations. Being able to determine the facts in a manner appropriate to the level of candidates can significantly reduce risks for Transport Canberra.

The combination of the expertise of the executive search consultants with your focus on your strategy and objectives, will provide the best potential outcome from the assessment process.

3.2.5 Supporting the selection panel

To ensure strong candidate engagement and communication and an objective process, we recommend that the executive search consultants maintain a coordination and advisory role throughout the executive search, assessment and selection processes.

Their appropriate role during the panel interview and selection stages of the process is to encourage panel members to consider the information collected about the candidates through all phases of the assessment process in a structured and systematic manner, and to evaluate candidates against the predetermined role capabilities as detailed in the role description. They should also advise the panel on the likely Board dynamic that will result from the combination of the preferred candidates for the various Board roles.

The executive search consultants should also assist in negotiating the offer with the successful candidates in accordance with your instructions, with a view to ensuring that negotiations proceed smoothly and successful appointments are made.

Optional functions of the executive search consultants during this phase could be to draft the selection report, for the panel's consideration and signature.

3.2.6 Timeline for the search engagement

The timeline should be agreed at the commencement of the engagement, stating specific dates for the achievement of key milestones. To keep the timeline on track, key meetings requiring the panel's input and attendance should be scheduled well in advance.

The executive search consultants will be responsible for managing the process to ensure timely progress, while the ACT Government will be responsible for timely responses and inputs as scheduled and requested.

Some allowance will need to be made for the availability of panel members or candidates for interviews, and referees for comments, which could potentially create delays in the process. Any potential delays identified should be communicated by either party without delay.

3.2.7 Communication and reporting

Timely and respectful communication on all fronts will support a well-developed executive search and selection approach, while maintaining the level of confidentiality expected by clients and potential candidates.

Communication and reporting requirements, including timing and format, should be agreed at the commencement of the engagement, and would typically include:

- Regular communication on the status of the process, the current competitive environment for similar candidates, and responses required to questions raised by candidates;

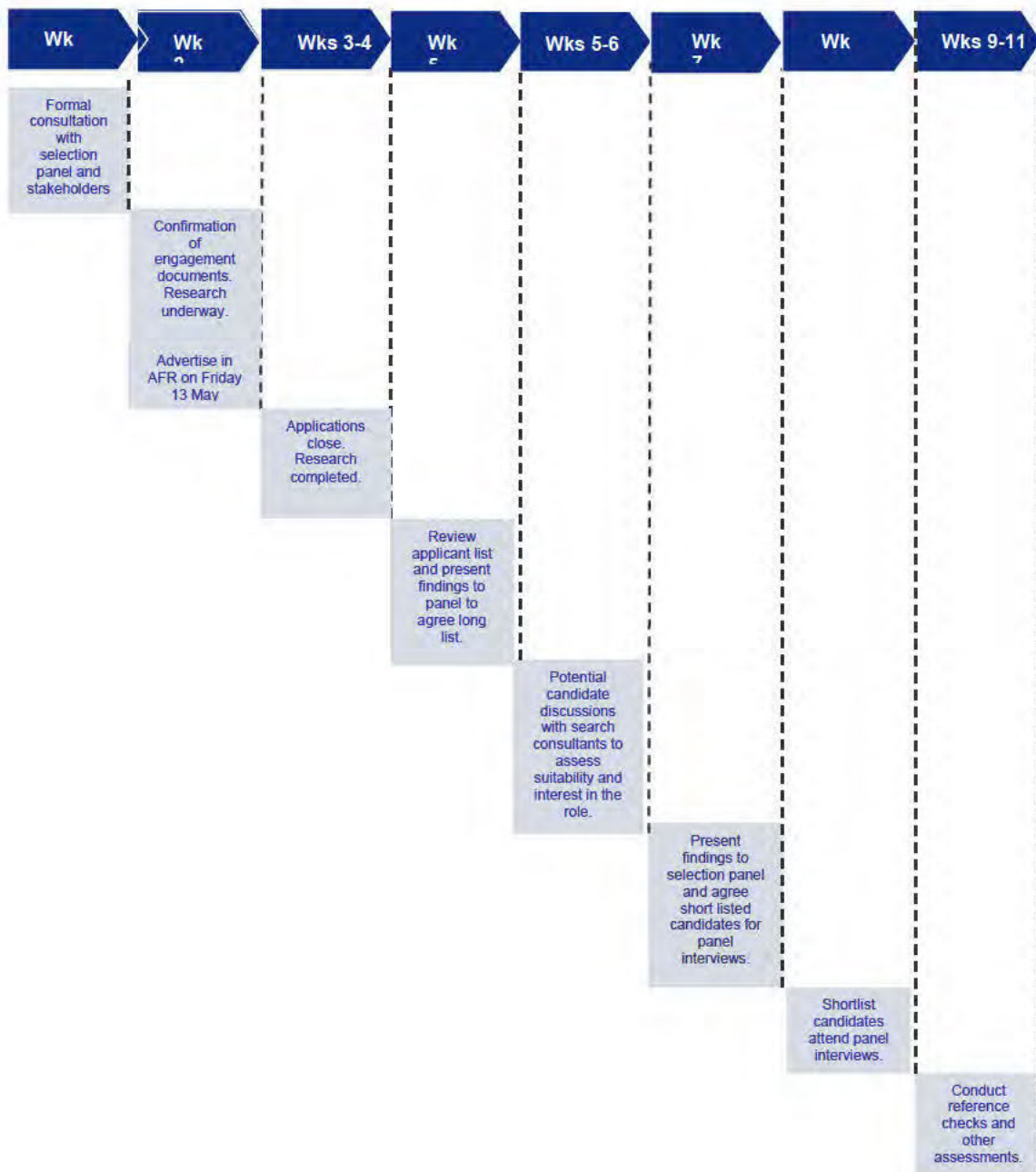
- Following the closing date for applications: the number of applications received and the general quality;
- Following assessment all applications: general findings and recommendations for candidates to progress;
- Following completion of first round interviews: interview findings, availability, remuneration expectations and recommendations on candidates to progress to panel interviews;
- Following reference checks: comments of referees;
- Following any assessments: reports on the findings; and,
- As an option: following panel interviews and decision making: draft selection report for panel's approval and sign off.

3.2.8 Timeline

It is anticipated that the Advisory Board will be functional after 1 July 2016.

A tentative timeline is set out below for the search and selection process. We recommend that diary dates are set in advance for meetings requiring the attendance of the selection panel, to keep the timeline as compact as possible.

Transport Canberra
Executive Search Strategy for Establishment of
March 2016



3.2.9 Budget

The executive search consultancy fees at current market rates would typically require a budget allowance of around \$35,000 - \$40,000 per individual Board Member appointment and \$45,000 - \$55,000 for the Chair appointment.

Additional costs that need to be allowed for include the production and placement of any agreed advertising in the media, which could be as high as \$11,000 for a placement of an advertisement in the early pages of the Australian Financial Review.

Psychometric assessments and pre-employment screening would be advisable for preferred candidates only. Costs are also additional and would depend on the level of assessment selected in each case.

Travel and accommodation for the executive search consultants, candidates and panel members may also be required. Costs will vary depending on the location of origin, and length of stay required.

There are various relevant assessments on offer, which range in price from several hundred to several thousand dollars, depending on the assessments selected and the number of candidates being assessed.

We recommend that any fees or expenses be transparent, and negotiated and approved by you prior to being incurred.

4 Potential challenges to attraction

We have identified a number of potential challenges to the attraction of suitable candidates for your consideration:

- The nature of a non-statutory Advisory Board often appeals to candidates with less rather than more experience.
- Experienced Board candidates may consider an Advisory Board to pose a reputational risk, as they will be devising and monitoring strategy, but will have no control over its implementation or outcomes.
- The Advisory Board would have more influence over the strategic outcomes if advice were to be provided to the Minister in addition to the Director-General of the agency. As the Minister will represent the ACT Government as the shareholder, this relationship would be appropriate.
- As appointments are likely to be made in May-June, the forthcoming October election will be imminent. The election may result in a different person being appointed to the role of Minister. Should this void the commitment of the ACT Government to the `Advisory Board, it may result in the Advisory Board's redundancy very shortly after its appointment.

However, the situation also offers opportunities. High calibre candidates have been attracted in other jurisdictions due to a message taken to market that clearly identified the unique aspects of the opportunity. The executive search consultants' discussions with candidates should address candidates' perception of potential challenges with transparency and honest, to provide candidates with the opportunity to make informed decisions before engaging in the process. In our experience, where this has been managed well, high profile candidates with experience from large government Boards, listed company Boards and/or private sector Boards, were attracted successfully.

It is also our experience that Boards in small jurisdictions can be viewed as attractive by senior and well experienced candidates, as they allow Board Members the opportunity to have a more direct impact by being closer to the Minister, as well as to the community it serves. These opportunities also have natural appeal to Board Members who have a strong focus on equity and social inclusion, and "putting something back" into society.

This opportunity is also likely to appeal to candidates who have a definite interest in building or maintaining a relationship with the ACT Government and Chief Minister, while understanding the importance of not compromising their independence.

Appropriate articulation of the opportunity by the executive search consultants to candidates will therefore be important in strengthening the appeal of this Advisory Board.

5 Potential risks to establishing the Advisory Board

The following identified risks to the establishment of the Advisory Board have been identified for your consideration:

- The timing of the appointment of the Advisory Board with the election imminent in October. This could be mitigated by making interim Advisory Board appointments, to be ratified by the ACT Government post-election.
- The ACT Government does not have a strong reputation in the market for candidate attraction. This can be mitigated by the engagement of an executive search consultancy with a reputation for appropriately promoting opportunities by sharing in-depth understanding and honest communication with candidates regarding the potential and challenges of the roles under consideration.
- Advisory Boards tend to appeal to Board candidates with no or little experience. Applicants may therefore not bring the right level of governance maturity and capabilities. Setting the expectation of having a Chair and at least half of the appointees with good levels of experience, will allow a broader pool of candidates for consideration, while balancing the required capabilities across the Advisory Board.
- Attracting insufficient numbers of suitable candidates pose a risk to the ACT Government appointing a Board with the right competencies. This risk will be mitigated by the standard practice of the executive search firm being responsible for identifying and attracting a pool of candidates sufficiently large to provide the ACT Government with choice. The process will therefore only proceed to panel interviews once a suitable number of quality candidates have been identified.
- The union has been identified as a key stakeholder that will require careful management. This will be important to provide Transport Canberra the opportunity to launch with the support of all key stakeholders. If not managed appropriately, the potential for negative market sentiment and adverse publicity would create a difficult operational context for the organisation, and for the Advisory Board.

6 KPMG Executive Search and Selection

This report has been prepared by KPMG Executive Search and Selection, in collaboration with our KPMG Advisory colleagues.

6.1 Relevant experience

KPMG Executive Search and Selection's profile within the business community and the public sector is significant. KPMG has assisted clients to recruit non-executive directors and executive staff over several decades, since the formulation of executive search & selection as a specific line of business in Australia in the late 1970s.

We have worked across a range of jurisdictions in making Public Sector appointments. These appointments have included placement at Board and CEO/Secretary/Director-General levels, through Senior Executive and Senior Officer levels to Professional Leadership roles.

For the most senior roles, we have worked with Ministers and with the Chief Executives of the relevant Public Sector Commission, during the search, selection and appointment processes.

We offer a team of senior, experienced executive search professionals with in-depth knowledge across a range of industries. We are able to draw on KPMG's extensive and established business networks and industry experience in Australia and globally to add real value to the recruitment process.

Liz Crawford, National Practice Leader of the Executive Search and Selection practice, regularly supports the NSW Government in the selection of Board Members for State Owned Corporation Boards, as an independent member of the selection panel.

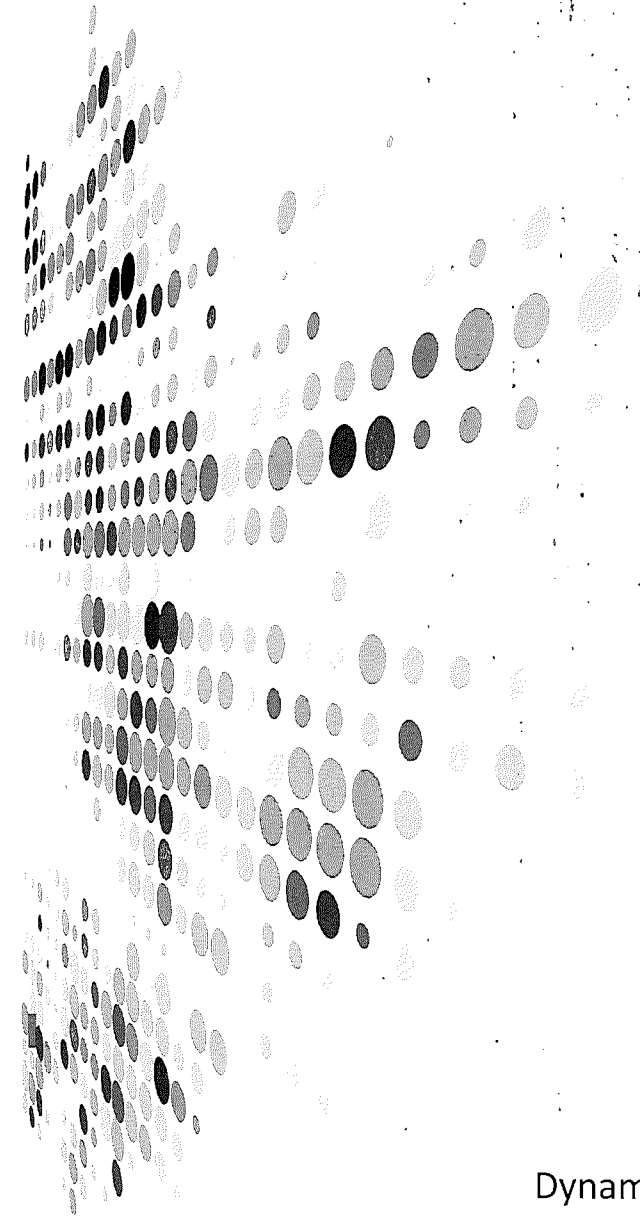
A number of our team are members of the Australian Institute of Company Directors (AICD) and Liz Crawford, National Practice Leader, is a Graduate of the AICD. In addition to various governance reports produced by KPMG, this keeps us up to date regarding current developments in governance.

We also bring practical experience, as a number of the Executive Search and Selection team members have held in the past, and also currently hold, board or advisory board positions.

KPMG Executive Search and Selection are members of the Association of Executive Search Consultants (AESC). The Association of Executive Search Consultants (AESC) is the worldwide professional association for the executive search and leadership consulting industry. The AESC promotes the highest professional standards in executive search and leadership consulting through its industry recognized Code of Ethics and Professional Practice Guidelines.

TRANSPORT CANBERRA
Customer Charter – Our promise to you

- ✓ We will get you to your destination in a clean and safe environment
- ✓ You will be kept up informed and to date
- ✓ We care about you, let us know if you need extra support
- ✓ You will be treated with respect, honesty and integrity
- ✓ We understand your privacy concerns
- ✓ We want to hear from you and understand how to better service your needs
- ✓ We aim to create a sustainable and environmentally friendly transport system



You will be kept informed
and up to date

We care about you, let
us know if you need
extra support

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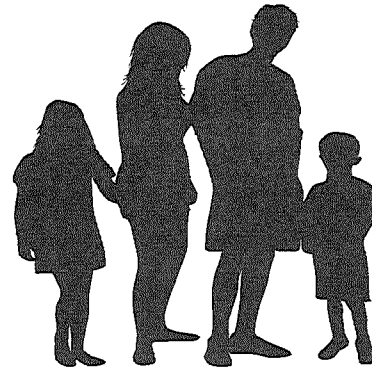
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Customer Charter – Our promise to you –

TRANSPORT CANBERRA

Customer Charter – Our promise to you



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You will be treated with respect, honesty and integrity



We understand your privacy concerns



We want to hear from you and understand how to better service your needs



We aim to create a sustainable and environmentally friendly transport system

Transport Canberra and City Services
[Street Address, City, ST ZIP Code]
Tel [Telephone]
Fax [Fax]
[Website]

DRAFT as of
08/07/2016



ACT
Government

Transport Canberra and City Services

GOVERNANCE MANUAL

2016

*Best practice governance guidelines for the effective and sustainable
administration of Transport Canberra and City Services*

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DIRECTOR-GENERAL'S FOREWORD

Director-General's Foreword

I am pleased to present the first governance manual for Transport Canberra and City Services, which provides a framework to unify the ACT's public transport and city services into a streamlined Directorate to serve our community.

Accountability and empowering our employees to make decisions to get the best outcomes for our customers are key to the new governance arrangements.

In all the services we provide, we must put our customers first. This means we need to empower our employees to serve the community through informed decision making. This needs to be supported by an appropriate framework to enable all of us to feel comfortable and confident in our service provision.

As a Directorate, we rely on our relationships with ACT government bodies to ensure we are meeting whole-of-government objectives, such as reducing our carbon footprint and working to provide integrated, convenient and streamlined services. To do this we need strong stakeholder relationships within government – and not just at the senior levels – across all of employees. These relationships support smooth, efficient and effective service delivery.

Our relationship with the public is equally as important, our job is not only to think and act like an employee of our new Directorate, but also as members of our community.

My vision for our Directorate is an organisation known for its supreme customer services, confident and empowered employees and an agency that is recognised for integrity and good governance, setting the standard not only for the ACT Government, but for all governments.

We are a diverse directorate, with diverse skills, background and knowledge. We may carry out different functions across the organisation but we are unified in our commitment to customer service. The Executive Team and I will be responsible for setting up the framework to ensure the new Directorate thrives and is respected within government and, most importantly, with community that we serve.

I am looking forward to seeing the governance manual embraced by all of our employees.

Emma Thomas
Director-General
[Date]

INTRODUCTION

Introduction

TRANSPORT CANBERRA AND CITY SERVICES

On 1 July, 2016, Capital Metro Agency (CMA) was merged with most of the functions of Territory and Municipal Services (TAMS) and the Active Travel Office from Environment and Planning Directorate to create a new integrated directorate: Transport Canberra and City Services, headed by Emma Thomas in her role as Director-General.

The purpose of Transport Canberra and City Services Directorate is to help Canberrans move around the city and to provide efficient and high quality city services to the community. The Directorate will provide an integrated transport network and city services that are people-focused and innovative.

Transport and the city's local services are crucial to Canberra's future growth. The new Directorate will focus on the customer experience, delivering high quality local and transport services, with a constant emphasis on business improvement.¹

GOVERNANCE MANUAL PURPOSES

This document outlines the governance framework for the effective management and accountability within Transport Canberra and City Services, the efficient use of its resources as well as the monitoring of the attainment of its goals.

It provides information on the governance structure, systems and processes in order to assist the Directorate's employees to develop a greater understanding of their functions, rights and obligations, as well as the procedures they can utilise to raise governance issues.

This governance manual draws from the legislative framework on governance, applicable to public service agencies in the ACT. Such rules enshrine the ACT Government's belief in the intrinsic value of good governance and the necessity to explain how it works in practice.

Rules of governance described in this document aim at empowering Transport Canberra and City Services management to streamline decision making processes and undertake timely and effective action. They provide a clear description on how decision making should occur, whilst setting standards for overall accountability, stakeholder management and effective communication. The overarching objective is to ensure 'fit-for-purpose' decisions, undertaken in the most responsible way.

¹ Public Statement, Minister Meegan Fitzharris, 07 April 2016.

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To ensure the continuous harmony between management decisions and institutional objectives, this governance manual should be interpreted as a living document. As the work of Transport Canberra and City Services progresses, management should be responsible for monitoring and, if necessary, reviewing governance arrangements so as to maintain their relevance vis-à-vis the evolution of the organisation's goals.

More specifically, this governance manual designates:

- The overall structure of the ACT Public Service (ACTPS) in the context of the governance arrangements of the ACT government and how Transport Canberra and City Services fits within this structure;
- The definition of governance adopted by Transport Canberra and City Services and the core principles of good governance that the organisation will strive to achieve;
- Transport Canberra and City Services organisational structure, internal and external committees, as well as their respective roles and responsibilities;
- How Transport Canberra and City Services will manage its financial responsibilities, security and emergencies, and human resources issues; and
- The mechanisms through which Transport Canberra and City Services will monitor and achieve accountability, compliance, and risk management.

GOOD GOVERNANCE

Overview

Governance is about the exercise of authority to ensure professionalism, accountability and openness in the conduct of an agency. Governance involves establishing strategies to protect and manage organisational resources.

In the administration of government, governance has three basic purposes:

1. to ensure that we are effectively accountable to our stakeholders - the Government, the Assembly and the community - for the decisions we make and the resources we manage on their behalf
2. to ensure the efficient and effective use of these resources
3. to ensure that employees properly understand their responsibilities and the way that they contribute to the organisation's goals.²

² Australian Public Service Commission.

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Definition

The Australian National Audit Office (ANAO), in its seminal publication “Public Sector Governance Better Practice Guide 2014” defines governance as:

“The arrangements and practices which enable a public sector entity to set its direction and manage its operations to achieve expected outcomes and discharge its accountability obligations. [...] Public sector governance encompasses leadership, direction, control and accountability. It assists an entity to achieve its outcomes in such a way as to enhance confidence in the entity, its decisions and its actions.”³

Open Government

The ACT Government is committed to

- transparency in process and information
- participation by citizens in the governing process
- public collaboration in finding solutions to problems and participation for improved well-being of the community.

For the ACT Government, being an open government means we value collaboration with each other and the community. The Open Government initiatives enhance democracy and place the community at the end of the governance process.⁴

Core Principles of Good Governance

The ANAO has developed a set of generally accepted principles of public sector governance.

Such principles are accountability, transparency, stewardship, integrity, efficiency and leadership. They are meant to embrace all aspects of an organisation's activities.

As public servants exercise authority on behalf of the ACT government and the public, they are subject to intense scrutiny and significant accountability requirements. Good governance principles are essential reputation and risk management tools and also provide a framework to support decision making.

³ Australian National Audit Office, Public Sector Governance Better Practice Guide, 2014, p.7.

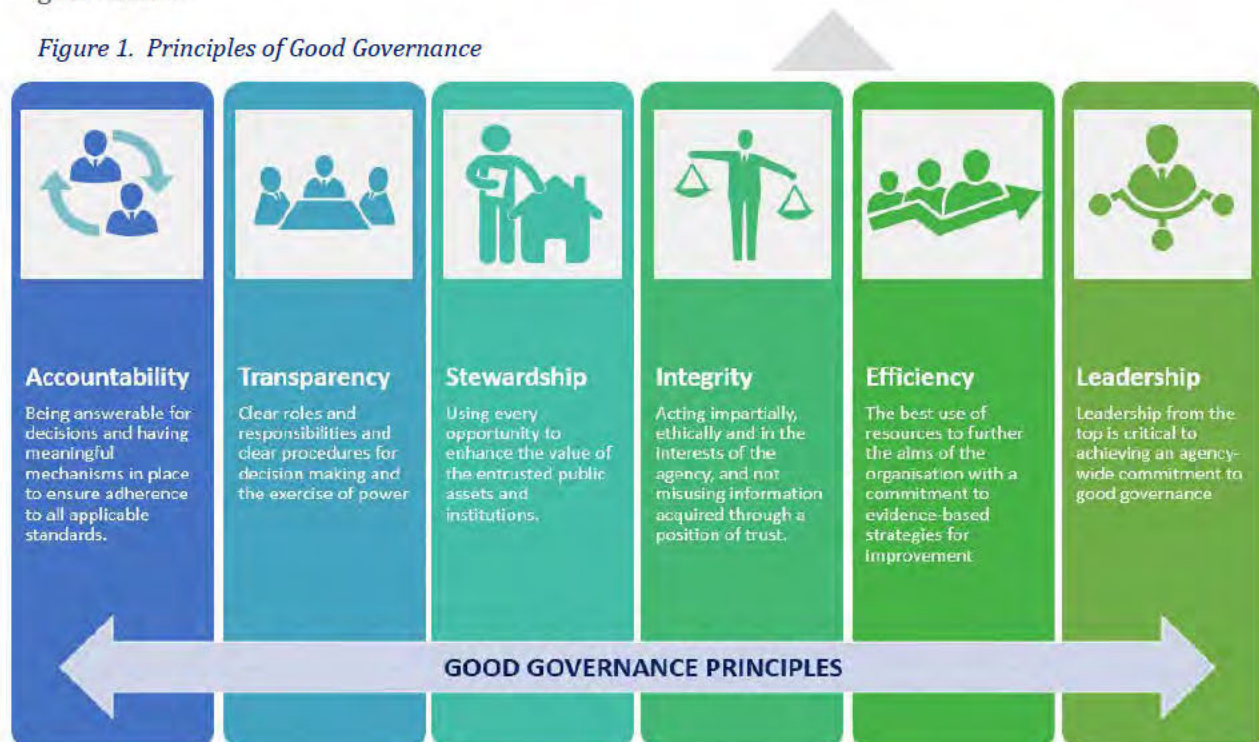
⁴ What is Open Government? http://www.cmd.act.gov.au/open_government/what_is_open_government

INTRODUCTION

Sound governance is a key element in enhancing relationships with all stakeholders to which an organisation is held accountable. It also promotes public service capabilities, ultimately improving processes.

Figure 1 below highlights the synergy and intertwined nature of the seven principles of good governance.

Figure 1. Principles of Good Governance



Accountability

Transport Canberra and City Services employees take responsibility for their decisions and actions in relation to the community at large. This responsibility extends across a range of areas including probity and ethics as well as effective and efficient implementation of programs. Consequently, Transport Canberra and City Services employees are open to, and welcome, scrutiny. Accountability is attained through a clear understanding of each parties' roles and responsibilities through a well-defined and robust structure.

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Performance

Transport Canberra and City Services employees strive for timely and responsive action in order to achieve institutional objectives and meet overall stakeholder expectations. Emphasising performance means being efficient and effective in unison.

Transparency and Openness

Transparency and openness ensure stakeholders' confidence in the decision-making processes and actions carried out by Transport Canberra and City Services, as well as in the management of its activities and resources. Transparency and openness translates in meaningful consultations with stakeholders and communication of full, accurate and clear information which leads to effective and timely action.

Integrity

Integrity in the ACT Public Service (ACTPS) means exercising authority lawfully and in accordance with stated principles, values and expected standards of conduct. At Transport Canberra and City Services, integrity is based on honesty, high standards of probity and care in the control and use of public resources, as well as the effective/efficient management of our business. It is ultimately determined by the personal standards and professionalism of Transport Canberra and City Services employees

Leadership and Stewardship

The leaders of the Directorate – particularly executive and senior officers/management – are responsible for modelling good behaviour. They should enshrine, in their actions, the values and professional standards, consistent with the general obligations of employees under the *Public Sector Management Act 1994* (PSM Act) and relative codes of conduct.

Stewardship implies that the leadership powers are exercised on behalf of the ACT Government in a manner which maximises the value of the entrusted public assets and institutions in the eye of the Canberra community at large.

EMPOWERMENT AND DELEGATION

Transport Canberra and City Services' governance arrangements are centred on the principles of empowerment, accountability and delegation, with a view to streamline decision making and foster a culture of shared responsibility amongst all employees. In its governance setting, Transport Canberra and City Services executive will work actively to consciously distribute authority, assigning task and power to other employees. The objective is to empower employees,

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meaning greater involvement in their jobs by accrued responsibility and accountability in decision-making. From a broader, organisational perspective, this translates into the principle of subsidiarity, whereby a hierarchically higher body of governance should not exercise functions that can be carried out, more efficiently, by a smaller, more specialised body. However, the higher body should always support the smaller bodies to coordinate their activities with the overall strategic objectives of the organisation and, ultimately, with the social purpose the organisation.

NINE GOVERNANCE PRINCIPLES FOR TRANSPORT CANBERRA AND CITY SERVICES

In carrying out leadership and coordination activities, both the Executive Team and the various governance committees having decision-making power, and will uphold the following best practice principles:⁵

Principle 1	The Executive Team play a key role in approving the vision, purpose and strategic objectives of the organisation. They are accountable to the employees, Assembly and community as a whole. They report to the Director-General.
Principle 2	The Executive Team sets the cultural and ethical tone for the Transport Canberra and City Services.
Principle 3	Taking into consideration the scale and nature of the Directorate's activities, the Executive Team and sub-committees comprise an appropriate number of senior leaders who have the relevant and diverse range of skills, expertise, experience and background and who are able to effectively understand the issues arising in the Transport Canberra and City Services.
Principle 4	The Executive Team will establish an appropriate system of risk oversight and internal controls put in place.
Principle 5	The Executive Team will act diligently on an appropriately informed basis and have access to accurate, relevant and timely information from Transport Canberra and City Services employees.
Principle 6	The Executive Team would normally delegate certain functions. Where it does so, there should be a clear statement and understanding as to

⁵ Australian institute of Company Directors; Good Governance Principles and Guidance, 2013.

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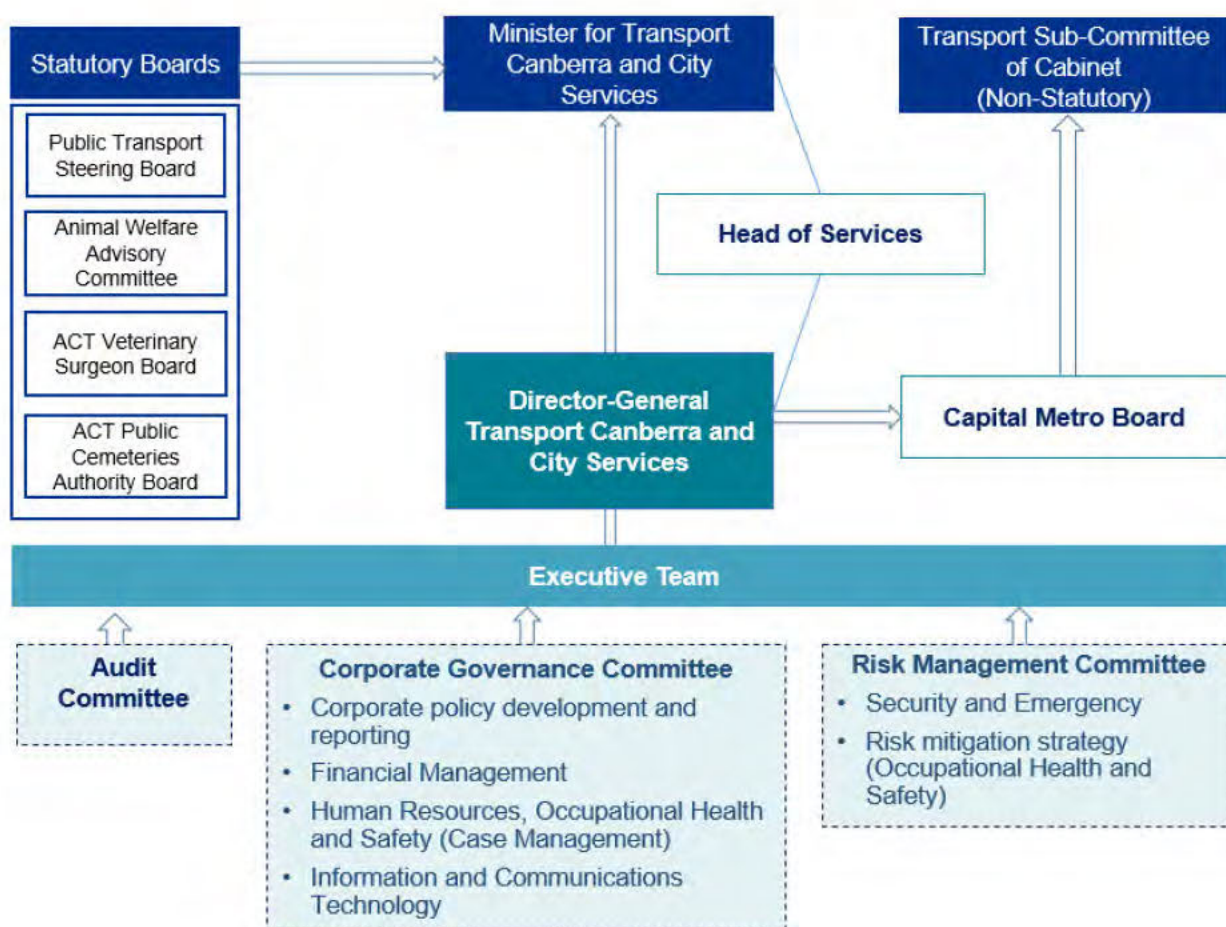
	the functions that have been delegated and the responsibilities and accountabilities.
Principle 7	The Executive Team is responsible for continuing evaluation of its performance and continuous improvement, along with the Director-General.
Principle 8	The Executive Team will ensure that the Directorate communicates with other directorates, government bodies and other stakeholders in a regular and timely manner, so that they have sufficient information to make appropriately informed decisions based on achieving whole-of-government outcomes and the broader strategic vision of the ACT Government.
Principle 9	The Executive Team's performance needs to be regularly assessed and appropriate actions taken to address any issues identified.

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Organisational Structure

Detailed diagrams outlining both the organisational structure and the governance framework of Transport Canberra and City Services are provided, respectively, in Annexure I and Annexure II of this document, as well as below:

Figure 2. Transport Canberra and City Services Corporate Governance Framework



ROLES AND RESPONSIBILITIES

The entirety of Transport Canberra and City Services management and employees, including temporary employees and volunteers, play a major role and retain responsibility in ensuring the good governance of the Directorate.

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Minister for Transport Canberra and City Services

On the one hand, as a democratically elected political representative, the Minister for Transport Canberra and City Services holds ultimate democratic accountability for all the services provided, and activities conducted, by the Directorate. On the other the Minister represents the Directorate's necessities in Cabinet, relevant Government committees and the Legislative Assembly.

The Minister also sets the high-level strategic objectives that the Directorate should attain, such as ensuring Canberra remains the world's most liveable city, delivers a transport network and city services that are people-focused and innovative, focusses on the customer experience, delivers high quality local and transport services with an emphasis on business improvement, and maintains high-levels of community satisfaction.⁶

With regard to the Capital Metro Project, the Minister represents the interests of the Capital Metro Project Board in the ACT Cabinet. The Minister is responsible for overseeing and approving documentations and procedures related to the operations and overall management of the Capital Metro Project.

Besides the traditional responsibilities, the Minister also exercises leadership and is accountable for:

- The overall reputation of the Capital Metro Project;
- The operations, procedure and performance of the Capital Metro Project Board and its employees;
- The resolution of issues prior to consideration of the same by the Capital Metro Sub-Committee of Cabinet.

Capital Metro Sub-Committee of Cabinet

The Capital Metro Sub-Committee of Cabinet is the peak decision making body, responsible for the implementation of the Capital Metro Project. Its decisions mainly pertain to the investment aspects of the project, including:

- General funding approval;
- Approval of major contract winners;
- Management of extreme rated risks; and
- Management of issues which may cause reputational risks to the Government.

⁶ Public Statement, Minister Meegan Fitzharris, 07 April 2016.

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Other ad hoc decisions may be made by the Cabinet Sub-Committee based on specific recommendations of the Capital Metro Project Board.

Director-General

The Director-General of Transport Canberra and City Services holds ultimate responsibility for the sound management and good governance of the whole directorate. The Director-General has final approval powers, unless otherwise delegated, in relation to any information, official correspondence, reports and responses addressed to the Legislative Assembly, the relevant Ministers, other ACT Government Directorates, as well as external stakeholders.

Decisions undertaken by the Director-General are maintained in accordance with relevant record management procedures. They are communicated to external stakeholders through the most appropriate and efficient hierarchical level, by means of delegation.

The Director-General is tasked with establishing and monitoring all aspects of the governance structure, including:

- Accountability;
- Risk Management;
- Finance;
- Compliance;
- Human Resources; and
- Project Management.

The PSM Act, Division 3.4 provides that the Director-General of a Government Directorate is responsible for the following:

- The management of the administration and businesses of the Directorate;
- The provision of advice and reporting to relevant Ministers, with regard to issues coming under the purview of the Directorate's activities;
- The implementation of whole-of-government initiatives on behalf of Transport Canberra and City Services;
- Responses to critical, or potentially critical issues; and
- Any other function accorded by the Head of Service under relevant legislation.

Furthermore, the *Financial Management Act 1996* states that the Director-General is ultimately accountable, before the relevant Ministers, for the efficient and effective financial management of the Directorate. More specifically, the Director-General must ensure that:

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- The Directorate spends money in accordance with appropriations made for the Directorate;
- The operations of the Directorate are consistent with the budget allocated to the Directorate in any given financial year;
- Relevant provisions of the Act and financial management guidelines are complied with by Transport Canberra and City Services employees;
- All accounts and records are properly maintained; and
- Adequate control is maintained over the Directorate's assets and incurring liabilities.

Executive Team

The Executive Team serves as an ancillary governance arm to the Director-General. It provides her/him with strategic advice and support on all issues coming under her/his responsibility as required. It also superintends the day-to-day governance of the Directorate, as agreed with the Director-General. It does so by overseeing the work of the relevant internal governance committees, listed in a dedicated section below.

Generally speaking, the functions of the Executive Team include:

- In agreement with the Director-General, setting the strategic direction of the Directorate and ensuring alignment with Government priorities;
- Adopting an integrated approach to enhance the overall efficiencies and effectiveness of Transport Canberra and City Services' activities.
- Corporate governance planning and monitoring of both performance and accountability, including in relation to the Director-General.
- Leading stakeholder engagement strategies and adopting an evolutionary approach to the Directorate's strategic objectives in accordance with external feedback.

The Executive Team comprises all the Deputy Directors General, the Executive Director for Strategy, Innovation and Customer Experience, the Chief Operating Officer, and the Chief Financial Officer. The Director-General of Transport Canberra and City Services acts as the Chair of the Executive Team.

Whole-of Government Reporting

The ACT Government undertakes a broad range of significant community engagement activities on various projects carried out by relevant Directorates, including Transport Canberra and City

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Services.⁷ Whole-of-Government initiatives are normally agreed upon by the ACTPS Strategic Board, which is the main decision-making body of the ACTPS. It comprises all ACTPS Directors General, the Commissioner for Public Administration, the Heads of the Chief Minister, Treasury and Economic Development Directorate's (CMTEDD) Policy and Cabinet Division, and the ACT Chief Police Officer. The board is chaired by the Head of Service. The following sub-committees assist the Board in coordinating efforts related to whole-of government priorities:

- Policy Council (overall cross-government coordination role);
- People and Performance Council (workforce capacity and performance);
- Finance Committee (whole-of-government budget processes and financial management);
- Capital Works and Procurement Committee (whole-of government infrastructure and procurement);
- Government Business Systems and ICT Committee (whole-of-government planning and delivery of business systems and ICT); and
- Aboriginal and Torres Strait Islanders Affairs Committee (cross-directorate approach to services for Aboriginal and Torres Strait Islanders people).

Delegation Powers

Various legislative frameworks allow the Director-General to delegate human resource, financial and other functions to specific positions in the Directorate and allow occupants of those positions to discharge functions on the Director-General's behalf. Those delegated powers by the Director-General are accountable to the Director-General and unless otherwise specified in legislation, delegates cannot, in turn, sub-delegate their powers or functions to other positions or individuals.

Delegates must only make decisions and act in accordance with limitations of relevant legislation, policy/procedures in place and instructions – this includes for example, exercising functions in accordance with the Director-General Financial Instructions/Delegations and Human Resource Delegations. Decision-making must be transparent and considerate of relevant human rights, in accordance with Section 40B of the *Human Rights Act 2004*.

BOARDS AND COMMITTEES REPORTING TO THE MINISTER OR EXECUTIVE

Public Transport Steering Board

⁷ Chief Minister, Treasury and Economic Development, Annual Report 2014-15, Volume 4, Whole-of-Government Reporting: Community Engagement and Support.

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The purpose of the Steering Board is to improve public transport outcomes through effective strategic planning. Key functions will include:

- ensuring alignment between the strategy of Transport Canberra and City Services and whole-of-government priorities;
- providing specialist advice to the Director-General and Minister for Transport Canberra and City Services;
- monitoring performance and reform progress.

The Steering Board is a non-statutory body.

Animal Welfare Advisory Committee

The Animal Welfare Advisory Committee (AWAC) is a statutory body established under the *Animal Welfare Act 1992* as a Ministerial advisory committee representing community views on animal welfare in the ACT.

The specific functions of the Committee are as follows:

- to advise the Minister about animal welfare legislation
- to participate in the development of approved codes of practice and mandatory codes of practice
- to provide advice to other Territory authorities, and to community bodies, about programs for the improvement of community awareness about animal welfare
- to advise the Minister about any other matter relating to animal welfare
- to report annually to the Minister on the activities of the committee.

ACT Veterinary Surgeon Board

The ACT Veterinary Surgeons Board (the Vet Board) is a statutory body established to regulate veterinary practice in the public interest.

The main aim of the Vet Board is to protect the public and promote animal welfare through registration of suitably qualified veterinary surgeons and veterinary specialists, and the monitoring of the best practice standards and conduct of the profession. The Vet Board ensures that the provisions of the legislative framework regulating the veterinary profession is administered in a fair and equitable manner.

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ACT Public Cemeteries Authority Board

Canberra's public cemeteries are administered by the ACT Public Cemeteries Authority, an independent, self-funded statutory authority, which reports to the ACT Government through the Minister. The cemeteries are planned and managed to meet as many of the community's needs as possible.

INTERNAL COMMITTEES

Effective, streamlined and functional internal committees are a paramount element of Transport Canberra and City Services' good governance framework. Their aim is to provide advice to the Director-General and the Executive Team, as well as undertaking independent decisions in accordance with the principles of empowerment and delegation.

Under the supervision of the Director-General, Transport Canberra and City Services will draft and approve specific Terms of Reference for all committees. They will outline the following:

- Powers, functions and delegated authority of the committee;
- Name, composition and appointment terms of the committee members, and required subject matter experts;
- Procedural rules related to the work of the committee, including scope of activity, meeting frequency, secretarial functions, reporting mechanisms and review requirements;
- Conflict of interest disclosure.

The following Transport Canberra and City Services internal committees are established:

Corporate Governance Committee and related Sub-Committees

The Transport Canberra and City Services Corporate Governance Committee is responsible, under the supervision of the Director-General and the Executive Team, for the effective implementation, monitoring and reporting of all corporate governance activities and requirements for the Directorate.

This committee is charged with overall governance responsibilities. The rationale is to avoid duplication of work and organise activities through sub-committees rather than a proliferation of self-standing committees. The aim is to maximise efficiencies and reduce costs.

A detailed structure of the committee is provided in the diagram in Annexure II.

The Corporate Governance Committee will have responsibility in the following areas:

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- Financial management and budgeting;
- Corporate policy development and reporting;
- Human resources;
- Occupational health and safety (case management and compliance with the *Work Health and Safety Act 2011*);
- Information and communications technology governance;
- Monitoring compliance with legislative requirements
- Monitoring compliance with ACTPS policies and frameworks; and
- Facilitating open and transparent dialogue with all employees in relation to work practices and work culture.

Risk Management Committee

The Risk Management Committee assists both the Director-General and the Executive Team in identifying, assessing and managing governance risks. This include the development of effective risk mitigation strategies.

More specifically, the areas of competency of the Risk Management Committee are:

- Security and emergency issues;
- Risk mitigation strategy;
- Occupational Health and Safety risk mitigation;
- Draft and approve risk management documents and templates;
- Identify risks, analyse risks, define the Directorate's level of risk adversity, in accordance with relevant standards and legislation, and prioritise risks;
- Monitor identified risks and how these are being handled on a regular basis; and
- Ensure identified, potential risks are well known to relevant employees, clearly setting out responsibility and accountability at the most appropriate level.

Audit Committee

The Audit Committee's prime responsibility is to manage the Directorate's audit programme and activities, as well as play an oversight role, on behalf of the Director-General, on the Directorate's governance framework. The Directorate's internal audit program is derived from a comprehensive risk assessment of the Directorate's business and financial operations supplemented by additional risk areas identified by Executive Directors.

The Audit Committee comprises Transport Canberra and City Services executives, independent external members and an independent Chairperson. The Transport Canberra and City Services Chief Audit Executive supports the Audit Committee and the audit manager.

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A panel of audit service providers undertake audits across the Directorate and reports results and make recommendations directly to the Audit Committee. The implementation of audit recommendations is subject to regular tracking to ensure continuous improvement and mitigation of risk. The Internal Audit Charter and Audit Committee Charter will document the relevant processes, roles and responsibilities to manage the internal audit function.

In particular, the Audit Committee will work to:

- Oversee the applicable legislative and ethical compliance framework;
- Provide oversight of the internal audit activities;
- Oversee external auditing responsibilities, including the review of annual financial statements;
- Evaluate and constantly improve compliance and internal control mechanisms; and
- Independently oversee risk management framework and procedures, including those aimed at preventing fraud and corruption practices.

WHOLE-OF-GOVERNMENT COMMITTEES

The following table indicates Transport Canberra and City Services external representation and representation.

WOG Committee	Transport Canberra and City Services representative(s)	Type of committee
Directorate Consultative Committee		Consultative
Transport Canberra Coordination Group		Policy coordination
SMS Procurement Management committee		Operational
Carbon Neutral Government Implementation Committee		Performance reporting
Workplace Health & Safety Steering Committee		Strategic
WHOG Indigenous Employment Steering Committee		Strategic
Respect, Equity and Diversity Executive Sponsors Group (working group)		Operational

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WOG Committee	Transport Canberra and City Services representative(s)	Type of committee
Working groups for CCN		Consultative
Financial Collaboration Forum		Consultative
Healthy Weight Steering Committee		Policy coordination
Urban Planning Group		Policy coordination
Human Resources Directors Group		Strategic
Domestic Violence Working Group		Operational
Customer Council		Operational
Joint Council		Strategic
Shared Services Human Resources Collaboration Forum		Operational
Enterprise Agreement Policy Implementation Working Group		Strategic

ACCOUNTABILITY

Accountability

DEFINITION AND PRINCIPLES

Accountability ensures actions and decisions taken by public officials are subject to oversight so as to guarantee that government initiatives meet their stated objectives and respond to the needs of the community they are meant to be benefiting, thereby contributing to better governance and positive social outcomes.⁸

Accountability encompasses both a system of checks and balances within the governance structure of Transport Canberra and City Services and, more broadly, the relationships between citizens and decision makers, including the ability of citizens to influence political decision-making processes. Ultimately, accountability relates to the relationship between the government and its citizens, on whose behalf it is expected to rule. Accountability must follow three, intertwined and interdependent principles, namely transparency, answerability and enforceability. The figure below shows the synergies and the characteristics of such principles.⁹

Figure 3. Accountability Principles



⁸ World Bank, *Accountability in Governance*, available at the WB website.

⁹ OECD, *Accountability and Democratic Governance: Orientations and Principles for Development*, 2014, p.23.

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MANAGEMENT AND EMPLOYEES ACCOUNTABILITY

Transport Canberra and City Services ensures effective accountability by establishing clear processes for identifying and evaluating governance issues. Clear and transparent communication of directives is paramount to assist all employees in performing their roles and complying with reporting and record keeping obligations.

In accordance with the *Public Sector Management Act 1994*, the Director-General is accountable both to the Head of Service and relevant Ministers for the efficient and effective management of Transport Canberra and City Services.¹⁰ This entails the regular reporting, to both the Head of Services and the Ministers, of all relevant matters concerning the operation of Transport Canberra and City Services. Furthermore, the Director-General is accountable, albeit indirectly, to all stakeholders, including the citizenship and the community at large, for the effective operation and services provision by Transport Canberra and City Services.

Internally, the Director-General and the Executive Team are accountable for decision-making processes. Moreover, the Director of Governance and Business Solutions will ensure accountability in all governance functions, including internal audit, compliance, security and risk, legal services, human resources, policy planning, communications, as well as ministerial liaison.

PLANNING AND PERFORMANCE MANAGEMENT

Transport Canberra and City Services will ensure that its strategic direction and priorities are aligned to the government priorities as informed through The Canberra Plan. It sets a systematic approach to business planning and the subsequent monitoring and reporting of the Directorate's performance.

Annual government priorities and the ACT Budget inform the development of annual Transport Canberra and City Services business plans.

At an individual level, Transport Canberra and City Services endorses the ACTPS Performance Framework and commits to providing regular and effective performance feedback to employees that identifies development needs and opportunities in line with TAMS broader business objectives.

The Director-General is responsible for ensuring all employees have a Performance Plan in place that is linked to the achievement of their team and the Directorate's business objectives and is

¹⁰ *Public Sector Management Act 1994, Division 3.4.*

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reviewed biannually. For executives, these agreements are formalised through their Executive contracts.

STAKEHOLDER RELATIONSHIPS

Transport Canberra and City Services is accountable to the general public through the Legislative Assembly as well as to the ACT Government. The successful establishment of stakeholder relationships, including with the community at large, is directly impacted by Transport Canberra and City Services' reputation of integrity, openness and accountability. On a practical level, Transport Canberra and City Services' management and employees need to ensure stakeholders' trust that decisions affecting them are made consistently and openly, and that they will be dealt with in a consistent way by all parts of the agency.¹¹

Consequently, Transport Canberra and City Services is committed to building strong, meaningful and ongoing relationships with both internal and external stakeholders. In order to do so, the Directorate will engage in open and transparent consultations with business, governmental and non-governmental organisations, as well as the community at large. More specifically, Transport Canberra and City Services will strive to establish and maintain an open dialogue with the following stakeholders:

- The ACT Legislative Assembly
- The relevant ACT Ministers
- Other ACT Government directorates
- The business community
- The Media
- Non-governmental organisations and other interest groups
- The employees of Transport Canberra and City Services
- The community at large.

Better stakeholder engagement will provide useful information, to the Directorate's executive, about the general reputational perception of the organisation, possible funding risks or opportunities, strengths and weaknesses, as well as potential strategies. It can also facilitate the goodwill, address potential issues, and increase the likelihood that Transport Canberra and City Services is able to deliver on its purpose.¹²

The Executive Team at Transport Canberra and City Services is committed to:

¹¹ Australian Public Service Commission, Building Better Governance, 2007, p.13.

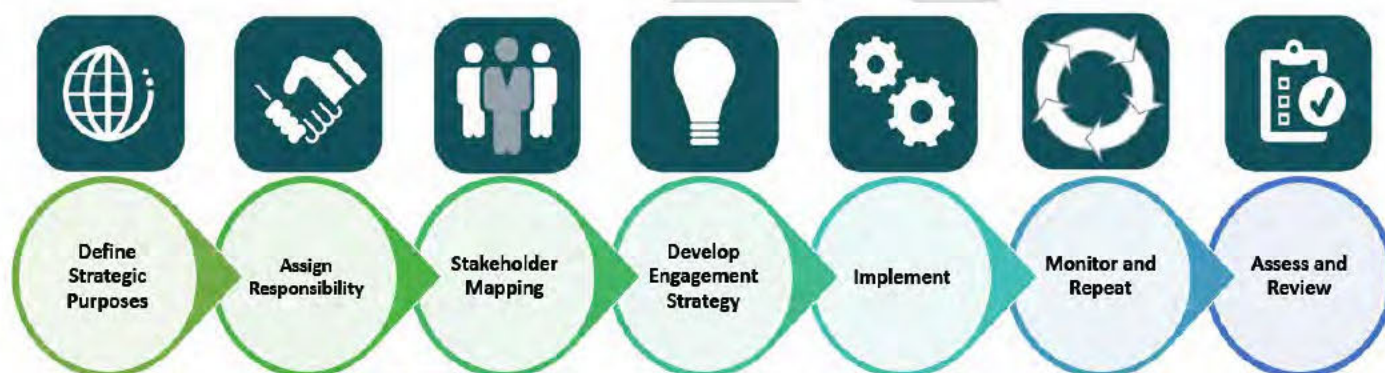
¹² Australian Institute of company Directors, Good Governance Principles and Guidance, 2013.

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- Identify and continuously verify the relevance of key stakeholders and current relationships;
- Articulate and review its stakeholder engagement strategy;
- Develop specific policies and practices for the organisation to effectively engage, and transparently communicate with stakeholders; and
- Establish a periodic assessment mechanism to assess how the Directorate engages with key stakeholders.

Figure 4 below shows the different stages of a stakeholder engagement process.

Figure 4. Stakeholder Engagement Process



REPORTING

Transport Canberra and City Services ensures compliance with its reporting obligations in accordance with the *Annual Reports (Government Agencies) Act 2004*. Annual reports are chiefly important. They provide information about the organisational achievements, performance, current financial position and outlook, as well as any other issue regarding the activities undertaken by Transport Canberra and City Services. Annual reports are tabled in the Legislative Assembly, and made available on the intranet.

In addition, the ACT Legislative Assembly scrutinises, through its committee process, the performance of Transport Canberra and City Services. It does so by closely assessing the annual reports, audited financial statements and any other performance audit reports.

The Auditor-General reserves its prerogative to carry out performance audits on the services and other activities by Transport Canberra and City Services.

Internal accountability reporting is undertaken through the procedures of the Corporate Governance Committee and existing reporting lines. Divisions/business units will provide bi-annual progress reports to their relevant Executive Director in order to monitor achievements of

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business plan objectives. Furthermore, the Executive Team will also monitor, on a regular basis, how Transport Canberra and City Services is advancing priorities, effectively managing the budget, human resources, capital works project and other governance issues. In order to do so, the Executive Team should be provided with regular reports, or dashboards, indicating key metrics as to how the Directorate is performing against Key Performance Indicators and organisational strategic objectives. This is done through the publication of monthly stewardship reports.

Finally, horizontal accountability also applies to whole-of-government initiatives to which Transport Canberra and City Services takes part. In relation to such initiatives, the Directorate will provide information on its contributing performance to a broad range of stakeholders, including other ACT Government Directorates. Information prepared for external stakeholders will have to be coherent and cohesive, representing accurately the position of Transport Canberra and City Services.

COMPLAINTS MANAGEMENT AND FEEDBACK

The appropriate management of customer feedback and complaints by Transport Canberra and City Services constitutes an important element of its governance accountability. The Executive Team is empowered to review data on feedback and complaints lodged by the community at large through a monthly stewardship report.

Transport Canberra and City Services adopts various mechanisms for receiving feedback from the community on its service delivery. Access Canberra, for example, provides a central point of contact for online and telephone feedback and provides options for stakeholders to submit notifications, suggestions, requests for information and/or service as well as compliments and complaints. Business units may receive direct feedback and manage this accordingly through internal processes in consultation with relevant management.

Responses to Ministerial correspondence requiring Transport Canberra and City Services input is a separate and centralised process coordinated by the Governance and Business Solutions branch.

If stakeholders are dissatisfied with a decision, action, or way in which Transport Canberra and City Services has managed a complaint, they may raise the issue to the ACT Ombudsman. The ACT Ombudsman considers and investigates complaints from people who believe an ACT Government entity has treated them unfairly or unreasonably. Transport Canberra and City Services works with the ACT Ombudsman as required, assisting stakeholders in resolving disputes and improving its complaints handling capabilities.

ACCOUNTABILITY

PUBLIC INTEREST DISCLOSURE

Occasionally, particularly serious matters may trigger Public Interest Disclosures (PID). Conducts subject to public disclosure obligations include any activity by either an individual, or an ACTPS entity, that:

- constitutes maladministration and/or is illegal;
- misuses or wastes public money or resources;
- constitutes misconduct of a certain nature and severity (i.e. damage to the public interest); and
- presents a danger to the health or safety of the public or the environment.

ACT law provides rights and protection for people who report corrupt, illegal or improper conduct, or substantial waste of public resources. It ensures that ACT government agencies investigate and act on substantiated disclosures.

The *Public Interest Disclosure Act 2012* sets forth processes for reporting cases, investigations and dealing with any unlawful reprisal. Transport Canberra and City Services have established procedures for reporting a potential PID. These are available on the intranet.

Responsibility of Transport Canberra and City Services when there is a report of misconduct:

- receive disclosures;
- treat disclosures confidentially;
- have arrangements in place to consider disclosures and take appropriate action on PIDs;
- give people who make disclosures feedback about the investigation of the disclosure; and
- take appropriate action about complaints of victimisation and give information about remedies that are available.

Disclosures relating to Transport Canberra and City Services should be made to a Disclosure Officers.

Disclosures relating to the head of an ACTPS entity should be made to one of the following:

- The Head of Service;
- The Commissioner for Public Administration;
- The ACT Auditor-General; or
- The ACT Ombudsman.

Disclosures relating to the Legislative Assembly should be made to one of the following:

- The Clerk of the Legislative Assembly;

ACCOUNTABILITY

- The ACT Auditor-General; or
- The ACT Ombudsman.

Current contact details are provided in Annexure IV to this document.

Employees in the Public Sector who have information which is so serious that they cannot discuss it with someone within their entity should inform the Commissioner for Public Administration, ACT Ombudsman or the ACT Auditor-General.

EVALUATION AND REVIEW

The ACT Government is committed to strengthening the manner in which its policies and programs are evaluated to improve performance and accountability in its functions and across the services it provides to the community as outlined in the *ACT Government Evaluation Policy and Guidelines*.

Transport Canberra and City Services will actively employ a structured approach to the practice of evaluation and improvement for our practices and policies by undertaking a process of analysis, monitoring, evaluation and review.

LEGISLATION

The Minister for Transport Canberra and City Services has responsibility for legislation as notified under the current Administrative Arrangements. Transport Canberra and City Services will maintain these areas of legislation on the Minister's behalf and will apply a structure approach to legislative review and evaluation.

RISK MANAGEMENT AND COMPLIANCE

Risk Management and Compliance

METHODOLOGICAL APPROACH

The Executive Team, the relevant committee and the management at Transport Canberra and City Services will adopt the following methodological approach to risk management:

- Identify risks;
- Analyse risks (What category are they? How likely are they? How material?)
- Establish the organisation's level of risk adversity, in accordance with relevant standards and legislation;
- Prioritise risks;
- Develop and implement strategies to manage the risks, as appropriate, including consideration of:
 - Risk avoidance;
 - Risk transfer (e.g. insurance);
 - Risk mitigation (e.g. limits of activity); and
 - Risk acceptance.
- Monitor identified risks and how these are being handled on a regular basis; and.
- Ensure identified, potential risks are well known to relevant employees, clearly setting out responsibility and accountability at the most appropriate level.

RISK MANAGEMENT

Transport Canberra and City Services identifies and manages risk at all levels of the Directorate. This will include activities in relation to fraud control, business continuity, work health and safety project risk, security, as well as broader agency-wide strategic and operational risks. The Directorate's risk management framework and risk management policy is based on the **Standard AS/NZS ISO 31000:2009**. The Executive and the Risk Management Committee will provide specific guidance on risk management procedures, so as to ensure consistency and compliance with the ACT Government Risk Management Framework.

In particular, the Risk Management Committee provides strategic oversight of the Directorate's approach to risk management and policy. This Risk Management Committee's role is not to monitor individual risks. Part of its function is to analyse and advise on risk management on behalf of the Director-General and the Executive Team.

RISK MANAGEMENT AND COMPLIANCE

COMPLIANCE

The legislative compliance framework is designed to assist divisions, branches and business units in meeting the Directorate's statutory obligations, along with their ability to deliver services through improved business practices.

Across Transport Canberra and City Services, business units are required to comply with a range of legislation, regulations, policies and procedures that underpin how the Directorate conducts business operations, delivers services and manages our people and resources.

The Transport Canberra and City Services Compliance Assurance Statement (CAS) process captures this information. Ensuring business operations as well as services delivered are compliant with legislation will provide certainty and assurance to the Government, the community, our employees and management as to the quality and propriety of our social purpose.

In addition to assess compliance, the CAS process identifies risks and devises strategies to handle such risks. The CAS process is conducted twice each year and covers the periods January to June and July to December.

Transport Canberra and City Services Governance and Business Solutions maintains and coordinates implementation of the policies and procedures that guide how corporate policy advice and associated information is developed, implemented, reviewed and evaluated. It aims to ensure a consistent and logical approach to the management, review and approval of corporate policy, guidelines and procedural documents.

All relevant compliance and corporate policy documents are available on the Directorate's intranet.

ADDITIONAL DOCUMENTS

Additional Documents

LEGISLATIVE FRAMEWORK

- *Annual Reports (Government Agencies) Act 2004*
- *Auditor-General Act 1996*
- *Financial Management Act 1996*
- *Freedom of Information Act 1989*
- *Government Procurement Act 2001*
- *Human Rights Act 2011*
- *Information Privacy Act 2014*
- *Ombudsman Act 1989*
- *Public Interest Disclosure Act 2012*
- *Public Sector Management Act 1994*
- *Public Sector Management Standard 2006*
- *Road Transport (Public Passenger Services) Act 2001, section 23*
- *Territory Records Act 2002*
- *Work Health and Safety Act 2011*
- *Workers Compensation Act 1951*
- *Workplace Privacy Act 2011*
- *Animal Welfare Act 1992*
- *Cemeteries and Crematoria Act 2003*
- *Domestic Animals Act 2000*
- *Litter Act 2004*
- *Public Unleased Land Act 2013*
- *Road Transport (General) Act 1999, sections 12, 13, 14, 19, 20 and administration provisions relating to fees and approval of forms, in relation to a function under the road*
- *transport legislation that is the responsibility of the Minister for Transport Canberra and City Services*
- *Road Transport (General) Regulation 2000, sections 13AA and 14 (1), (2) and (3) in relation to a function under the road transport legislation that is the responsibility of the Minister for Transport Canberra and City Services*
- *Road Transport (Public Passenger Services) Regulation 2002, section 70 (1) (a) and (b)*
- *Road Transport (Safety and Traffic Management) Act 1999, sections 5A, 18, 20, 31 and 32*
- *Road Transport (Safety and Traffic Management) Regulation 2000, sections 31, 41 (3), 42 (3), 46, 51 and 64 (1) and (2)*
- *Tree Protection Act 2005*
- *Trespass on Territory Land Act 1932*
- *Utilities Act 2000, part 14 and sections 254 and 256 in relation to part 14*
- *Veterinary Surgeons Act 2015*
- *Waste Minimisation Act 2001*

OTHER GOVERNANCE DOCUMENTS

[List to be added by the governance team once available]

ADDITIONAL DOCUMENTS

GOVERNANCE MANAGEMENT CONTACT

Director of Governance and Business Solutions:

Ms Nikki Pulford

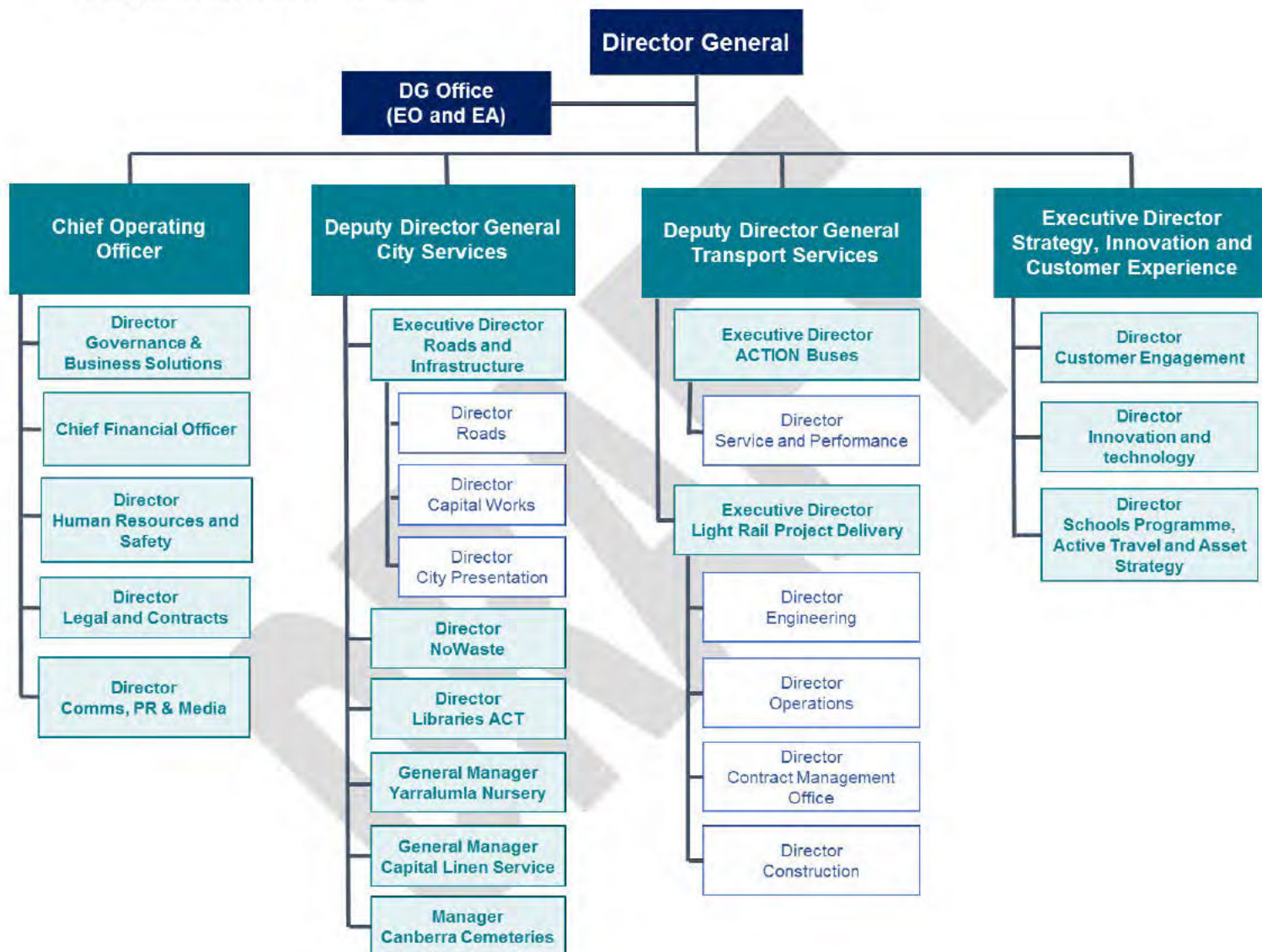
Email: nikki.pulford@act.gov.au

Phone: (02) 6205 5466

DRAFT

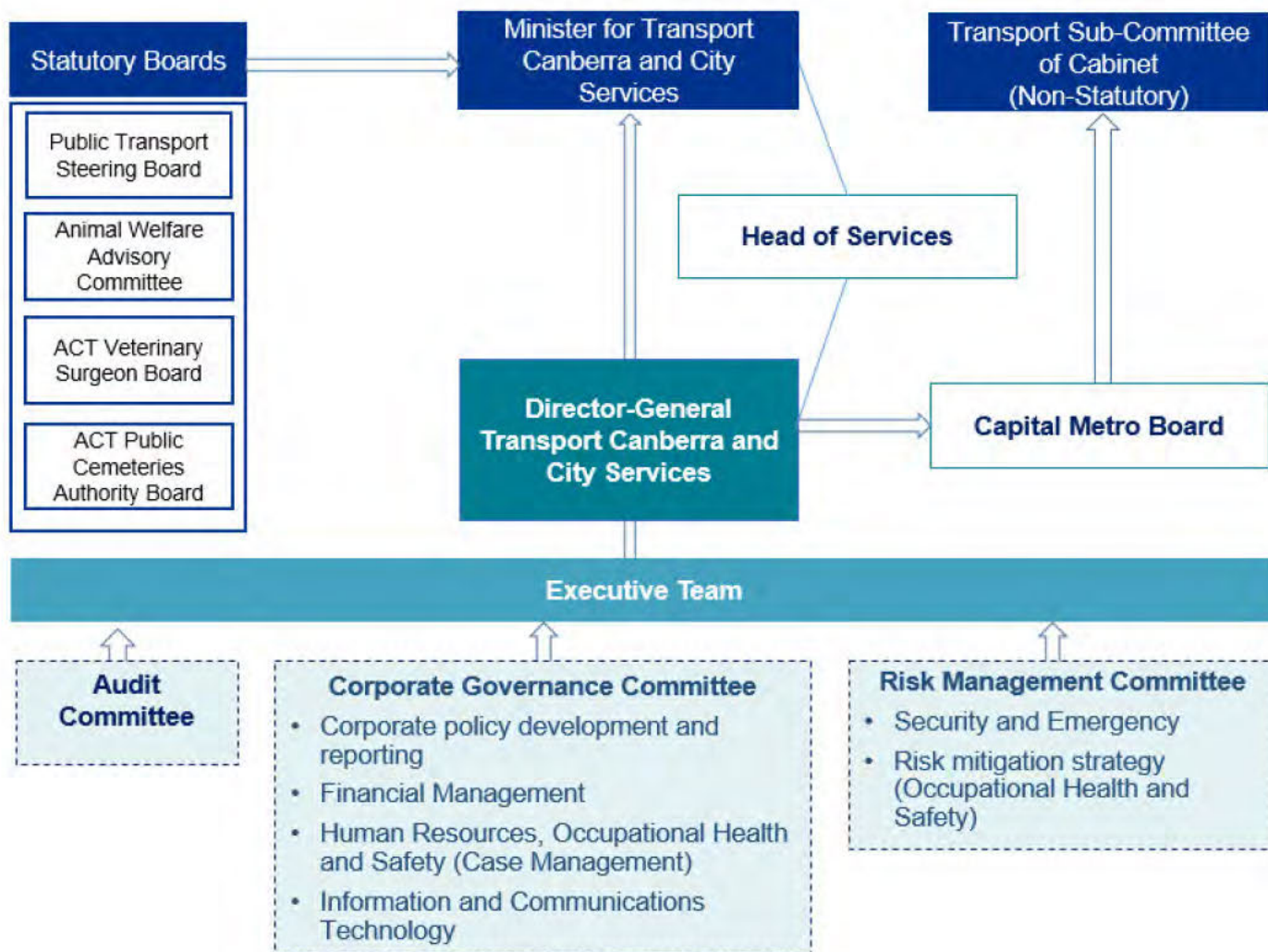
ANNEXURE I: TRANSPORT CANBERRA AND CITY SERVICES ORGANISATIONAL CHART

Annexure I: Transport Canberra and City Services Organisational chart



ANNEXURE II: TRANSPORT CANBERRA AND CITY SERVICES GOVERNANCE FRAMEWORK DIAGRAM

Annexure II: Transport Canberra and City Services Governance Framework Diagram



ANNEXURE III: ACT GOVERNMENT AND ACTPS GOVERNANCE

Annexure III: ACT Government and ACTPS Governance

Transport Canberra and City Services constitutes a Directorate within the institutional framework of the ACT Government.

Directorates have the responsibility to report to their respective Ministers who, in turn, are responsible to the ACT Cabinet, the Chief Minister as well as the Legislative Assembly.

The Head of Service is responsible for the administration of the ACTPS and is assisted, in this role, by the ACTPS Strategic Board. The Head of Service serves also as Director-General of the Chief Minister, Treasury and Economic Development Directorate.

The ACTPS Strategic Board is made-up of all the Directors-General of all of the ACT Government directorates. The work of the Board is supported by several Executives and subject-matter experts.

More broadly, the ACTPS is also supported by the Commissioner for Public Administration, who is responsible for advising the Chief Minister on issues pertaining to the management of the Public Service. The Commissioner's responsibilities and institutional functions are set forth in the PSM Act and he/she carries out such functions in accordance with the Act. They include the authorisation of management reviews in relation to the ACTPS, the conduct of inspections, as well as the establishment of inquiries and investigations into the operation of government agencies.

The table below outlines the current ACT Government Directorates and their respective roles in exercising the public function.¹³

ACT Directorate	Role
Transport Canberra and City Services (TCCS)	On July 1st, 2016, the Capital Metro Agency (CMA), the Territory and Municipal Services (TAMS), and ACTION have merged in a new integrated agency: Transport Canberra and City Services, headed by Emma Thomas in her role as Director-General.
Chief Minister, Treasury and Economic Development Directorate (CMTEDD)	The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) leads the ACT Public Service (ACTPS) and provides strategic advice and support to the Chief Minister, Treasurer, Minister for Economic Development and the Cabinet on policy, financial and economic matters, service delivery and whole-of-government issues. The Directorate facilitates the implementation of government priorities and drives many new initiatives.

¹³ ACT Government Website.

ANNEXURE III: ACT GOVERNMENT AND ACTPS GOVERNANCE

ACT Directorate	Role
	<p>CMTEDD is responsible for collecting and managing taxation revenue; managing the Government's financial assets and liabilities, including superannuation liabilities and investments; and providing advice to the Government and ACT agencies on the Territory's budget and financial management, economic and revenue policy, federal financial relations, and workers compensation policy. CMTEDD is also responsible for Shared Services which provides financial, IT and HR support across Government.</p> <p>The Economic Development focus is on land release, facilitating business development, investment, sport and recreation, tourism and events, arts, and other government activity, often in coordination with the private sector, to increase the economic performance of the ACT.</p> <p>http://www.cmd.act.gov.au</p>
<p>Community Services Directorate (CSD)</p>	<p>Community Services Directorate has responsibility for a wide range of human services functions in the ACT including:</p> <ul style="list-style-type: none"> ▪ multicultural and community affairs; ▪ public and community housing services and policy; ▪ children; youth and family support services and policy; ▪ disability policy and services; ▪ therapy services; ▪ Child and Family Centres; ▪ the ACT Government Concessions Program; and ▪ homelessness and community services. <p>http://www.communityservices.act.gov.au/</p>
<p>Education Directorate (ED)</p>	<p>The Education Directorate delivers high quality education services through government schools, registers non-government schools and administers vocational education in the ACT.</p> <p>http://www.education.act.gov.au/</p>
<p>Environment and Planning Directorate (EPD)</p>	<p>The Environment and Planning Directorate (EPD) promotes sustainable living and resource use, strengthens the Territory's response to climate change, and provides a planning and land use system that contributes to the sustainable development of the ACT.</p>

ANNEXURE III: ACT GOVERNMENT AND ACTPS GOVERNANCE

ACT Directorate	Role
	<p>EPD's aim is to lead the Territory in developing and implementing targeted policies and programs that address environment protection and sustainability, nature conservation, heritage, water and energy security, sustainable urban design, and sustainable transport and spatial planning.</p> <p>http://www.environment.act.gov.au/</p>
<p>Health Directorate (HD)</p>	<p>Health Directorate provides a comprehensive range of health services to the people of the Australian Capital Territory. Health Directorate sets health policy; plans the delivery of health services; while ensuring these services meet community needs. Health Directorate also funds a range of non-Government organisations to provide vital healthcare services to the people of the ACT and surrounding region.</p> <p>http://www.health.act.gov.au/</p>
<p>Justice and Community Safety Directorate (JACS)</p>	<p>The Justice and Community Safety Directorate comprises several agencies and is responsible for a wide range of activities and services in the areas of justice, the law, emergencies, commercial practices and government elections.</p> <p>http://www.justice.act.gov.au/</p>

ANNEXURE IV: CONTACT DETAILS FOR ACTPS PUBLIC DISCLOSURES

Annexure IV: Contact Details for ACTPS Public Disclosures

Disclosures relating to the head of an ACTPS entity should be made to one of the following:

The Head of Service

Ms Kathy Leigh

Ph: +61 2 6205 0246

kathy.leigh@act.gov.au

GPO Box 158, Canberra City ACT 2601

The Commissioner for Public Administration

Ms Bronwyn Overton-Clarke

Ph: +61 2 6205 5147

Bronwen.OvertonClarke@act.gov.au

GPO Box 158 Canberra City ACT 2601

The ACT Auditor-General

Dr Maxine Cooper

Ph: +61 2 6207 0833

Maxine.Cooper@act.gov.au

PO Box 275 Civic Square ACT 2608

The ACT Ombudsman

Ph: 1300 362 072

ombudsman@ombudsman.gov.au

GPO Box 442, Canberra ACT 2601

Disclosures relating to the Legislative Assembly should be made to one of the following:

The Clerk of the Legislative Assembly

Mr Tom Duncan

Ph: +61 2 6205 0191

Tom.Duncan@parliament.act.gov.au

GPO Box 1020 CANBERRA ACT 2601

Terry, Alexandra

From: Konovalov, Alexander
Sent: Tuesday, 22 September 2015 10:48 AM
To: Alderson, Karl
Cc: Barbaro, Fiona
Subject: project terms - consultancy
Attachments: 5 - Public Transport Reform - Project Terms.docx

Hi Karl

See attached – draft project terms for the proposed consultancy.

I have highlighted a few sections that either need to be further developed (ie what we are seeking around implementation advice) or you may wish to edit (ie timeframe).

Alex

Alexander Konovalov | Manager | Phone: 6205 2634 | alexander.konovalov@act.gov.au
Government Reform Branch | **Policy and Cabinet Division** | Chief Minister, Treasury and Economic Development Directorate |
ACT Government

Please consider the environment before printing this email. If printing is necessary, please print double-sided.

CABINET IN CONFIDENCE**COMMERCIAL IN CONFIDENCE****Public Transport Reform – Project Terms**

Objectives

We are seeking advice on how to structure a new transport agency that best promotes long term performance for public transport in Canberra. This will include matters such as the strategic framework for the new agency and governance.

We are also seeking detailed advice around implementation of the proposed strategic framework and transition planning for the new agency. This may include matters such as staffing arrangements and the development of strategic plans for the new agency.

Objectives of the new agency

The Government is seeking to build a future public transport system for Canberra that integrates buses and light rail, providing a seamless experience for customers.

The new agency is intended to be high performing and customer focused, with a capacity to deliver value for money operations and the best possible overall community outcome.

New Agency – brief overview

The ACT Government has agreed that the new agency will be established on 1 July 2016 and will be responsible for public transport operations (bus and light rail), with a reasonable level of detail around what functions this includes.

- The new agency will not be responsible for high level transport policy such as town planning, however, will be responsible for ‘small p’ policy relating to public transport operations.
- The new agency will not be responsible for roads.
- The new agency will not be responsible for the regulation of taxis, except as it relates to public transport provision (ie augmenting the public transport network).

Accordingly, the consultant will not be required to provide advice around the general scope of the agency (although advice may be sought on specific functions).

Budget

The ACT Government has an upper limit of \$XXX,XXX for the proposed consultancy.

BackgroundACTION expenditure review

In 2013-14 the Government commissioned a targeted expenditure review of ACTION, with the aim to place public transport bus services in the ACT on a sustainable financial footing and expenditure trajectory.

ACTION’s financial performance had been deteriorating over time with a loss of patronage despite increasing service levels and reduced fares (in real terms). In short, costs had significantly increased and farebox recovery had decreased.

CABINET IN CONFIDENCE

COMMERCIAL IN CONFIDENCE

An external consultant, MR Cagney, was engaged to work on the Review with a Final Report delivered to Government in February 2015.

From this work, it was identified that there are opportunities to improve the financial sustainability of public transport. Two main sustainability options were identified - reform ACTION in a manner that moves it closer to the efficiency levels of other public and private operators, and/or change the service delivery model. Business as usual is not considered to be a viable option.

The review also identified a suite of internal business improvements and a need for some reform of enterprise agreement arrangements. These matters are being separately progressed by the Government and are outside the scope of the project however progress would be available as an input to this brief.

Transport Improvement Plan

The ACT Government has agreed to a Transport Improvement Plan that outlines the Government's plans to improve public transport in Canberra. The centrepiece of the Plan is the announcement of the establishment of the new agency from 1 July 2016. The Transport Improvement Plan is scheduled to be released in mid October 2015.

New agency – Transition Team

The ACT Government has established a Transition Team to oversee arrangements for the establishment of the new agency. The Transition Team is chaired by the Deputy Director General, Policy and Cabinet Division, and includes senior representatives from:

- Capital Metro Agency;
- Treasury;
- Territory and Municipal Services Directorate; and
- Environment and Planning Directorate.

The consultant will report to the Deputy Director General, Policy and Cabinet Division.

Project Terms and Deliverables

We are seeking a report that provides advice on:

1. how to structure an integrated transport agency, including broader governance reforms; and
2. detailed advice around implementation, transition plans and sequencing of effort.

The broader governance advice should include:

- how a single agency could best achieve the Government's objectives through promoting strategic management capabilities (clear strategic direction and management provided with the appropriate incentives, flexibility and resources to manage effectively);
- best practice in other cities, where it is relevant to making recommendations on how to take forward the ACT's preferred model; and

CABINET IN CONFIDENCE

COMMERCIAL IN CONFIDENCE

- how the new agency could best draw upon external expertise (noting that many cities use board of directors at both the strategic level and the management level).

The detailed advice around implementation should include:

- how any performance agreement between the transport policy area of government and the public transport operational area (the new agency) should be structured;
- governance arrangements for performance reporting required to support any performance agreement;

-

Consultation

The consultant will be required to consult with relevant stakeholders which include:

- a. Public Transport and ACTION management;
- b. Capital Metro Agency; and
- c. other areas of ACT Government that work closely with Public Transport such as:
 - i. the Environment and Planning Directorate, which has responsibility for public transport and urban planning and transport policy; and
 - ii. the Education and Training Directorate, which contracts with Public Transport for Special Needs Transport services.

Deliverables

The consultant will:

- a. prepare a project plan / project inception document that is endorsed by CMTEDD;
- b. prepare a draft report; and
- c. prepare a final report that takes into account comments made on the draft report.

Indicative timeframe

October 2015 – engage consultant

December 2015 – draft report

February 2015 – final report

The length of engagement is approximately five months commencing in August 2015.

Terry, Alexandra

From: Alderson, Karl
Sent: Tuesday, 22 September 2015 10:57 AM
To: Konovalov, Alexander
Subject: 5 - Public Transport Reform - Project Terms
Attachments: 5 - Public Transport Reform - Project Terms.docx

CABINET IN CONFIDENCE**COMMERCIAL IN CONFIDENCE****Public Transport Reform – Project Terms**

Objectives

Devise strategic plan, including supporting agency structure, stakeholder engagement and key short, medium and long term service delivery priorities

We are seeking advice on how to structure a new transport agency that best promotes long term performance for public transport in Canberra. This will include matters such as the strategic framework for the new agency and governance.

We are also seeking detailed advice around implementation of the proposed strategic framework and transition planning for the new agency. This may include matters such as staffing arrangements and the development of strategic plans for the new agency.

d

Objectives of the new agency

The Government is seeking to build a future public transport system for Canberra that integrates buses and light rail, providing a seamless experience for customers.

The new agency is intended to be high performing and customer focused, with a capacity to deliver value for money operations and the best possible overall community outcome.

Repeat more from the Cab sub

New Agency – brief overview

The ACT Government has agreed that the new agency will be established on 1 July 2016 and will be responsible for public transport operations (bus and light rail), with a reasonable level of detail around what functions this includes.

- The new agency will not be responsible for high level transport policy such as town planning, however, will be responsible for ‘small p’ policy relating to public transport operations.
- The new agency will not be responsible for roads.
- The new agency will not be responsible for the regulation of taxis, except as it relates to public transport provision (ie augmenting the public transport network).

Accordingly, the consultant will not be required to provide advice around the general scope of the agency (although advice may be sought on specific functions).

Repeat more from the Cab sub

Budget

The ACT Government has an upper limit of \$XXX,XXX for the proposed consultancy.

BackgroundACTION expenditure review

CABINET IN CONFIDENCE

COMMERCIAL IN CONFIDENCE

In 2013-14 the Government commissioned a targeted expenditure review of ACTION, with the aim to place public transport bus services in the ACT on a sustainable financial footing and expenditure trajectory.

ACTION's financial performance had been deteriorating over time with a loss of patronage despite increasing service levels and reduced fares (in real terms). In short, costs had significantly increased and farebox recovery had decreased.

An external consultant, MR Cagney, was engaged to work on the Review with a Final Report delivered to Government in February 2015.

From this work, it was identified that there are opportunities to improve the financial sustainability of public transport. Two main sustainability options were identified - reform ACTION in a manner that moves it closer to the efficiency levels of other public and private operators, and/or change the service delivery model. Business as usual is not considered to be a viable option.

The review also identified a suite of internal business improvements and a need for some reform of enterprise agreement arrangements. These matters are being separately progressed by the Government and are outside the scope of the project however progress would be available as an input to this brief.

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New agency – Transition Team

The ACT Government has established a Transition Team to oversee arrangements for the establishment of the new agency. The Transition Team is chaired by the Deputy Director General, Policy and Cabinet Division, and includes senior representatives from:

- Capital Metro Agency;
- Treasury;
- Territory and Municipal Services Directorate; and
- Environment and Planning Directorate.

The consultant will report to the Deputy Director General, Policy and Cabinet Division.

Project Terms and Deliverables

We are seeking a report that provides advice on:

1. how to structure an integrated transport agency, including broader governance reforms; and
2. detailed advice around implementation, transition plans and sequencing of effort.

The broader governance advice should include:

CABINET IN CONFIDENCE

COMMERCIAL IN CONFIDENCE

- how a single agency could best achieve the Government's objectives through promoting strategic management capabilities (clear strategic direction and management provided with the appropriate incentives, flexibility and resources to manage effectively);
- best practice in other cities, where it is relevant to making recommendations on how to take forward the ACT's preferred model; and
- how the new agency could best draw upon external expertise (noting that many cities use board of directors at both the strategic level and the management level).

The detailed advice around implementation should include:

- how any performance agreement between the transport policy area of government and the public transport operational area (the new agency) should be structured;
- governance arrangements for performance reporting required to support any performance agreement;
-

Consultation

The consultant will be required to consult with relevant stakeholders which include:

- a. Public Transport and ACTION management;
- b. Capital Metro Agency; and
- c. other areas of ACT Government that work closely with Public Transport such as:
 - i. the Environment and Planning Directorate, which has responsibility for public transport and urban planning and transport policy; and
 - ii. the Education and Training Directorate, which contracts with Public Transport for Special Needs Transport services.

Deliverables

The consultant will:

- a. prepare a project plan / project inception document that is endorsed by CMTEDD;
- b. prepare a draft report; and
- c. prepare a final report that takes into account comments made on the draft report.

Indicative timeframe

October 2015 – engage consultant

December 2015 – draft report

February 2015 – final report

The length of engagement is approximately five months commencing in August 2015.

Terry, Alexandra

From: Konovalov, Alexander
Sent: Tuesday, 22 September 2015 5:08 PM
To: Alderson, Karl
Cc: Barbaro, Fiona
Subject: transport consultancy
Attachments: Public Transport agency - Project Terms for consultancy.docx

See attached for draft project terms for a consultancy for the new agency. Fiona has not yet had a chance to review.

As requested, I have amended the project terms:

- to include more detail from the Cabinet Submission re objectives of the agency and intended benefits; and
- for the consultancy to ask for the strategic plan as the main deliverable, with the structure as a supporting element (the previous terms had this flipped).

I also built in more detail around what we will want around organisational structure and implementation. I have also extended the project terms to ask the consultant to deliver a report, and then continue as a strategic partner up until July 2016 to support with the implementation of the report.

Alex

Alexander Konovalov | Manager | Phone: 6205 2634 | alexander.konovalov@act.gov.au
Government Reform Branch | **Policy and Cabinet Division** | Chief Minister, Treasury and Economic Development Directorate |
ACT Government

Please consider the environment before printing this email. If printing is necessary, please print double-sided.

CABINET IN CONFIDENCE

COMMERCIAL IN CONFIDENCE

Public Transport Reform – Project Terms

Objectives

We are seeking advice and support with establishing a new transport agency that best promotes long term performance for public transport in Canberra. This will involve the development of a strategic plan, including the supporting agency structure, plans for stakeholder engagement and key short, medium and long term service delivery priorities.

We are also seeking detailed advice around implementation of the strategic plan and transition planning for the new agency.

Objectives of the new agency

The Government is seeking to build a future public transport system for Canberra that integrates buses and light rail, providing a seamless experience for customers.

The new agency is intended to be high performing and customer focused, with a capacity to deliver value for money operations and the best possible overall community outcome.

The purpose of establishing a single public transport agency is that a single agency would be able to:

- look at marketing, route planning and timetabling and ticketing in a combined and coherent way across buses and light rail;
- ensure that planning and delivery of the public transport network is approached holistically, with bus and light rail services integrated, not competing;
- pursue opportunities for service integration with the other transport modes (such as taxis, rideshare, park and ride and cross border services);
- provide better and more holistic advice to Government to inform policy and budgetary decisions relevant to public transport; and
- make more efficient use of public transport related expertise and common functions, especially in the context of the ACT's small scale.

For Canberrans, a single entity would better enable them to:

- easily move around (bus routes and timetables would connect well with light rail);
- easily plan their journey (a single source for timetable information);
- have a consistently positive experience across bus and light rail (single branding/ticketing); and
- address any issues to a single point of contact.

New Agency – brief overview

The ACT Government has agreed that the new agency will be established on 1 July 2016. The new agency would be responsible for:

- management, service planning and service delivery of light rail and existing and future bus services;

CABINET IN CONFIDENCE

COMMERCIAL IN CONFIDENCE

- integration of light rail and buses, as well as integration of light rail and buses with other transport modes (such as taxis); and
- strategic reform and future governance arrangements for the delivery of public transport to achieve continuous improvement to customer experience and efficient operation.

The agency would have a strong mandate to drive operational policy (including marketing, network planning, service integration, timetabling, ticketing and evasion policy) and will provide input to relevant directorates in relation to broader transport land planning, policy development and regulation.

- The new agency will not be responsible for high level transport policy such as town planning, however, will be responsible for 'small p' policy relating to public transport operations.
- The new agency will not be responsible for roads.
- The new agency will not be responsible for the regulation of taxis, except as it relates to public transport provision (ie augmenting the public transport network).

Accordingly, the consultant will not be required to provide advice around the general scope of the agency (although advice may be sought on specific functions, should areas of uncertainty arise).

Budget

The ACT Government has an upper limit of \$200,000 for the proposed consultancy.

Background

ACTION expenditure review

In 2013-14 the Government commissioned a targeted expenditure review of ACTION, with the aim to place public transport bus services in the ACT on a sustainable financial footing and expenditure trajectory.

ACTION's financial performance had been deteriorating over time with a loss of patronage despite increasing service levels and reduced fares (in real terms). In short, costs had significantly increased and farebox recovery had decreased.

An external consultant, MR Cagney, was engaged to work on the Review with a Final Report delivered to Government in February 2015.

From this work, it was identified that there are opportunities to improve the financial sustainability of public transport. Two main sustainability options were identified - reform ACTION in a manner that moves it closer to the efficiency levels of other public and private operators, and/or change the service delivery model. Business as usual is not considered to be a viable option.

The review also identified a suite of internal business improvements and a need for some reform of enterprise agreement arrangements. These matters are being separately progressed by the Government and are outside the scope of the project however progress would be available as an input to this brief.

CABINET IN CONFIDENCE**COMMERCIAL IN CONFIDENCE**Transport Improvement Plan

The ACT Government has agreed to a Transport Improvement Plan that outlines the Government's plans to improve public transport in Canberra. The centrepiece of the Plan is the announcement of the establishment of the new agency from 1 July 2016. The Transport Improvement Plan is scheduled to be released in mid October 2015.

New agency – Transition Team

The ACT Government has established a Transition Team to oversee arrangements for the establishment of the new agency. The Transition Team is chaired by the Deputy Director General, Policy and Cabinet Division, and includes senior representatives from:

- Capital Metro Agency;
- Treasury;
- Territory and Municipal Services Directorate; and
- Environment and Planning Directorate.

The consultant will report to the Deputy Director General, Policy and Cabinet Division.

Project Terms and Deliverables

We are seeking a report that provides advice on:

1. strategic planning for an integrated transport agency, including broader governance reforms and key short, medium and long term service delivery priorities;
2. advice on the organisational structure of the new agency;
3. detailed advice around implementation, stakeholder engagement, transition plans and sequencing of effort.

The strategic planning advice should include:

- how a single agency could best achieve the Government's objectives through promoting strategic management capabilities (clear strategic direction and management provided with the appropriate incentives, flexibility and resources to manage effectively);
- best practice in other cities, where it is relevant to making recommendations on how to take forward the ACT's preferred model;
- how the new agency could best draw upon external expertise (noting that many cities use board of directors at both the strategic level and the management level); and
- key short, medium and long term strategic priorities.

The advice on the organisational structure of the new agency should include:

- how any performance agreement between the transport policy area of government and the public transport operational area (the new agency) should be structured;

CABINET IN CONFIDENCE

COMMERCIAL IN CONFIDENCE

- governance arrangements for performance reporting required to support any performance agreement;
- organisational principles to promote a performance culture;
- leadership arrangements;
- the development of an organisational chart.

Detailed advice around implementation should include:

- approach to resourcing;
- change management for staff of the new agency, including approach to staff engagement and strategy to build support for the new agency;
- approach to broader stakeholder engagement, including unions; and
- transition planning.

Consultation

The consultant will be required to consult with relevant stakeholders which include:

- a. Public Transport and ACTION management;
- b. Capital Metro Agency; and
- c. other areas of ACT Government that work closely with Public Transport such as:
 - i. the Environment and Planning Directorate, which has responsibility for public transport and urban planning and transport policy; and
 - ii. the Education and Training Directorate, which contracts with Public Transport for Special Needs Transport services.

Deliverables

The consultant will:

- a. prepare a project plan / project inception document that is endorsed by CMTEDD;
- b. prepare a draft report; and
- c. prepare a final report that takes into account comments made on the draft report.

The consultant's work is intended to be a 'live' project. While the completion of a formal report is an important element of the consultancy, the consultant will also have the role of a strategic partner and change manager, and will be expected to have play a collaborative supporting role with the implementation of the new agency up to the 'go live' date of 1 July 2016. This will include being available to attend key meetings and providing ad-hoc advice as requested.

Indicative timeframe

October 2015 – engage consultant

December 2015 – draft report

February 2015 – final report

February 2015 to July 2015 – ongoing support with execution

Terry, Alexandra

From: Alderson, Karl
Sent: Tuesday, 22 September 2015 6:21 PM
To: Konovalov, Alexander
Cc: Barbaro, Fiona
Subject: RE: transport consultancy
Attachments: Public Transport agency - Project Terms for consultancy.docx

Have sent this slightly revised version to Emma. I'm sure she'll rewrite it. Thanks for your quick work. K

From: Konovalov, Alexander
Sent: Tuesday, 22 September 2015 5:08 PM
To: Alderson, Karl
Cc: Barbaro, Fiona
Subject: transport consultancy

See attached for draft project terms for a consultancy for the new agency. Fiona has not yet had a chance to review.

As requested, I have amended the project terms:

- to include more detail from the Cabinet Submission re objectives of the agency and intended benefits; and
- for the consultancy to ask for the strategic plan as the main deliverable, with the structure as a supporting element (the previous terms had this flipped).

I also built in more detail around what we will want around organisational structure and implementation. I have also extended the project terms to ask the consultant to deliver a report, and then continue as a strategic partner up until July 2016 to support with the implementation of the report.

Alex

Alexander Konovalov | Manager | Phone: 6205 2634 | alexander.konovalov@act.gov.au
Government Reform Branch | **Policy and Cabinet Division** | Chief Minister, Treasury and Economic Development Directorate |
ACT Government

Please consider the environment before printing this email. If printing is necessary, please print double-sided.

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Public Transport Reform – Project Terms

Scope of Work

We are seeking advice and project management services to support the establishment a new ACT public transport agency from 1 Jul 2016. This has not been publicly announced and is therefore Cabinet in Confidence. An announcement is currently expected in late October 2015.

Key deliverables are:

- Project planning and project management for the establishment of the agency
- Delivery of a strategic plan to guide the agency's work program over the short (12 months), medium (1-5 years) and long term (beyond 5 years)
- Delivery of advice on transition arrangements, agency structure, governance and internal communications processes that will best support delivery of the strategic plan.

Objectives of the new agency [Emma

The Government is seeking to build a future public transport system for Canberra that integrates buses and light rail, providing a seamless experience for customers.

The new agency is intended to be high performing and customer focused, with a capacity to deliver value for money operations and the best possible overall community outcome.

The purpose of establishing a single public transport agency is that a single agency would be able to:

- look at marketing, route planning and timetabling and ticketing in a combined and coherent way across buses and light rail;
- ensure that planning and delivery of the public transport network is approached holistically, with bus and light rail services integrated, not competing;
- pursue opportunities for service integration with the other transport modes (such as taxis, rideshare, park and ride and cross border services);
- provide better and more holistic advice to Government to inform policy and budgetary decisions relevant to public transport; and
- make more efficient use of public transport related expertise and common functions, especially in the context of the ACT's small scale.

For Canberrans, a single entity would better enable them to:

- easily move around (bus routes and timetables would connect well with light rail);
- easily plan their journey (a single source for timetable information);
- have a consistently positive experience across bus and light rail (single branding/ticketing); and
- address any issues to a single point of contact.

New Agency – brief overview

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The ACT Government has agreed that the new agency will be established on 1 July 2016. The new agency will be responsible for:

- management, service planning and service delivery of light rail and existing and future bus services;
- integration of light rail and buses, as well as integration of light rail and buses with other transport modes (such as taxis); and
- strategic reform and future governance arrangements for the delivery of public transport to achieve continuous improvement to customer experience and efficient operation.

The agency would have a strong mandate to drive operational policy (including marketing, network planning, service integration, timetabling, ticketing and evasion policy) and will provide input to relevant directorates in relation to broader transport land planning, policy development and regulation.

The agency will be a directorate ie not have statutory independence.

- The new agency will not be responsible for high level transport policy such as town planning, however, will be responsible for 'small p' policy relating to public transport operations.
- The new agency will not be responsible for roads.
- The new agency will not be responsible for the regulation of taxis, except as it relates to public transport provision (ie augmenting the public transport network).

Accordingly, the consultant will not be required to provide advice around the general scope of the agency (although advice may be sought on specific functions, should areas of uncertainty arise).

Budget

The ACT Government has an upper limit of \$XX for the proposed consultancy. [\$300,000?]

Background

ACTION expenditure review

In 2013-14 the Government commissioned a targeted expenditure review of ACTION, with the aim to place public transport bus services in the ACT on a sustainable financial footing and expenditure trajectory.

ACTION's financial performance had been deteriorating over time with a loss of patronage despite increasing service levels and reduced fares (in real terms). In short, costs had significantly increased and farebox recovery had decreased.

An external consultant, MR Cagney, was engaged to work on the Review with a Final Report delivered to Government in February 2015.

From this work, it was identified that there are opportunities to improve the financial sustainability of public transport. Two main sustainability options were identified - reform ACTION in a manner that moves it closer to the efficiency levels of other public and private operators, and/or change the service delivery model. Business as usual is not considered to be a viable option.

CABINET IN CONFIDENCE**COMMERCIAL IN CONFIDENCE**

The review also identified a suite of internal business improvements and a need for some reform of enterprise agreement arrangements. These matters are being separately progressed by the Government and are outside the scope of the project however progress would be available as an input to this brief.

Transport Improvement Plan

The ACT Government has agreed to a Transport Improvement Plan that outlines the Government's plans to improve public transport in Canberra. The centrepiece of the Plan is the announcement of the establishment of the new agency from 1 July 2016. The Transport Improvement Plan is scheduled to be released in October 2015.

New agency – Transition Team

The ACT Government has established a Transition Team to oversee arrangements for the establishment of the new agency. The Transition Team is chaired by the Deputy Director General, Policy and Cabinet Division, and includes senior representatives from:

- Capital Metro Agency;
- Treasury;
- Territory and Municipal Services Directorate; and
- Environment and Planning Directorate.

The consultant will report to the Deputy Director General, Policy and Cabinet Division and work closely with the Transition Team. The consultant would be a standing attendee at Transition Team meetings (approximately 1-2 hours per fortnight).

Project Terms and Deliverables

We are seeking a report that provides advice on:

1. strategic planning for an integrated transport agency, including broader governance reforms and key short, medium and long term service delivery priorities;
2. advice on the organisational structure of the new agency;
3. detailed advice around implementation, stakeholder engagement, transition plans and sequencing of effort.

The strategic planning advice should include:

- how a single agency could best achieve the Government's objectives through promoting strategic management capabilities (clear strategic direction and management provided with the appropriate incentives, flexibility and resources to manage effectively);
- best practice in other cities, where it is relevant to making recommendations on how to take forward the ACT's preferred model;
- how the new agency could best draw upon external expertise (noting that many cities use board of directors at both the strategic level and the management level); and

CABINET IN CONFIDENCE

COMMERCIAL IN CONFIDENCE

- key short, medium and long term strategic priorities.

The advice on the organisational structure of the new agency should include:

- how any performance agreement between the transport policy area of government and the public transport operational area (the new agency) should be structured;
- governance arrangements for performance reporting required to support any performance agreement;
- organisational principles to promote a performance culture;
- leadership arrangements;
- the development of an organisational chart.

Detailed advice around implementation should include:

- approach to resourcing;
- change management for staff of the new agency, including approach to staff engagement and strategy to build support for the new agency;
- approach to broader stakeholder engagement, including unions; and
- transition planning.

Consultation

The consultant will be required to consult with relevant stakeholders, to be settled with the Transition Team, which include:

- a. Public Transport and ACTION management;
- b. Capital Metro Agency; and
- c. other areas of ACT Government that work closely with Public Transport such as:
 - i. the Environment and Planning Directorate, which has responsibility for public transport and urban planning and transport policy; and
 - ii. the Education and Training Directorate, which contracts with Public Transport for Special Needs Transport services.

Deliverables

The consultant will:

- a. prepare a project plan / project inception document that is endorsed by CMTEDD;
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The consultant's work is intended to be a 'live' project. While the completion of a formal report is an important element of the consultancy, the consultant will also have the role of a strategic partner and change manager, and will be expected to have play a collaborative supporting role with the implementation of the new agency up to the 'go live' date of 1 July 2016. This will include being available to attend key meetings and providing ad-hoc advice as requested.

CABINET IN CONFIDENCE

COMMERCIAL IN CONFIDENCE

Indicative timeframe

October 2015 – engage consultant

December 2015 – draft report

February 2015 – final report

February 2015 to July 2015 – ongoing support with execution

Terry, Alexandra

From: Konovalov, Alexander
Sent: Thursday, 24 September 2015 3:46 PM
To: Alderson, Karl
Subject: RE: IN CONFIDENCE SPTA - Project Terms for consultancy (comment by noon Fri)

I would note that my draft project terms included this peer review element, before CMA took it out as part of their edits.

Alex

From: Peters, Paul
Sent: Thursday, 24 September 2015 3:43 PM
To: Alderson, Karl; Carmichael, Tony; Kennedy, Floyd; Noud, Russell; Thomas, Emma
Cc: Konovalov, Alexander; Barbaro, Fiona
Subject: RE: IN CONFIDENCE SPTA - Project Terms for consultancy (comment by noon Fri)

Hi Karl,

These are fine by me.

I would also give the successful consultant access to the MRC report but not include it in the brief.

I'd also suggest that they do a peer review with some of the key contacts in the state agencies that have been through this recently eg Translink in Qld so we pick up their learnings.

Regards

*Paul Peters
 Executive Director
 Infrastructure, Roads and Public Transport*

Territory and Municipal Services

Ph (02) 6207 0738

From: Alderson, Karl
Sent: Wednesday, 23 September 2015 4:12 PM
To: Carmichael, Tony; Kennedy, Floyd; Noud, Russell; Peters, Paul; Thomas, Emma
Cc: Konovalov, Alexander; Barbaro, Fiona
Subject: IN CONFIDENCE SPTA - Project Terms for consultancy (comment by noon Fri)

Dear Transition Team

I attach the proposed project terms to develop the strategic plan for the single agency, support transition planning etc. This has been worked up in consultation with Emma.

I seek any comments by **noon Friday**. In addition, set out below are 6 consultancy service providers we intend to approach. I welcome any other suggestions within the same timeframe.

MRCagney

Ernst&Young (contact suggested by CMA)

Information Services Group (recommended by EPD)

Deloittes (specific contact advised by Treasury)

LEK Consulting (recommended by CMA)

KPMG (recommended by CMA)

Karl

Karl Alderson | Deputy Director-General, Policy and Cabinet |
Chief Minister, Treasury and Economic Development Directorate
T: +61 2 6207 6136 | M: 0481 012 658 | E: karl.alderson@act.gov.au | www.act.gov.au



Terry, Alexandra

From: Konovalov, Alexander
Sent: Tuesday, 29 September 2015 12:47 PM
To: Alderson, Karl
Cc: Barbaro, Fiona
Subject: FW: IN CONFIDENCE SPTA - Project Terms for consultancy (comment by noon Fri)
Attachments: CIC - RFP - public transport improvement strategic and transitional advisory services - 220915 v1 0.docx

Good morning.

As discussed last Friday, I have prepared some points on CMA's version of the project terms. It may be best if you send these comments through and then give Emma a call.

There are a lot of positives with this redrafting – certainly there is a lot more solid detail around the type of transition planning activities we will be requiring.

However, if Policy and Cabinet Division are going to be issuing the RFQ and contract managing, I would prefer that we go back to the standard form and approach. I am happy to build in CMA's edits to the content.

Consequently, I would also prefer to manage all of the evaluation documents and process. Happy to accept whatever arrangements you determine on the evaluation team. I would suggest the director level would be appropriate – Fiona (chair), Katrina Giudice (or other CMA representative), James Roncon, EPD representative (optional), myself.

This would let me go through a quick and straightforward procurement process.

I will be preparing a brief seeking your agreement to seeking direct quotes (instead of an open procurement).

Regards,
Alex

1. RFP document/template

The previous project terms were based on the standard Request for Quote form used for consultancies (ie assuming that the project terms would be an attachment to the standard RFQ form). This standard RFQ document is not as well defined and structured as CMA's document. However, the virtue of the standard document is that includes all relevant government requirements, and it is straightforward and easy.

- The current CMA document does not include a SME weighting, as is the government's policy: <http://www.procurement.act.gov.au/About/Supporting-SMEs-in-our-region>
- The current document does not detail any insurance requirements. Not a major issue, given we are going to contact well established firms. Nevertheless should be included.
- Given these two missing elements, I am uncertain whether there is anything further that is not included.

2. RFP, general approach

The current CMA document appears to be structured for an open procurement, including the use of Shared Services. Going through Shared Services is likely to lead to delays, and significantly limit operational flexibility. Shared Services would also be expected to need to review the procurement documents before issuing (adding a significant and uncertain amount of time).

3. Strategic management

The current CMA document has removed some of the previous detail around strategic management, such as advice on best practice in other cities. I would recommend that we put at least some of this detail back in.

In short, we should seek to understand how we can gain the benefits of statutory independence (strategic oversight and external expertise at the Board level, clear performance framework, management freedom) in a Directorate structure. The previous section:

The strategic planning advice should include:

how a single agency could best achieve the Government's objectives through promoting strategic management capabilities (clear strategic direction and management provided with the appropriate incentives, flexibility and resources to manage effectively);

best practice in other cities, where it is relevant to making recommendations on how to take forward the ACT's preferred model;

how the new agency could best draw upon external expertise (noting that many cities use board of directors at both the strategic level and the management level); and

- key short, medium and long term strategic priorities.

The advice on the organisational structure of the new agency should include:

- how any performance agreement between the transport policy area of government and the public transport operational area (the new agency) should be structured;

- governance arrangements for performance reporting required to support any performance agreement;

4. Budget

I propose that we outline a budget of \$300,000 (including GST) for the consultancy.

The current document indicates \$200,000 (excluding GST). However, I consider that the increased scope of the consultancy merits a higher budget.

In particular, the current document is asking for very close engagement that would require significant resourcing. For example, 'The Territory expects that the successful Respondent will maintain a substantial presence at the Territory's offices during the provision of the Services'. (This actually suggests even more than \$300,000)

5. Additional issues

The current document asks respondents to keep their response to a maximum of 15 pages, with a minimum font size specified. I recommend against including any such length limit. If we have to do so, it should be a limit of 50 pages or so.

From: Alderson, Karl

Sent: Wednesday, 23 September 2015 4:12 PM

To: Carmichael, Tony; Kennedy, Floyd; Noud, Russell; Peters, Paul; Thomas, Emma

Cc: Konovalov, Alexander; Barbaro, Fiona

Subject: IN CONFIDENCE SPTA - Project Terms for consultancy (comment by noon Fri)

Dear Transition Team

I attach the proposed project terms to develop the strategic plan for the single agency, support transition planning etc. This has been worked up in consultation with Emma.

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Karl

Karl Alderson | Deputy Director-General, Policy and Cabinet |
Chief Minister, Treasury and Economic Development Directorate
T: +61 2 6207 6136 | M: 0481 012 658 | E: karl.alderson@act.gov.au | www.act.gov.au



REQUEST FOR QUOTATION NO RFQ.572015**ACT**
Government**PUBLIC TRANSPORT IMPROVEMENT – STRATEGIC ADVISORY AND
PROJECT MANAGEMENT SERVICES****CONTACT OFFICER: [INSERT]****PROCUREMENT AND CAPITAL WORKS****Email: tendersACT@act.gov.au****ISSUE DATE: 29 SEPTEMBER 2015****CLOSING DATE: 7 OCTOBER 2015****CLOSING TIME: 2:00PM CANBERRA TIME**

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1. STATEMENT OF REQUIREMENTS

1.1 Request for Quotation

- 1.1.1. This Request for Quotation (**RFQ**) is for the provision of strategic advisory and project management services to the Chief Minister, Treasury and Economic Development Directorate (**CMTEDD**) in respect of the establishment of a single ACT Government public transportation agency (the **Project**).
- 1.1.2. The Project has not yet been publicly announced. Public announcement of the Project by the ACT Government is not anticipated to occur until late October 2015. The existence of the Project must be kept strictly confidential until such time as otherwise notified by ACT Government.

1.2 Tenders ACT

- 1.2.1. Tenders ACT is the ACT Government's procurement information system. Access to and use of Tenders ACT is subject to its terms and conditions, except to the extent of any inconsistency between this RFQ and those terms and conditions, in which case this RFQ will prevail.
- 1.2.2. All queries and requests for technical support in relation to Tenders ACT should be directed to:

Tenders ACT Team
Email: tendersACT@act.gov.au

1.3 Background to the Project

- 1.3.1. The ACT Government recognises an opportunity exists for public transport improvement in the ACT. This opportunity exists in the context of:
- A recent strategic review of Territory's wholly-owned and operated bus service;
 - The impending delivery of light rail in the ACT via a public-private partnership arrangement;
 - The entry into the ACT market of new transportation technologies; and
 - Growing costs to the ACT economy from road traffic congestion.
- 1.3.2. To capitalise upon this opportunity, the ACT Government has undertaken to establish a new public transportation agency in the Territory from 1 July 2016.

That public transport agency will have responsibility for certain public transportation functions which presently reside in different ACT Government directorates, including the Territory's bus operations and light rail contract management.

- 1.3.3. In undertaking the Project and establishing a single public transportation agency, the ACT is seeking to achieve:
- A modal shift to public transport, creating transportation choices for the ACT community;
 - Financial sustainability in public transport;
 - A single point of accountability for the integration of public transport in the Territory.
- 1.3.4. Further background information relevant to the Project is contained in Attachment 2 (Background) to this RFQ.

1.4 Services – Statement of Requirements

- 1.4.1. The Territory is seeking to procure strategic advisory and project management services as detailed in Attachment 3 (Statement of Requirements) to this RFQ (the **Services**).
- 1.4.2. Generally, the Services shall include:
- Formulation (in consultation with ACT Government) of a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016;
 - Assistance in project management of the implementation of the strategy and transition plan;
 - Consultation with various Territory representatives, including attendance at Transition Team meetings.
- 1.4.3. The Services are to be provided from mid-October 2015 to 31 July 2016 in a manner which meets the following milestones:
- Formulation of a draft strategy and transition plan – 30 November 2015;
 - Formulation of a final strategy and transition plan – 22 January 2016;
 - Assistance in project management of the implementation of the strategy and transition plan – from mid-October 2015 to 31 July 2016.

2. ASSESSMENT

2.1 Value for Money

- 2.1.1. In evaluating responses to the RFQ (**Quotations**), the Territory has as its objective the attainment of best value for money and not necessarily the lowest price.
- 2.1.2. The Territory will evaluate Quotations on a comparative, unweighted basis by reference to:
- (a) the Evaluation Criteria set out in section 2.2;
 - (b) any material provided by a Respondent in response to clarifications from the Territory;
 - (c) conformity with the requirements of this RFQ; and
 - (d) any other information the Territory deems appropriate to consider, including any information from the Territory's own investigations.
- 2.1.3. Respondents should, as part of their Quotations, clearly articulate their responses against each of the Evaluation Criteria set out in section 2.2 below.
- 2.1.4. Respondents are strongly encouraged to confine their Quotation responses against the Evaluation Criteria **to a maximum of 15 A4-sized pages** with font size no smaller than Times New Roman 10 (or comparable size). The cover page, CVs and Respondent Declaration (see section 5 below) are not counted within this page limit.
- 2.1.5. Minimal use of promotional material is encouraged.
- 2.1.6. The evaluation process for the RFQ may include, should the Territory so determine:
- (a) Confidential interviews or meetings with any or all Respondents; and
 - (b) requests for clarification from the Territory.

2.2 Evaluation Criteria

- 2.2.1. The Evaluation Criteria for Proposals are as follows:

Evaluation Criteria
<p>1. Technical skills, experience and availability of proposed Specified Personnel of the Respondent</p>

Respondents should provide evidence that proposed specified personnel have the relevant experience, technical capability and availability to provide the Services (as further detailed in Attachment 2 to this RFQ).

Detailed CVs are to be provided which set out the following details:

- Name;
- Specialist skills and qualifications;
- Specific communications skills and ability in transition
- Experience;
- Proposed availability for the Project, including presence at ACT Government offices and other work location(s).

When citing experience, Respondents should set out the precise nature of the role performed and any other relevant details in relation to the advisory role cited. When describing proposed availability and presence at ACT Government offices, this should indicate the number of days per week individuals are anticipated to be dedicated to the Project, and days per week they are anticipated to be in attendance at ACT Government offices.

2. Demonstrated understanding of the proposed Statement of Requirements

Respondents should provide a comprehensive statement that demonstrates a thorough understanding of the proposed Statement of Requirements (as detailed in Attachment 3 to this RFQ), including:

- How the Respondent proposes to formulate (in consultation with ACT Government) a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016, including an outline of the components of (and supporting evidence for) such strategy and transition plan;
- How the Respondent proposes to assist in project management of the implementation of the strategy and transition plan; and
- How the Respondent anticipates undertaking consultation activities with various Territory representatives, including identification of key stakeholders.

The expectation of the Territory is that Respondents should be able to clearly and comprehensively demonstrate an understanding of the role of, and typical tasks undertaken by, a strategic transportation advisor and change manager.

3. Fee Proposal

The Territory will assess the fee proposed for the Services in terms of value for money. Respondents are free to propose one or more fee structures, noting that the Territory:

- Values price certainty, either in the form of a fixed fee or fee cap; and
- Has an upper fee limit of \$200,000 (ex GST) for the Services.

The basis for calculation of any disbursements, together with a fixed fee or estimate of any such disbursements, must be clearly detailed by the Respondent.

- 2.2.2. The Evaluation Criteria are not listed in any order, are not exhaustive and may not be accorded equal weight.
- 2.2.3. Following the evaluation of RFPs against the Evaluation Criteria and other considerations set out above, the Territory will undertake an overall value for money assessment of relevant Proposals, including taking into account:
- (a) risk (which may include financial risk and risk arising as a result of an RFP being assessed as an unacceptably high risk against any Evaluation Criteria proposed, or departures from form of contract;
 - (b) the results of the evaluation against the Evaluation Criteria; and
 - (c) any other matter set out in, or relevant to, the *Government Procurement Act 2001 (ACT)*.

2.3 Assessment Timetable

- 2.3.1. The proposed timetable for the procurement process relating to this RFQ is:

RFQ issued	29 September 2015
RFQ responses due	7 October 2015
Interviews (if required)	8 / 9 October 2015
Work Order Issued	14 October 2015
Debrief unsuccessful respondents	Week of 19 October 2015

3. CONTRACT REQUIREMENTS

- 3.1.1. The form of contract expected to be used for the Services required by this RFQ is the Territory's Services Agreement as attached to this RFQ at Attachment XX. The Territory reserves the right to alter provisions of the contract and the form of contract if an alternative is determined to be more appropriate.

4. CONDITIONS OF QUOTATION

4.1 Acknowledgement

- 4.1.1. In submitting a Quotation the Respondent acknowledges that it:
- a) has examined this RFQ, any other information issued and any information relevant to the risks, contingencies, and other circumstances having an affect on the Quotation;
 - b) has made and relied upon its own enquiries to address the Evaluation Criteria;

- c) is satisfied as to the correctness and sufficiency of the Quotation; and
- d) agrees its Quotation must remain open for at least thirty (30) days from the date and time of closing.

4.2 Errors or omissions

- 4.2.1. If the Respondent finds any discrepancy, mis-description, error or omission in the RFQ, the Respondent is requested to notify the Contact Officer on the front cover page of this RFQ before the closing date and closing time for this RFQ.

4.3 Further Information, Clarification and Enquiries

- 4.3.1. There are no obligations on the part of the Territory to seek clarifications, undertake interviews or seek any other information regarding a Quotation.
- 4.3.2. The Territory, in its sole discretion, may invite one or more Respondents to attend interviews or submit additional information to allow full consideration of a Quotation.
- 4.3.3. Interview(s) with shortlisted Respondent(s) may be required. Respondents should allow for attending interviews at the CMTEDD office (located at Canberra Nara Centre, 1 Constitution Avenue, Canberra City ACT 2601) on 8 or 9 October 2015.
- 4.3.4. Respondents may request clarification of this RFQ or submit queries in relation to this RFQ **in writing** to the Contact Officer. Any response by the Territory will be written and may be provided to all Respondents.
- 4.3.5. The Evaluation Team for this RFQ, at its sole discretion, may make enquiries of referees provided in or with a Quotation to confirm any matters set out in the Quotation.

4.4 Ownership of Quotations

- 4.4.1. Quotations (including copies) will not be returned and become the property of the Territory. Each Respondent authorises the Territory to use (including copying, reproducing or supplying) their Quotation for assessment purposes and in any agreement resulting from their Quotation that may be entered into with the Territory should they be selected as the preferred Respondent.
- 4.4.2. The Respondent retains any intellectual property rights in their Quotation and warrants no other person's or organisation's moral or intellectual property rights will be infringed in the Territory's use of the Quotation.

4.5 Selection of Preferred Quotation

- 4.5.1. The Territory is under no obligation to select any Quotation and may vary or discontinue the Quotation process upon giving written notice to Respondents.
- 4.5.2. Late Quotations may be accepted, at the sole discretion of the Territory. Confirmation of receipt of Quotations will not be issued.
- 4.5.3. The Territory may, in its sole discretion, develop a shortlist of Respondents at any time during the Quotation evaluation process.
- 4.5.4. Shortlisting will be conducted on the basis of an initial assessment of the Quotations against the requirements of this RFQ and those that are not included on any shortlist will be set aside and not be considered further. The Territory may, but is not in any way bound to, shortlist Respondents, select as successful a Respondent, or accept a Quotation offering the lowest price.
- 4.5.5. Upon conclusion of the Quotation assessment process, the Territory may select a preferred Respondent and then:
 - a) commence contract negotiations with the preferred Respondent with a view to concluding those negotiations within a prescribed period of time;
 - b) negotiate with another Respondent if contract negotiations with the preferred Respondent are not concluded within the time specified to the preferred Respondent; or
 - c) cease negotiations with any Respondent.
- 4.5.6. No legal obligations arise until the Territory has executed a Work Order in the form identified at **Part Error! Reference source not found.** of this RFQ.
- 4.5.7. The Territory will offer unsuccessful Respondents the opportunity of a debriefing.

4.6 Costs of Submitting a Quotation

- 4.6.1. The Territory will make no payment to a Respondent for any costs incurred by a Respondent in preparing a Quotation; or in respect of any discussions, negotiations, enquiries or requests for details or information made by or on behalf of the Territory after the submission of Quotations; or for any work undertaken by any Respondent after its Quotation is submitted including work requested by the Territory in accordance with any provision of the RFQ.

4.7 Addenda

- 4.7.1. Addenda to this RFQ may be issued by the Territory prior to the closing date and closing time for this RFQ for the purposes of clarifying documents or to notify any amendments to the RFQ.
- 4.7.2. Addenda will be issued to each person or organisation to which the RFQ was issued, or they will each be notified that an addendum is available for collection.

4.8 Confidential Text and Disclosure

- 4.8.1. The Respondent must specify in writing if the Respondent believes any information in relation to its Quotation is confidential and wishes that information to be treated as confidential in any contract. Respondents should be aware that the Territory may be required to disclose information, either under the *Freedom of Information Act 1989* or by the responsible Minister in the Legislative Assembly.
- 4.8.2. Respondents should seek their own legal advice as to the implications for them of the notifiable contracts provisions of the *Government Procurement Act 2001* (ACT).

4.9 Conflict of interest

- 4.9.1. A Respondent with a conflict of interest must disclose the conflict of interest to the Territory at the time of lodging its Quotation; or, if the conflict of interest or a risk of conflict of interest arises after lodgement of the Quotation and prior to the completion of the Quotation assessment process, immediately disclose that conflict of interest to the Territory.

5. RESPONDENT DECLARATION

- 5.1.1. The Respondent must include in its Quotation a completed and signed Respondent Declaration in the form provided at **Attachment 1**.

6. LODGEMENT OF QUOTATIONS

- 6.1.1. RFQ Quotations are required to be emailed to the following electronic tender box by the closing time and closing date to:

tendersACT@act.gov.au

- 6.1.2. All enquiries in relation to this RFT must only be directed to the Contact Officer to the email address set out on the cover page (with the RFQ number in the subject heading).
- 6.1.3. Respondents are strongly discouraged from seeking additional information from any other CMTEDD officer, other than the Contact Officer, noting that in pursuing value for money, the Territory will have regard to probity and ethical behaviour of respondents.
- 6.1.4. Respondents assume full responsibility for ensuring the successful electronic lodgement of their Quotations by the closing time and closing date. Leaving transmission of Quotations to the “last minute” or transmitting large files or files with complex formatting may delay successful transmission by the closing time and closing date.
- 6.1.5. The Territory, including CMTEDD, has no responsibility whatsoever in relation to any Respondent or Territory systems or technical problems that cause or contribute to a Quotation not transmitting to the correct email address, or not being received in the electronic tender box by the closing time and closing date.

ATTACHMENT 1 – RESPONDENT DECLARATION

I/We provide this quote to the Territory for the provision of the Project Management – Transaction and Procurement Advisory Services at the GST-inclusive prices specified in this RFQ.

I/We have provided details of any information I/we wish to be treated as confidential in any resulting contract, in accordance with section 4.8 of the RFQ.

I/We acknowledge section 4.9 of the RFQ and have no conflicts of interest to declare.

I/We have sighted all addenda to this RFQ.

Full Name and / or Name of Company	AND/OR	Trading Name (<i>Business Name</i>)
ACN (Australian Companies Number)	OR	ABN (Australian Business Number)
Business Address		Postal Address
State	P/Code	State
P/Code		P/Code
Telephone No	Mobile No	Facsimile No
		Email address
Name of ACT Professional Standards Scheme		Upper Limit of capped Professional Indemnity Liability Insurance
Respondent's Representative		(include telephone number)
Position Held by Respondent's Representative		
Signature of Director if corporation else Respondent		Printed Name
Date		
Signature of 2nd Director if corporation else Witness		Printed Name

ATTACHMENT 2 – BACKGROUND

The ACT Government recognises an opportunity exists for public transport improvement in the ACT. This opportunity exists in the context of:

- A recent strategic review of Territory’s wholly-owned bus operations;
- The impending delivery of light rail in the ACT via a public-private partnership arrangement;
- The entry into the ACT market of new transportation technologies; and
- Growing costs to the ACT economy from road traffic congestion.

To capitalise upon this opportunity, the ACT Government has undertaken to establish a new public transportation agency in the Territory from 1 July 2016. That public transport agency will have responsibility for certain public transportation functions which presently reside in different ACT Government directorates, including the Territory’s bus operations and light rail contract management.

Objectives in Undertaking the Project

In undertaking the Project and establishing a single public transportation agency, the ACT is seeking to achieve:

- A modal shift to public transport, creating transportation choices for the ACT community;
- Financial sustainability in public transport;
- A single point of accountability for the integration of public transport in the Territory.

Current Bus Operations

ACTION is currently the primary public transportation provider in the ACT. ACTION is a city wide bus service wholly owned and operated by the ACT Government. It is presently operated within the ACT Government’s Territory and Municipal Services Directorate.

In 2013-14 the Government commissioned a targeted expenditure review of ACTION, with the aim to place public transport bus services in the ACT on a sustainable financial footing and expenditure trajectory.

ACTION's financial performance had been deteriorating over time accompanied by a loss of patronage despite increasing service levels and reduced fares (in real terms). In short, costs had significantly increased and farebox recovery had decreased.

An external consultant, MR Cagney, was engaged to work on the Review with a Final Report delivered to Government in February 2015. This report will be made available to the successful Respondent.

From this work, it was identified that there are opportunities to improve the financial sustainability of the Territory's bus services. Two main sustainability options were identified - reform ACTION in a manner that moves it closer to the efficiency levels of other public and private operators, and/or change the service delivery model. Business as usual is not considered to be a viable option.

Capital Metro Light Rail

The ACT Government has committed to implementing the first stage of light rail in Canberra. The Territory's first light rail route will operate from Gungahlin to Canberra City, though the ACT Government is also considering an augmentation of that route to Russell.

The procurement of Capital Metro light rail is being conducted by the Capital Metro Agency, a directorate of the ACT Government. The project is being procured as a public-private partnership, incorporating the design, construction, financing and operations of the light rail system over an approximately three year delivery and 20 year operating period.

The Territory is presently conducting an evaluation of proposals from Shortlisted Respondents. It is anticipated that a contract will be entered into by the Territory with the successful Respondent in mid 2016, with construction thereupon commencing. Integration of light rail and bus services is a key requirement of the Territory.

Relevant Materials

Relevant background materials include:

- **Transport Improvement Plan:** The ACT Government has agreed to a Transport Improvement Plan that outlines the Government's plans to improve public transport in Canberra. The centrepiece of the Plan is the announcement of the establishment of the new agency from 1 July 2016. The Transport Improvement Plan is scheduled to be released in October 2015. [Drafting note: can we attach this to the RFQ?]
- **Transport for Canberra 2012-2031:** This plan approved by ACT Government sets the foundation for transport planning for the next 20 years.
- **The Capital Metro Business Case:** (<http://www.capitalmetro.act.gov.au/the-case-for-light-rail/the-business-case>)
- **Active Travel Framework. Building an Integrated Transport Network.**
- **ACTION Enterprise Agreement 2013-2017.**

Transition Team

The ACT Government has established a 'Transition Team' to oversee arrangements for the establishment of the new agency. The Transition Team is chaired by the Deputy Director General, Policy and Cabinet Division (CMTEDD), and includes senior representatives from:

- Capital Metro Agency;
- Treasury;
- Territory and Municipal Services Directorate; and
- Environment and Planning Directorate.

The consultant will report to the Deputy Director General, Policy and Cabinet Division (CMTEDD) and work closely with the Transition Team.

Initial Thoughts and Constraints

The ACT Government has agreed that the new agency will be established on 1 July 2016. It is the view of ACT Government that the new agency will be responsible for:

- management, service planning and service delivery of light rail and existing and future bus services;

- integration of light rail and buses, as well as integration of light rail and buses with other transport modes (such as taxis); and
- strategic reform and future governance arrangements for the delivery of public transport to achieve continuous improvement to customer experience and efficient operation.

The agency would have a strong mandate to drive operational policy (including marketing, network planning, service integration, timetabling, ticketing and revenue protection policy) and will provide input to relevant directorates in relation to broader transport land planning, policy development and regulation.

The agency will be a directorate ie not have statutory independence. In this regard:

- The new agency will not be responsible for high level transport policy such as town planning, however, will be responsible for ‘small p’ policy relating to public transport operations.
- The new agency will not be responsible for roads.
- The new agency will not be responsible for the regulation of taxis, except as it relates to public transport provision (ie augmenting the public transport network).

ATTACHMENT 3 – STATEMENT OF REQUIREMENTS

1. General Requirements

The successful Respondent shall provide all services to the Territory as contemplated by the 'Statement of Requirements' contained in this Attachment 3 to the RFQ (the **Services**).

Generally, the Services shall include:

- a) Formulation (in consultation with ACT Government) of a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016;
- b) Assistance in project management of the implementation of the strategy and transition plan;
- c) Consultation with various Territory representatives, including attendance at Transition Team meetings.

The Services are described in more detail below. Section [x] below contains an indicative overview of the Territory's current thoughts regarding strategic and transitional activities which are to be undertaken.

2. Specific Requirements – Formulation of Strategy and Transition Plan

The successful Respondent shall formulate (in consultation with ACT Government) a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016. That strategy and transition plan shall be detailed in a report that the ACT Government anticipates will be submitted to Cabinet for approval.

The strategy and transition plan should incorporate matters which include:

- a) Articulating an overarching vision and purpose for the new organisation;
- b) Determining the recommended organisational structure of the new agency (noting it is intended that the new public transport agency will be a directorate of ACT Government without statutory independence – please refer to the constraints listed above). This may include:

- a. how arrangements between the new agency and other areas of government (such as land use planning and road operations areas of ACT Government) should be structured;
 - b. governance arrangements for the new agency;
 - c. organisational principles to promote a performance culture;
 - d. consideration of industrial relations environment;
 - e. leadership arrangements;
 - f. the development of an organisational chart;
 - g. development of organisations KPIs..
- c) Recommending functions of the new agency (subject to constraints listed above), with emphasis upon:
- a. Public transport integration from a customer perspective;
 - b. Achievement of the ACT Government’s public transportation and broader policy objectives;
- d) Input and consideration of communication strategy and key stakeholder management policy;
- e) Proposed transition plan arrangements, including:
- a. stakeholder engagement;
 - b. identification and establishment of interface arrangements;
 - c. staff management during transition;
 - d. branding;
 - e. a transition program;
 - f. other activities identified in section [x] below.

In developing the strategy and transition plan, references to best practice in other relevant jurisdictions is expected.

3. Specific Requirements – Assistance in Project Management

The successful Respondent shall assist in project management of the implementation of the strategy and transition plan. In this regard, the Transition Team chaired by the Deputy Director General, Policy and Cabinet Division (CMTEDD) shall have ultimate responsibility for project management of the implementation of the strategy and transition plan. However, the successful Respondent shall work closely with the Transition Team Chair to ensure transition tasks are successfully implemented in accordance with the transition timeline.

4. Consultation

The successful Respondent shall liaise closely with the Transition Team, Transition Team Chair and other Territory officers as a component of providing the Services.

The Project is a 'live' project. While the completion of a formal report is an important element of the Services, the successful Respondent will also have the role of a strategic partner and change manager, and will be expected to play a collaborative supporting role with the implementation of the new agency up to a month following its 'go live' date of 1 July 2016. This will include:

- Attending Transition Team meetings on a fortnightly basis;
- Working with Territory representatives on an extensive basis (including, but not limited to, representatives of TaMS and ACTION, Capital Metro Agency, Environment and Planning Directorate, and CMTEDD;
- Conducting extensive 'ramp-up' meetings with Territory representatives; and
- Being available to attend and present at key meetings and providing ad-hoc advice as requested.

The Territory expects that the successful Respondent will maintain a substantial presence at the Territory's offices during the provision of the Services. The successful Respondent is expected to mobilise quickly to commence providing the Services as soon as contractual arrangements are finalised.

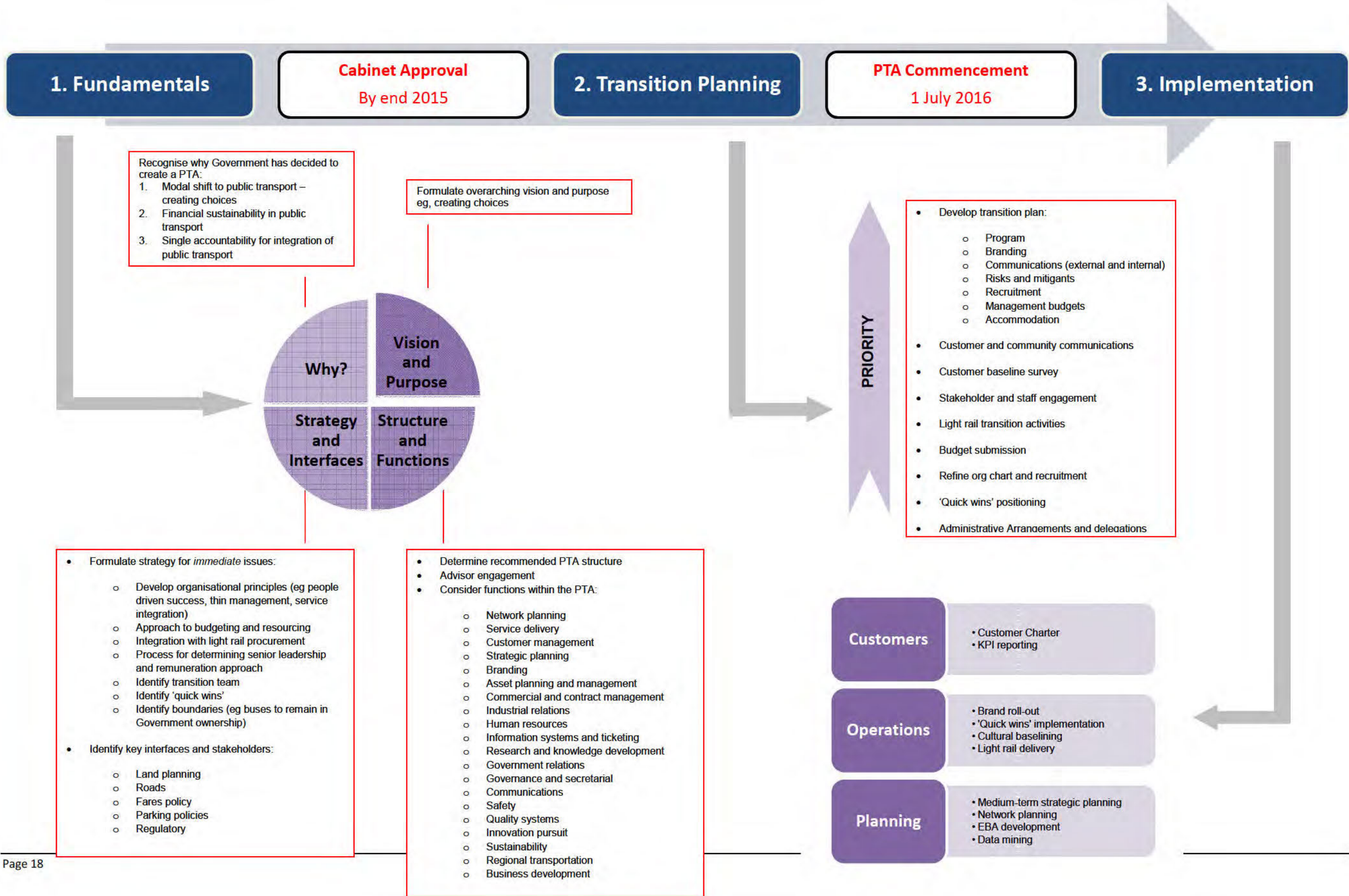
5. Duration of the Services

The Services are to be provided from mid-October 2015 to [31 July] 2016 in a manner which meets the following milestones:

- Formulation of a draft strategy and transition plan – 30 November 2015;
- Formulation of a final strategy and transition plan – 22 January 2016;
- Assistance in project management of the implementation of the strategy and transition plan – from mid-October 2015 to [31 July] 2016.

DRAFT

6. Indicative Overview of Potential Strategic and Transitional Planning Activities



Terry, Alexandra

From: Alderson, Karl
Sent: Tuesday, 29 September 2015 9:27 PM
To: Konovalov, Alexander
Cc: Barbaro, Fiona
Subject: FW: transport consultancy - brief seeking exemption
Attachments: 150929 - transport consultancy - Exemption from Public Tender.docx; Attachment A - project terms for consultancy.docx

Alex

Due to urgent taxi tasks I wasn't able to talk to Emma/ return her call.

I drafted her an email just now but didn't send because the attached project terms doesn't seem to reflect her input.

We need to take on as much of the CMA text as we sensibly can.

Karl

From: Konovalov, Alexander
Sent: Tuesday, 29 September 2015 3:24 PM
To: Alderson, Karl
Cc: Barbaro, Fiona
Subject: transport consultancy - brief seeking exemption

Hi Karl

See attached, for your meeting with the UT/HoS.

Also with you in TRIM.

Alex

Alexander Konovalov | Manager | Phone: 6205 2634 | alexander.konovalov@act.gov.au
Government Reform Branch | **Policy and Cabinet Division** | Chief Minister, Treasury and Economic Development Directorate |
ACT Government

Please consider the environment before printing this email. If printing is necessary, please print double-sided.

MINUTE



ACT
Government

Chief Minister, Treasury and
Economic Development

Date 29 September 2015

TRIM No:

File No:

To Head of Service

From Acting Under Treasurer

Subject **Public Transport Improvement – Strategic Advisory and Project Management Services – Exemption from public tender**

Critical date and reason

1. As soon as possible.

Reason/s for Request for Exemption and Details of Proposed Contract

2. Section 9 of the Government Procurement Regulation 2007 requires a Territory entity to invite public tenders for the procurement of goods, services or works if the total estimated value of the procurement is \$200,000 or more.
3. We are seeking to engage a consultant to provide advice to support the establishment of a single public transportation agency from 1 July 2016 (see Attachment A for draft project terms).
4. We propose to allocate a budget for proposed procurement of \$300,000. This exceeds the section 9 threshold.
5. Following consultation with the steering group that is responsible for managing the establishment of the new agency, we have identified four consulting firms that have the relevant transportation and management / governance expertise: MRCagney; Deloitte; EY (Ernst & Young); and KPMG.
6. This Minute seeks your exemption from conducting a public tender process and to conduct a select tender process. You may exempt CMTEDD from inviting public tenders only if satisfied, on reasonable grounds, that the benefit of the exemption outweighs the benefit of compliance with the requirement.
7. We are seeking your exemption for the following reason.
 - a. The establishment of a single public transportation agency is not public knowledge, and only known by a limited number of public servants. We intend to publically announce the establishment of a single transport agency as part of a broader communications strategy, including communications to affected staff. An open tender would compromise this approach and risk a negative communications and change management outcome.

Value for Money

8. If you provide an exemption, we will arrange for a procurement process to be conducted, including for the purpose of obtaining value for money (under s22A of the *Government Procurement Act 2001*).
9. We will only enter into a contract with the proposed supplier/contractor only if I am satisfied that:
 - (a) value for money is demonstrated, and
 - (b) relevant due diligence has been satisfactorily completed in relation to the supplier/contractor.

Consultation

10. As part of preparing the terms for the proposed consultancy, we consulted with: Treasury; CMA; TAMSD; and EPD.

Financial

11. We are proposing a budget of \$300,000 (GST inclusive) for the consultancy. CMTEDD has \$1.4 million of funding for transport reform as part of the 2015-16 budget.

Risks/ Sensitivities

12. We consider that conducting a select procurement would reduce the risks of a negative communications and change management outcome.

Media

13. Nil.

Recommendations

That you:

- approve this request for an exemption under s10 of the Regulation, and

AGREED/NOT AGREED/NOTED/PLEASE DISCUSS

- approve a select procurement process for the procurement of a consultancy to support the establishment of a single public transportation agency.

AGREED/NOT AGREED/NOTED/PLEASE DISCUSS

David Nicol..... / /

Karl Alderson, Acting Under Treasurer

Action Officer: Alexander Konovalov, x52634

From *Government Procurement Act 2001*

22A Procurement principle—value for money

- (1) A territory entity must pursue value for money in undertaking any procurement activity.
- (2) Value for money means the best available procurement outcome.
- (3) In pursuing value for money, the entity must have regard to the following:
 - (a) probity and ethical behaviour;
 - (b) management of risk;
 - (c) open and effective competition;
 - (d) optimising whole of life costs;
 - (e) anything else prescribed by regulation.

From *Government Procurement Regulation*

10 Procurement of goods, services or works—exemption from quotation and tender requirements

- (1) The responsible chief executive officer for a territory entity may, in writing, exempt the entity from a requirement mentioned in section 6 or section 9 for a particular procurement proposal.
- (2) However, the responsible chief executive officer may exempt the entity only if satisfied, on reasonable grounds, that the benefit of the exemption outweighs the benefit of compliance with the requirement.

Examples—when exemption may be given

- 1 only 1, or a limited number of, suppliers is available because of a need to buy equipment that is compatible with existing equipment, or because of a supplier's specialist knowledge
 - 2 only 1 supplier can supply a particular good or service
 - 3 standardisation of a product is agreed after public tenders are called for the original equipment
 - 4 the time within which a particular procurement activity must be completed prevents public tenders being called.
- (3) If the responsible chief executive officer exempts an entity, the chief executive officer may, in writing, direct the entity to do 1 or more of the following:
 - (a) seek a stated kind or number of quotations for the procurement;
 - (b) invite a tender from a stated supplier for the procurement.
 - (4) An exemption must state—
 - (a) the procurement proposal to which it applies; and
 - (b) the responsible chief executive officer's reasons for giving the exemption; and
 - (c) any direction to which it is subject under subsection (3).

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Public Transport Reform – Project Terms

Objectives

We are seeking advice and support with establishing a new transport agency that best promotes long term performance for public transport in Canberra. This will involve the development of a strategic plan, including the supporting agency structure, plans for stakeholder engagement and key short, medium and long term service delivery priorities.

We are also seeking detailed advice around implementation of the strategic plan and transition planning for the new agency.

Objectives of the new agency

The Government is seeking to build a future public transport system for Canberra that integrates buses and light rail, providing a seamless experience for customers.

The new agency is intended to be high performing and customer focused, with a capacity to deliver value for money operations and the best possible overall community outcome.

The purpose of establishing a single public transport agency is that a single agency would be able to:

- look at marketing, route planning and timetabling and ticketing in a combined and coherent way across buses and light rail;
- ensure that planning and delivery of the public transport network is approached holistically, with bus and light rail services integrated, not competing;
- pursue opportunities for service integration with the other transport modes (such as taxis, rideshare, park and ride and cross border services);
- provide better and more holistic advice to Government to inform policy and budgetary decisions relevant to public transport; and
- make more efficient use of public transport related expertise and common functions, especially in the context of the ACT's small scale.

For Canberrans, a single entity would better enable them to:

- easily move around (bus routes and timetables would connect well with light rail);
- easily plan their journey (a single source for timetable information);
- have a consistently positive experience across bus and light rail (single branding/ticketing); and
- address any issues to a single point of contact.

New Agency – brief overview

The ACT Government has agreed that the new agency will be established on 1 July 2016. The new agency would be responsible for:

- management, service planning and service delivery of light rail and existing and future bus services;

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- integration of light rail and buses, as well as integration of light rail and buses with other transport modes (such as taxis); and
- strategic reform and future governance arrangements for the delivery of public transport to achieve continuous improvement to customer experience and efficient operation.

The agency would have a strong mandate to drive operational policy (including marketing, network planning, service integration, timetabling, ticketing and evasion policy) and will provide input to relevant directorates in relation to broader transport land planning, policy development and regulation.

- The new agency will not be responsible for high level transport policy such as town planning, however, will be responsible for 'small p' policy relating to public transport operations.
- The new agency will not be responsible for roads.
- The new agency will not be responsible for the regulation of taxis, except as it relates to public transport provision (ie augmenting the public transport network).

Accordingly, the consultant will not be required to provide advice around the general scope of the agency (although advice may be sought on specific functions, should areas of uncertainty arise).

Budget

The ACT Government has an upper limit of \$300,000 (including GST) for the proposed consultancy.

Background

ACTION expenditure review

In 2013-14 the Government commissioned a targeted expenditure review of ACTION, with the aim to place public transport bus services in the ACT on a sustainable financial footing and expenditure trajectory.

ACTION's financial performance had been deteriorating over time with a loss of patronage despite increasing service levels and reduced fares (in real terms). In short, costs had significantly increased and farebox recovery had decreased.

An external consultant, MR Cagney, was engaged to work on the Review with a Final Report delivered to Government in February 2015.

From this work, it was identified that there are opportunities to improve the financial sustainability of public transport. Two main sustainability options were identified - reform ACTION in a manner that moves it closer to the efficiency levels of other public and private operators, and/or change the service delivery model. Business as usual is not considered to be a viable option.

The review also identified a suite of internal business improvements and a need for some reform of enterprise agreement arrangements. These matters are being separately progressed by the Government and are outside the scope of the project however progress would be available as an input to this brief.

CABINET IN CONFIDENCE**COMMERCIAL IN CONFIDENCE**Transport Improvement Plan

The ACT Government has agreed to a Transport Improvement Plan that outlines the Government's plans to improve public transport in Canberra. The centrepiece of the Plan is the announcement of the establishment of the new agency from 1 July 2016. The Transport Improvement Plan is scheduled to be released in mid October 2015.

New agency – Transition Team

The ACT Government has established a Transition Team to oversee arrangements for the establishment of the new agency. The Transition Team is chaired by the Deputy Director General, Policy and Cabinet Division, and includes senior representatives from:

- Capital Metro Agency;
- Treasury;
- Territory and Municipal Services Directorate; and
- Environment and Planning Directorate.

The consultant will report to the Deputy Director General, Policy and Cabinet Division.

Project Terms and Deliverables

We are seeking a report that provides advice on:

1. strategic planning for an integrated transport agency, including broader governance reforms and key short, medium and long term service delivery priorities;
2. advice on the organisational structure of the new agency;
3. detailed advice around implementation, stakeholder engagement, transition plans and sequencing of effort.

The strategic planning advice should include:

- how a single agency could best achieve the Government's objectives through promoting strategic management capabilities (clear strategic direction and management provided with the appropriate incentives, flexibility and resources to manage effectively);
- best practice in other cities, where it is relevant to making recommendations on how to take forward the ACT's preferred model;
- how the new agency could best draw upon external expertise (noting that many cities use board of directors at both the strategic level and the management level); and
- key short, medium and long term strategic priorities.

The advice on the organisational structure of the new agency should include:

- how any performance agreement between the transport policy area of government and the public transport operational area (the new agency) should be structured;

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- governance arrangements for performance reporting required to support any performance agreement;
- organisational principles to promote a performance culture;
- leadership arrangements;
- the development of an organisational chart.

Detailed advice around implementation should include:

- approach to resourcing;
- change management for staff of the new agency, including approach to staff engagement and strategy to build support for the new agency;
- approach to broader stakeholder engagement, including unions; and
- transition planning.

Consultation

The consultant will be required to consult with relevant stakeholders which include:

- a. Public Transport and ACTION management;
- b. Capital Metro Agency; and
- c. other areas of ACT Government that work closely with Public Transport such as:
 - i. the Environment and Planning Directorate, which has responsibility for public transport and urban planning and transport policy; and
 - ii. the Education and Training Directorate, which contracts with Public Transport for Special Needs Transport services.

Deliverables

The consultant will:

- a. prepare a project plan / project inception document that is endorsed by CMTEDD;
- b. prepare a draft report; and
- c. prepare a final report that takes into account comments made on the draft report.

The consultant's work is intended to be a 'live' project. While the completion of a formal report is an important element of the consultancy, the consultant will also have the role of a strategic partner and change manager, and will be expected to have play a collaborative supporting role with the implementation of the new agency up to the 'go live' date of 1 July 2016. This will include being available to attend key meetings and providing ad-hoc advice as requested.

Indicative timeframe

October 2015 – engage consultant

December 2015 – draft report

February 2015 – final report

February 2015 to July 2015 – ongoing support with execution

Terry, Alexandra

From: Konovalov, Alexander
Sent: Wednesday, 30 September 2015 10:12 AM
To: Alderson, Karl
Cc: Barbaro, Fiona
Subject: RE: transport consultancy - brief seeking exemption
Attachments: 150929 - draft project terms - transport reform consultancy.docx

Hi Karl

Apologies, I attached my previous project terms to the brief to the UT/HoS (noted as draft in the brief). I did this because I was clearing the new project terms through Fiona.

- The HoS/UT has signed the brief.

See attached for the new project terms. I based this on CMA's document, and have left in track change mode to show the changes I have made. I have also highlighted the main changes (outlined below).

In terms of the timing, I would suggest two options.

1. We provide the RFQ to the three companies that responded to the previous RFQ: MRCagney, Deloittes and EY. Deadline of 9 October.
2. We provide the RFQ to the three companies that responded to the previous RFQ, plus KPMG (recent suggestion by CMA). Slightly longer deadline of 13 October.

Changes to the RFQ

- I am proposing that we revert to the standard RFQ form, based on the same approach (including evaluation etc) that I used for the previous cancelled consultancy;
- hence I removed the procurement sections of the RFQ, and left the project terms;
- I altered the date for the final report from 22 January to 29 February 2016;
- I indicated that we are willing to accept prioritisation of advice (noting that we are asking for a draft report on 30 November); and
- I put the section back around strategic management. I see this as being quite a distinct area of advice, and I have some thoughts that I would like explored. There is:
 - how the policy area of government provides strategic direction to the new agency (notionally EPD); and
 - how the new agency best achieves the identified direction.

Alex

From: Alderson, Karl
Sent: Tuesday, 29 September 2015 9:27 PM
To: Konovalov, Alexander
Cc: Barbaro, Fiona
Subject: FW: transport consultancy - brief seeking exemption

Alex

Due to urgent taxi tasks I wasn't able to talk to Emma/ return her call.

I drafted her an email just now but didn't send because the attached project terms doesn't seem to reflect her input.

We need to take on as much of the CMA text as we sensibly can.

Karl

From: Konovalov, Alexander
Sent: Tuesday, 29 September 2015 3:24 PM
To: Alderson, Karl
Cc: Barbaro, Fiona
Subject: transport consultancy - brief seeking exemption

Hi Karl

See attached, for your meeting with the UT/HoS.

Also with you in TRIM.

Alex

Alexander Konovalov | Manager | Phone: 6205 2634 | alexander.konovalov@act.gov.au
Government Reform Branch | **Policy and Cabinet Division** | Chief Minister, Treasury and Economic Development Directorate |
ACT Government

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ATTACHMENT A – REQUEST FOR QUOTATION NO RFQ_572015

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**PUBLIC TRANSPORT IMPROVEMENT – STRATEGIC ADVISORY AND
PROJECT MANAGEMENT SERVICES**

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CONTACT OFFICER: [INSERT]

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PROCUREMENT AND CAPITAL WORKS

Email: tendersACT@act.gov.au

ISSUE DATE: 29 SEPTEMBER 2015

CLOSING DATE: 7 OCTOBER 2015

CLOSING TIME: 2:00PM CANBERRA TIME

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1- STATEMENT OF REQUIREMENTS

1.1 Request for Quotation Public Transport Improvement – Strategic Advisory and Project Management Services

~~1.1.1. This Request for Quotation (RFQ) is for the provision of~~The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) is seeking strategic advisory and project management services to the ~~Chief Minister, Treasury and Economic Development Directorate (CMTEDD)~~ in respect of the establishment of a single ACT Government public transportation agency (the Project).

~~1.1.2.~~ The Project has not yet been publicly announced. Public announcement of the Project by the ACT Government is not anticipated to occur until late October 2015. The existence of the Project must be kept strictly confidential until such time as otherwise notified by ACT Government.

1.2 ~~Tenders ACT~~

~~1.2.1. Tenders ACT is the ACT Government's procurement information system. Access to and use of Tenders ACT is subject to its terms and conditions, except to the extent of any inconsistency between this RFQ and those terms and conditions, in which case this RFQ will prevail.~~

~~1.2.2. All queries and requests for technical support in relation to Tenders ACT should be directed to:~~

~~Tenders ACT Team
Email: tendersACT@act.gov.au~~

1.3 ~~Background to the Project~~ (further detail at Attachment 1)

~~1.3.1.~~ The ACT Government recognises an opportunity exists for public transport improvement in the ACT. This opportunity exists in the context of:

- ~~A~~a recent strategic review of Territory's wholly-owned and operated bus service;
- ~~The~~the impending delivery of light rail in the ACT via a public-private partnership arrangement;
- ~~The~~the entry into the ACT market of new transportation technologies; and

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- ~~Growing-growing~~ costs to the ACT economy from road traffic congestion.

~~1.3.2.~~ To capitalise upon this opportunity, the ACT Government has undertaken to establish a new public transportation agency in the Territory from 1 July 2016. That public transport agency will have responsibility for certain public transportation functions which presently reside in different ACT Government directorates, including the Territory's bus operations and light rail contract management.

~~1.3.3.~~ In undertaking the Project and establishing a single public transportation agency, the ACT is seeking to achieve:

- ~~A-a~~ modal shift to public transport, creating transportation choices for the ACT community;
- ~~Financial-financial~~ sustainability in public transport;
- ~~A-a~~ single point of accountability for the integration of public transport in the Territory.

~~1.3.4.~~ Further background information relevant to the Project is contained in Attachment 2 (Background) to this RFQ.

~~1.4~~ ~~Services – Statement of Requirements~~ Strategic advice and project management (further detail at Attachment 2)

~~1.4.1.~~ The Territory is seeking to procure strategic ~~advisory advice~~ and project management services ~~as detailed in Attachment 3 (Statement of Requirements) to this RFQ~~ (the Services).

~~1.4.2.~~ Generally, the Services shall include:

- ~~high level advice on how a single agency could best achieve the Government's objectives through promoting strategic management capabilities (clear strategic direction and management provided with the appropriate incentives, flexibility and resources to manage effectively);~~
- ~~Formulation-formulation~~ (in consultation with ACT Government) of a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016;
- ~~Assistance-assistance~~ in project management of the implementation of the strategy and transition plan; ~~and~~
- ~~Consultation-consultation~~ with various Territory representatives, including attendance at Transition Team meetings.

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1.4.3. The Services are to be provided from mid-October 2015 to 31 July 2016 in a manner which meets the following milestones:

- Formulation of a draft strategy and transition plan – 30 November 2015;
- Formulation of a final strategy and transition plan – ~~22-29 January~~ February 2016;
- Assistance in project management of the implementation of the strategy and transition plan – from mid-October 2015 to 31 July 2016.

In terms of the timing of the milestones and process, we are willing to consider a timeline and process that involves the prioritisation of some areas of the services above others. For example, it may be appropriate to prioritise the development of high level strategic advice ahead of the more detailed transition planning.

Budget

Respondents are free to propose one or more fee structures, noting that the Territory:

- values price certainty, either in the form of a fixed fee or fee cap; and
- has an upper fee limit of \$300,000 (including GST) for the Services.

The basis for calculation of any disbursements, together with a fixed fee or estimate of any such disbursements, must be clearly detailed by the Respondent.

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Comment [AK1]: Proposed to give them more time for the final report.

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~~2. ASSESSMENT~~~~2.1 Value for Money~~

~~2.1.1. In evaluating responses to the RFQ (Quotations), the Territory has as its objective the attainment of best value for money and not necessarily the lowest price.~~

~~2.1.2. The Territory will evaluate Quotations on a comparative, unweighted basis by reference to:~~

- ~~(a) the Evaluation Criteria set out in section 2.2;~~
- ~~(b) any material provided by a Respondent in response to clarifications from the Territory;~~
- ~~(c) conformity with the requirements of this RFQ; and~~
- ~~(d) any other information the Territory deems appropriate to consider, including any information from the Territory's own investigations.~~

~~2.1.3. Respondents should, as part of their Quotations, clearly articulate their responses against each of the Evaluation Criteria set out in section 2.2 below.~~

~~2.1.4. Respondents are strongly encouraged to confine their Quotation responses against the Evaluation Criteria to a maximum of 15 A4 sized pages with font size no smaller than Times New Roman 10 (or comparable size). The cover page, CVs and Respondent Declaration (see section 5 below) are not counted within this page limit.~~

~~2.1.5. Minimal use of promotional material is encouraged.~~

~~2.1.6. The evaluation process for the RFQ may include, should the Territory so determine:~~

- ~~(a) Confidential interviews or meetings with any or all Respondents; and~~
- ~~(b) requests for clarification from the Territory.~~

~~2.2 Evaluation Criteria~~

~~2.2.1. The Evaluation Criteria for Proposals are as follows:~~

Evaluation Criteria
1. Technical skills, experience and availability of proposed Specified Personnel of the Respondent

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Respondents should provide evidence that proposed specified personnel have the relevant experience, technical capability and availability to provide the Services (as further detailed in Attachment 2 to this RFQ).

Detailed CVs are to be provided which set out the following details:

- Name;
- Specialist skills and qualifications;
- Specific communications skills and ability in transition
- Experience;
- Proposed availability for the Project, including presence at ACT Government offices and other work location(s).

When citing experience, Respondents should set out the precise nature of the role performed and any other relevant details in relation to the advisory role cited. When describing proposed availability and presence at ACT Government offices, this should indicate the number of days per week individuals are anticipated to be dedicated to the Project, and days per week they are anticipated to be in attendance at ACT Government offices.

2.— Demonstrated understanding of the proposed Statement of Requirements

Respondents should provide a comprehensive statement that demonstrates a thorough understanding of the proposed Statement of Requirements (as detailed in Attachment 3 to this RFQ), including:

- How the Respondent proposes to formulate (in consultation with ACT Government) a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016, including an outline of the components of (and supporting evidence for) such strategy and transition plan;
- How the Respondent proposes to assist in project management of the implementation of the strategy and transition plan; and
- How the Respondent anticipates undertaking consultation activities with various Territory representatives, including identification of key stakeholders.

The expectation of the Territory is that Respondents should be able to clearly and comprehensively demonstrate an understanding of the role of, and typical tasks undertaken by, a strategic transportation advisor and change manager.

3.— Fee Proposal

The Territory will assess the fee proposed for the Services in terms of value for money. Respondents are free to propose one or more fee structures, noting that the Territory:

- Values price certainty, either in the form of a fixed fee or fee cap; and
- Has an upper fee limit of \$200,000 (ex GST) for the Services.

The basis for calculation of any disbursements, together with a fixed fee or estimate of any such disbursements, must be clearly detailed by the Respondent.

~~2.2.2. — The Evaluation Criteria are not listed in any order, are not exhaustive and may not be accorded equal weight.~~

~~2.2.3. — Following the evaluation of RFPs against the Evaluation Criteria and other considerations set out above, the Territory will undertake an overall value for money assessment of relevant Proposals, including taking into account:~~

~~(a) — risk (which may include financial risk and risk arising as a result of an RFP being assessed as an unacceptably high risk against any Evaluation Criteria proposed, or departures from form of contract;~~

~~(b) — the results of the evaluation against the Evaluation Criteria; and~~

~~(c) — any other matter set out in, or relevant to, the *Government Procurement Act 2001 (ACT)*.~~

~~2.3 — Assessment Timetable~~

~~2.3.1. — The proposed timetable for the procurement process relating to this RFQ is:~~

RFQ issued	29 September 2015
RFQ responses due	7 October 2015
Interviews (if required)	8 / 9 October 2015
Work Order Issued	14 October 2015
Debrief unsuccessful respondents	Week of 19 October 2015

~~3. — CONTRACT REQUIREMENTS~~

~~3.1.1. — The form of contract expected to be used for the Services required by this RFQ is the Territory's Services Agreement as attached to this RFQ at Attachment XX. The Territory reserves the right to alter provisions of the contract and the form of contract if an alternative is determined to be more appropriate.~~

~~4. — CONDITIONS OF QUOTATION~~

~~4.1 — Acknowledgement~~

~~4.1.1. — In submitting a Quotation the Respondent acknowledges that it:~~

~~a) — has examined this RFQ, any other information issued and any information relevant to the risks, contingencies, and other circumstances having an affect on the Quotation;~~

~~b) — has made and relied upon its own enquiries to address the Evaluation Criteria;~~

- ~~e) — is satisfied as to the correctness and sufficiency of the Quotation; and~~
- ~~d) — agrees its Quotation must remain open for at least thirty (30) days from the date and time of closing.~~

~~4.2 — Errors or omissions~~

- ~~4.2.1. — If the Respondent finds any discrepancy, mis-description, error or omission in the RFQ, the Respondent is requested to notify the Contact Officer on the front cover page of this RFQ before the closing date and closing time for this RFQ.~~

~~4.3 — Further Information, Clarification and Enquiries~~

- ~~4.3.1. — There are no obligations on the part of the Territory to seek clarifications, undertake interviews or seek any other information regarding a Quotation.~~
- ~~4.3.2. — The Territory, in its sole discretion, may invite one or more Respondents to attend interviews or submit additional information to allow full consideration of a Quotation.~~
- ~~4.3.3. — Interview(s) with shortlisted Respondent(s) may be required. Respondents should allow for attending interviews at the CMTEDD office (located at Canberra Nara Centre, 1 Constitution Avenue, Canberra City ACT 2601) on 8 or 9 October 2015.~~
- ~~4.3.4. — Respondents may request clarification of this RFQ or submit queries in relation to this RFQ **in writing** to the Contact Officer. Any response by the Territory will be written and may be provided to all Respondents.~~
- ~~4.3.5. — The Evaluation Team for this RFQ, at its sole discretion, may make enquiries of referees provided in or with a Quotation to confirm any matters set out in the Quotation.~~

~~4.4 — Ownership of Quotations~~

- ~~4.4.1. — Quotations (including copies) will not be returned and become the property of the Territory. Each Respondent authorises the Territory to use (including copying, reproducing or supplying) their Quotation for assessment purposes and in any agreement resulting from their Quotation that may be entered into with the Territory should they be selected as the preferred Respondent.~~
- ~~4.4.2. — The Respondent retains any intellectual property rights in their Quotation and warrants no other person's or organisation's moral or intellectual property rights will be infringed in the Territory's use of the Quotation.~~

4.5 — Selection of Preferred Quotation

- 4.5.1. — ~~The Territory is under no obligation to select any Quotation and may vary or discontinue the Quotation process upon giving written notice to Respondents.~~
- 4.5.2. — ~~Late Quotations may be accepted, at the sole discretion of the Territory. Confirmation of receipt of Quotations will not be issued.~~
- 4.5.3. — ~~The Territory may, in its sole discretion, develop a shortlist of Respondents at any time during the Quotation evaluation process.~~
- 4.5.4. — ~~Shortlisting will be conducted on the basis of an initial assessment of the Quotations against the requirements of this RFQ and those that are not included on any shortlist will be set aside and not be considered further. The Territory may, but is not in any way bound to, shortlist Respondents, select as successful a Respondent, or accept a Quotation offering the lowest price.~~
- 4.5.5. — ~~Upon conclusion of the Quotation assessment process, the Territory may select a preferred Respondent and then:~~
- a) — ~~commence contract negotiations with the preferred Respondent with a view to concluding those negotiations within a prescribed period of time;~~
 - b) — ~~negotiate with another Respondent if contract negotiations with the preferred Respondent are not concluded within the time specified to the preferred Respondent; or~~
 - c) — ~~cease negotiations with any Respondent.~~
- 4.5.6. — ~~No legal obligations arise until the Territory has executed a Work Order in the form identified at Part 3.1.1 of this RFQ.~~
- 4.5.7. — ~~The Territory will offer unsuccessful Respondents the opportunity of a debriefing.~~

4.6 — Costs of Submitting a Quotation

- 4.6.1. — ~~The Territory will make no payment to a Respondent for any costs incurred by a Respondent in preparing a Quotation; or in respect of any discussions, negotiations, enquiries or requests for details or information made by or on behalf of the Territory after the submission of Quotations; or for any work undertaken by any Respondent after its Quotation is submitted including work requested by the Territory in accordance with any provision of the RFQ.~~

4.7 — Addenda

~~4.7.1. Addenda to this RFQ may be issued by the Territory prior to the closing date and closing time for this RFQ for the purposes of clarifying documents or to notify any amendments to the RFQ.~~

~~4.7.2. Addenda will be issued to each person or organisation to which the RFQ was issued, or they will each be notified that an addendum is available for collection.~~

~~4.8 Confidential Text and Disclosure~~

~~4.8.1. The Respondent must specify in writing if the Respondent believes any information in relation to its Quotation is confidential and wishes that information to be treated as confidential in any contract. Respondents should be aware that the Territory may be required to disclose information, either under the *Freedom of Information Act 1989* or by the responsible Minister in the Legislative Assembly.~~

~~4.8.2. Respondents should seek their own legal advice as to the implications for them of the notifiable contracts provisions of the *Government Procurement Act 2001 (ACT)*.~~

~~4.9 Conflict of interest~~

~~4.9.1. A Respondent with a conflict of interest must disclose the conflict of interest to the Territory at the time of lodging its Quotation; or, if the conflict of interest or a risk of conflict of interest arises after lodgement of the Quotation and prior to the completion of the Quotation assessment process, immediately disclose that conflict of interest to the Territory.~~

~~5. RESPONDENT DECLARATION~~

~~5.1.1. The Respondent must include in its Quotation a completed and signed Respondent Declaration in the form provided at Attachment 1.~~

~~6. — LODGEMENT OF QUOTATIONS~~

~~6.1.1. — RFQ Quotations are required to be emailed to the following electronic tender box by the closing time and closing date to:~~

~~tendersACT@act.gov.au~~

~~6.1.2. — All enquiries in relation to this RFT must only be directed to the Contact Officer to the email address set out on the cover page (with the RFQ number in the subject heading).~~

~~6.1.3. — Respondents are strongly discouraged from seeking additional information from any other CMTEDD officer, other than the Contact Officer, noting that in pursuing value for money, the Territory will have regard to probity and ethical behaviour of respondents.~~

~~6.1.4. — Respondents assume full responsibility for ensuring the successful electronic lodgement of their Quotations by the closing time and closing date. Leaving transmission of Quotations to the “last minute” or transmitting large files or files with complex formatting may delay successful transmission by the closing time and closing date.~~

~~6.1.5. — The Territory, including CMTEDD, has no responsibility whatsoever in relation to any Respondent or Territory systems or technical problems that cause or contribute to a Quotation not transmitting to the correct email address, or not being received in the electronic tender box by the closing time and closing date.~~

ATTACHMENT 1 – RESPONDENT DECLARATION

I/We provide this quote to the Territory for the provision of the Project Management – Transaction and Procurement Advisory Services at the GST inclusive prices specified in this RFQ.

I/We have provided details of any information I/we wish to be treated as confidential in any resulting contract, in accordance with section 4.8 of the RFQ.

I/We acknowledge section 4.9 of the RFQ and have no conflicts of interest to declare.

I/We have sighted all addenda to this RFQ.

Full Name and /or Name of Company		AND/OR	Trading Name (Business Name)	
ACN (Australian Companies Number)		OR	ABN (Australian Business Number)	
Business Address			Postal Address	
State	P/Code		State	P/Code
Telephone No	Mobile No	Facsimile No	Email address	
Name of ACT Professional Standards Scheme		Upper Limit of capped Professional Indemnity Liability Insurance		
Respondent's Representative		{include telephone number}		
Position Held by Respondent's Representative				
Signature of Director of corporation else Respondent			Printed Name	
Date				
Signature of 2nd Director of corporation else Witness			Printed Name	

ATTACHMENT 2-1 – BACKGROUND

The ACT Government recognises an opportunity exists for public transport improvement in the ACT. This opportunity exists in the context of:

- A recent strategic review of Territory’s wholly-owned bus operations;
- The impending delivery of light rail in the ACT via a public-private partnership arrangement;
- The entry into the ACT market of new transportation technologies; and
- Growing costs to the ACT economy from road traffic congestion.

To capitalise upon this opportunity, the ACT Government has undertaken to establish a new public transportation agency in the Territory from 1 July 2016. That public transport agency will have responsibility for certain public transportation functions which presently reside in different ACT Government directorates, including the Territory’s bus operations and light rail contract management.

Objectives in Undertaking the Project

In undertaking the Project and establishing a single public transportation agency, the ACT is seeking to achieve:

- A modal shift to public transport, creating transportation choices for the ACT community;
- Financial sustainability in public transport;
- A single point of accountability for the integration of public transport in the Territory.

Current Bus Operations

ACTION is currently the primary public transportation provider in the ACT. ACTION is a city wide bus service wholly owned and operated by the ACT Government. It is presently operated within the ACT Government’s Territory and Municipal Services Directorate.

In 2013-14 the Government commissioned a targeted expenditure review of ACTION, with the aim to place public transport bus services in the ACT on a sustainable financial footing and expenditure trajectory.

ACTION's financial performance had been deteriorating over time accompanied by a loss of patronage despite increasing service levels and reduced fares (in real terms). In short, costs had significantly increased and farebox recovery had decreased.

An external consultant, MR Cagney, was engaged to work on the Review with a Final Report delivered to Government in February 2015. This report will be made available to the successful Respondent.

From this work, it was identified that there are opportunities to improve the financial sustainability of the Territory's bus services. Two main sustainability options were identified - reform ACTION in a manner that moves it closer to the efficiency levels of other public and private operators, and/or change the service delivery model. Business as usual is not considered to be a viable option.

Capital Metro- Light Rail

The ACT Government has committed to implementing the first stage of light rail in Canberra. The Territory's first light rail route will operate from Gungahlin to Canberra City, though the ACT Government is also considering an augmentation of that route to Russell.

The procurement of Capital Metro light rail is being conducted by the Capital Metro Agency, a directorate of the ACT Government. The project is being procured as a public-private partnership, incorporating the design, construction, financing and operations of the light rail system over an approximately three year delivery and 20 year operating period.

The Territory is presently conducting an evaluation of proposals from Shortlisted Respondents. It is anticipated that a contract will be entered into by the Territory with the successful Respondent in mid 2016, with construction thereupon commencing. Integration of light rail and bus services is a key requirement of the Territory.

Relevant Materials

Relevant background materials include:

- **Transport Improvement Plan**: The ACT Government has agreed to a Transport Improvement Plan that outlines the Government's plans to improve public

transport in Canberra. The centrepiece of the Plan is the announcement of the establishment of the new agency from 1 July 2016. The Transport Improvement Plan is scheduled to be released in October 2015. [Drafting note: can we attach this to the RFQ?]

- **Transport for Canberra 2012-2031:** This plan approved by ACT Government sets the foundation for transport planning for the next 20 years.
- **The Capital Metro Business Case:** (<http://www.capitalmetro.act.gov.au/the-case-for-light-rail/the-business-case>)
- **Active Travel Framework. Building an Integrated Transport Network.**
- **ACTION Enterprise Agreement 2013-2017.**

Transition Team

The ACT Government has established a 'Transition Team' to oversee arrangements for the establishment of the new agency. The Transition Team is chaired by the Deputy Director General, Policy and Cabinet Division (CMTEDD), and includes senior representatives from:

- Capital Metro Agency;
- Treasury;
- Territory and Municipal Services Directorate; and
- Environment and Planning Directorate.

The consultant will report to the Deputy Director General, Policy and Cabinet Division (CMTEDD) and work closely with the Transition Team.

Initial Thoughts and Constraints

The ACT Government has agreed that the new agency will be established on 1 July 2016. It is the view of ACT Government that the new agency will be responsible for:

- management, service planning and service delivery of light rail and existing and future bus services;

- integration of light rail and buses, as well as integration of light rail and buses with other transport modes (such as taxis); and
- strategic reform and future governance arrangements for the delivery of public transport to achieve continuous improvement to customer experience and efficient operation.

The agency would have a strong mandate to drive operational policy (including marketing, network planning, service integration, timetabling, ticketing and revenue protection policy) and will provide input to relevant directorates in relation to broader transport land planning, policy development and regulation.

The agency will be a directorate ie not have statutory independence. In this regard:

- The new agency will not be responsible for high level transport policy such as town planning, however, will be responsible for 'small p' policy relating to public transport operations.
- The new agency will not be responsible for roads.
- The new agency will not be responsible for the regulation of taxis, except as it relates to public transport provision (ie augmenting the public transport network).

ATTACHMENT 3-2 – STATEMENT OF REQUIREMENTS STRATEGIC ADVICE AND PROJECT MANAGEMENT

1- General Requirements

The successful Respondent shall provide all services to the Territory as contemplated by the 'Statement of Requirements' contained in this Attachment 3 to the RFQ (the Services).

Generally, the Services shall include:

1. high level governance advice on how a single agency could best achieve the Government's objectives through promoting strategic management capabilities (clear strategic direction and management provided with the appropriate incentives, flexibility and resources to manage effectively);

2. Formulation (in consultation with ACT Government) of a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016;

3. Assistance in project management of the implementation of the strategy and transition plan;

4. Consultation with various Territory representatives, including attendance at Transition Team meetings.

The Services are described in more detail below. Section 1.6 below contains an indicative overview of the Territory's current thoughts regarding strategic and transitional activities which are to be undertaken.

1. High level governance advice

The ACT Government is seeking high level governance advice with a view to promoting accountability and long term performance for public transport in Canberra.

This advice should include:

a) how a single agency could best achieve the Government's objectives through promoting strategic management capabilities (clear strategic direction and management provided with the appropriate incentives, flexibility and resources to manage effectively); and

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b) best practice in other cities, where it is relevant to making recommendations on how to take forward the ACT’s preferred model;

Noting that the new agency will not have statutory independence, we consider that it would be preferable to maximise the freedom of the management of the new agency. We are seeking advice on accountability arrangements that would help to support this freedom. This could include:

c) how a performance agreement between the transport policy area of government and the public transport operational area (the new agency) should be structured;

d) governance arrangements for performance reporting required to support any performance agreement; and

e) how the new agency could best draw upon external expertise (noting that many cities use board of directors at both the strategic level and the management level).

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1-2. Specific Requirements – Formulation of Strategy and Transition Plan

The successful Respondent shall formulate (in consultation with ACT Government) a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016. That strategy and transition plan shall be detailed in a report that the ACT Government anticipates will be submitted to Cabinet for approval.

The strategy and transition plan should incorporate matters which include:

a) Articulating articulating an overarching vision and purpose for the new organisation;

b) developing key short, medium and long term strategic priorities.

~~b)c)~~ Determining determining the recommended organisational structure of the new agency (noting it is intended that the new public transport agency will be a directorate of ACT Government without statutory independence – please refer to the constraints listed above). This may include:

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- a. how arrangements between the new agency and other areas of government (such as land use planning and road operations areas of ACT Government) should be structured;
- b. governance arrangements for the new agency;
- c. organisational principles to promote a performance culture;
- d. consideration of industrial relations environment;
- e. leadership arrangements;
- f. the development of an organisational chart;
- g. development of organisations KPIs.

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~~e)d~~ Recommending functions of the new agency (subject to constraints listed above), with emphasis upon:

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- a. ~~Public-public~~ transport integration from a customer perspective;
- b. ~~Achievement-achievement~~ of the ACT Government's public transportation and broader policy objectives;

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~~e)e~~ Input and consideration of communication strategy and key stakeholder management policy;

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~~e)f~~ Proposed transition plan arrangements, including:

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- a. stakeholder engagement;
- b. identification and establishment of interface arrangements;
- c. staff management during transition;
- d. branding;
- e. a transition program;
- f. other activities identified in section ~~4.6~~ below.

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In developing the strategy and transition plan, references to best practice in other relevant jurisdictions is expected.

2.3. **Specific Requirements – Assistance in Project Management**

The successful Respondent shall assist in project management of the implementation of the strategy and transition plan. In this regard, the Transition Team chaired by the Deputy Director General, Policy and Cabinet Division (CMTEDD) shall have ultimate responsibility for project management of the implementation of the strategy and transition plan. However, the successful Respondent shall work closely with the Transition Team Chair to ensure transition tasks are successfully implemented in accordance with the transition timeline.

3.4. Consultation

The successful Respondent shall liaise closely with the Transition Team, Transition Team Chair and other Territory officers as a component of providing the Services.

The Project is a 'live' project. While the completion of a formal report is an important element of the Services, the successful Respondent will also have the role of a strategic partner and change manager, and will be expected to play a collaborative supporting role with the implementation of the new agency up to a month following its 'go live' date of 1 July 2016. This will include:

- Attending Transition Team meetings on a fortnightly basis;
- Working with Territory representatives on an extensive basis (including, but not limited to, representatives of TaMS and ACTION, Capital Metro Agency, Environment and Planning Directorate, and CMTEDD);
- Conducting extensive 'ramp-up' meetings with Territory representatives; and
- Being available to attend and present at key meetings and providing ad-hoc advice as requested.

The Territory expects that the successful Respondent will maintain a substantial presence at the Territory's offices during the provision of the Services. The successful Respondent is expected to mobilise quickly to commence providing the Services as soon as contractual arrangements are finalised.

4.5. Duration of the Services

The Services are to be provided from mid-October 2015 to ~~31 July~~ 2016 in a manner which meets the following milestones:

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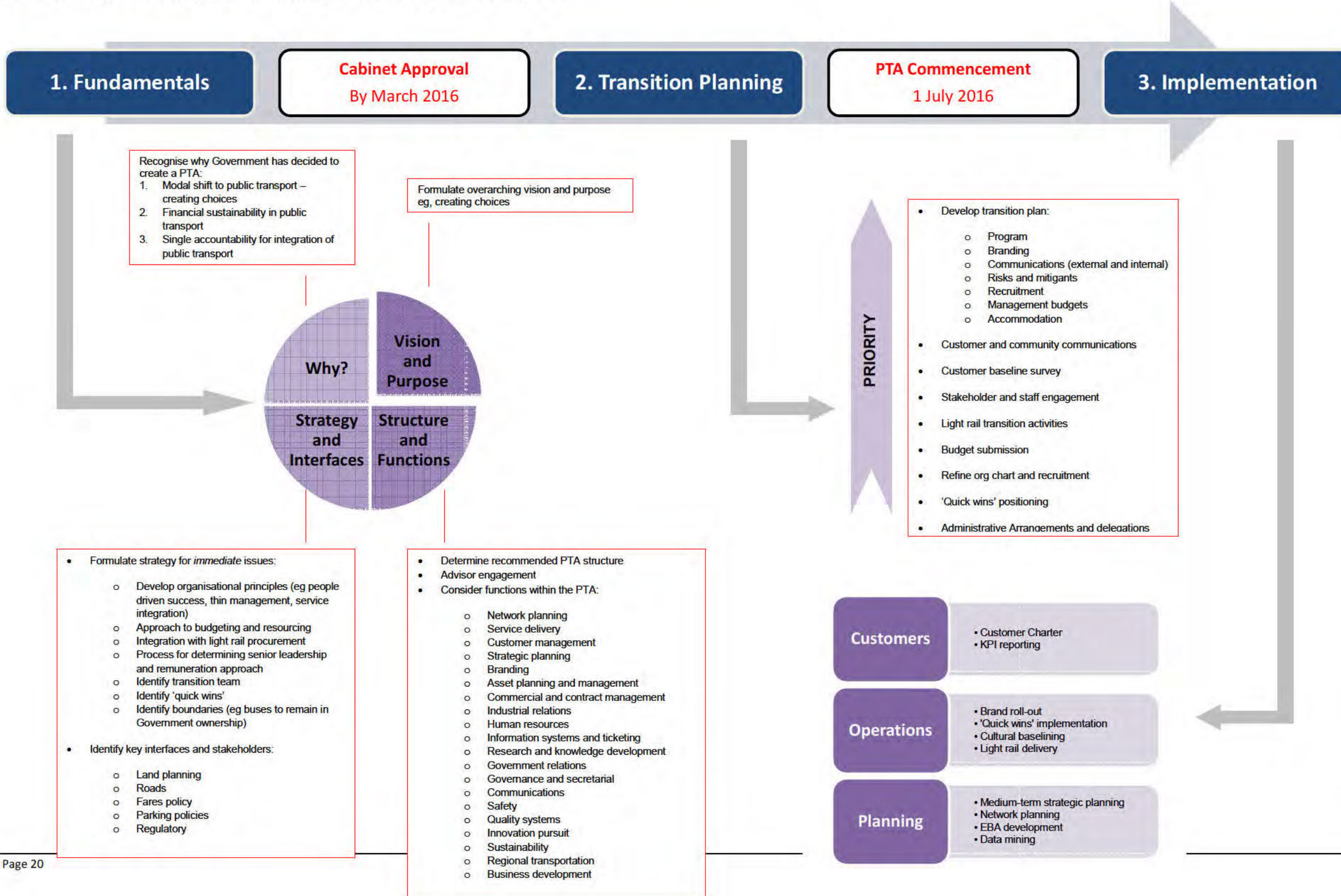
- Formulation of a draft strategy and transition plan – 30 November 2015;
- Formulation of a final strategy and transition plan – ~~22-29 January-February~~ 2016;
- Assistance in project management of the implementation of the strategy and transition plan – from mid-October 2015 to ~~31 July~~ 2016.

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5-6. Indicative Overview of Potential Strategic and Transitional Planning Activities



Terry, Alexandra

From: Alderson, Karl
Sent: Wednesday, 30 September 2015 6:33 PM
To: Konovalov, Alexander
Cc: Barbaro, Fiona
Subject: FW: PT Transition Team Papers/ Cagney Draft Response - In Confidence
Attachments: 150930 - draft project terms - transport reform consultancy.docx

Alex

Took Emma through this tonight.

She was happy.

Only points arising:

- Emma has asked for a sentence saying we reserve the right to call in one, some or all quote providers for a discussion before making our decision
- Emma is happy for a group of you, Fiona, someone from CMA to do the draft evaluation but then wants a discussion with her and me and then for us to meet the most promising bidders
- Emma requested planned times for these discussions go into calendars
- KPMG contact is Craig Sloane, ACT Gov partner
- Make the final report date 17 Feb (my preference)

Blaze away on sending this out.

Karl

From: Konovalov, Alexander
Sent: Wednesday, 30 September 2015 4:05 PM
To: Alderson, Karl
Subject: RE: PT Transition Team Papers/ Cagney Draft Response - In Confidence

Hi Karl, see attached.

Ok if I send the RFQ out tomorrow morning?

Additionally, could you ask CMA whether they have a specific contact at KPMG I could send the RFQ to?

Regards,
Alex

From: Alderson, Karl
Sent: Wednesday, 30 September 2015 3:43 PM
To: Konovalov, Alexander
Subject: Re: PT Transition Team Papers/ Cagney Draft Response - In Confidence

Great. No rush. This meeting has at least an hour to go. K

On 30 Sep 2015, at 3:40 pm, "Konovalov, Alexander" <Alexander.Konovalov@act.gov.au> wrote:

I am working on the revisions to the high level governance section. Give me 10 minutes, and I'll email through and walk up a hard copy.

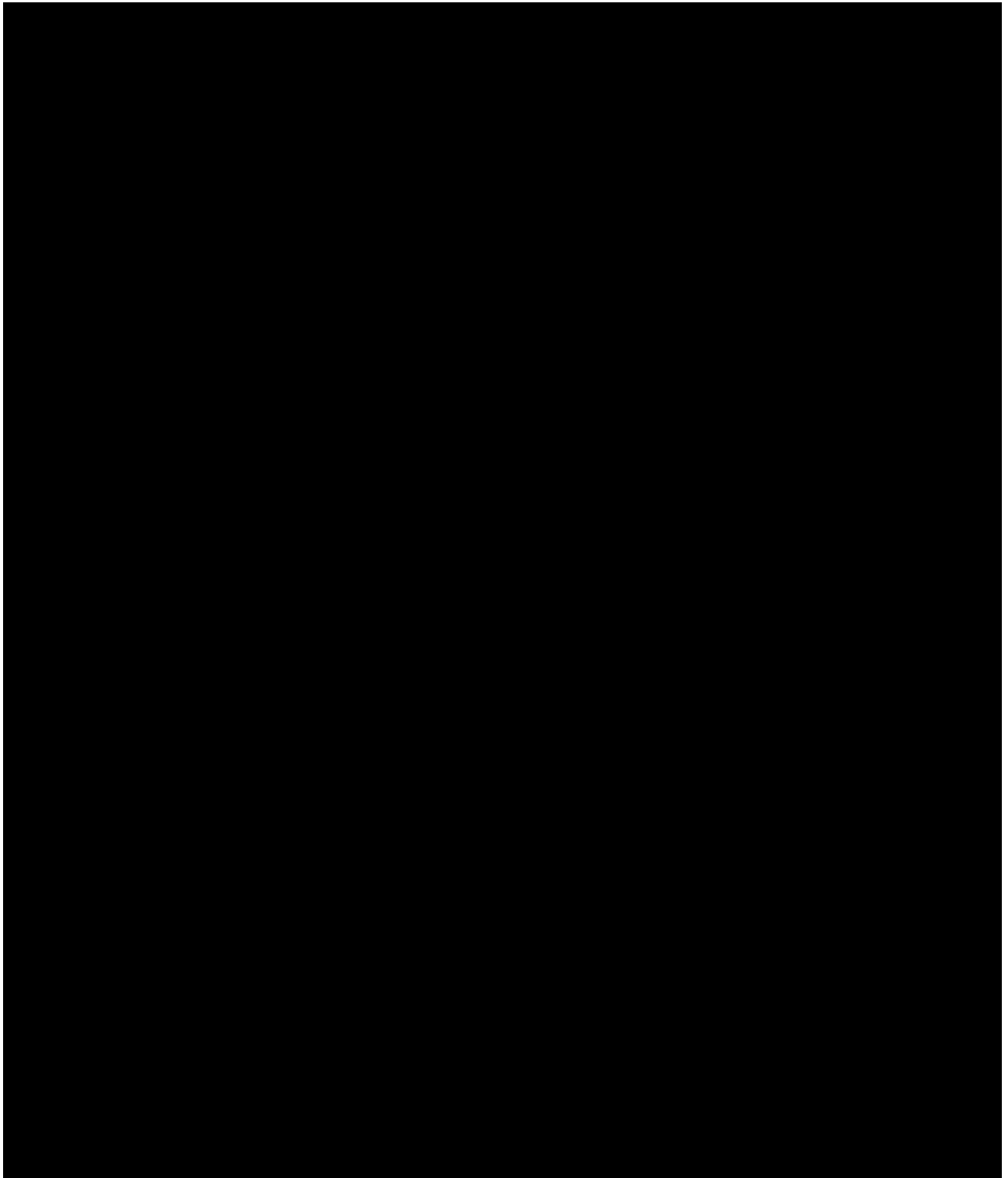
Alex

From: Alderson, Karl
Sent: Wednesday, 30 September 2015 3:39 PM
To: Konovalov, Alexander
Subject: Re: PT Transition Team Papers/ Cagney Draft Response - In Confidence

Thanks

Grateful if you could bring me up 2 hard copies of the proposed SPTA consultancy.

K



ATTACHMENT A – REQUEST FOR QUOTATION NO RFQ_572015

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PUBLIC TRANSPORT IMPROVEMENT – STRATEGIC ADVISORY AND PROJECT MANAGEMENT SERVICES

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CONTACT OFFICER: [INSERT]

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PROCUREMENT AND CAPITAL WORKS

Email: tendersACT@act.gov.au

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ISSUE DATE: 29 SEPTEMBER 2015

CLOSING DATE: 7 OCTOBER 2015

CLOSING TIME: 2:00PM CANBERRA TIME

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1. STATEMENT OF REQUIREMENTS

1.1 Request for Quotation Public Transport Improvement – Strategic Advisory and Project Management Services

1.1.1. ~~This Request for Quotation (RFQ) is for the provision of~~The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) is seeking strategic advisory and project management services to the ~~Chief Minister, Treasury and Economic Development Directorate (CMTEDD)~~ in respect of the establishment of a single ACT Government public transportation agency (the Project).

1.1.2. The Project has not yet been publicly announced. Public announcement of the Project by the ACT Government is not anticipated to occur until late October 2015. The existence of the Project must be kept strictly confidential until such time as otherwise notified by ACT Government.

1.2 ~~Tenders ACT~~

1.2.1. ~~Tenders ACT is the ACT Government's procurement information system. Access to and use of Tenders ACT is subject to its terms and conditions, except to the extent of any inconsistency between this RFQ and those terms and conditions, in which case this RFQ will prevail.~~

1.2.2. ~~All queries and requests for technical support in relation to Tenders ACT should be directed to:~~

~~Tenders ACT Team
Email: tendersACT@act.gov.au~~

1.3 ~~Background to the Project~~ (further detail at Attachment 1)

1.3.1. The ACT Government recognises an opportunity exists for public transport improvement in the ACT. This opportunity exists in the context of:

- ~~A~~a recent strategic review of Territory's wholly-owned and operated bus service;
- ~~The~~the impending delivery of light rail in the ACT via a public-private partnership arrangement;
- ~~The~~the entry into the ACT market of new transportation technologies; and

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- ~~Growing-growing~~ costs to the ACT economy from road traffic congestion.

~~1.3.2.~~ To capitalise upon this opportunity, the ACT Government has undertaken to establish a new public transportation agency in the Territory from 1 July 2016. That public transport agency will have responsibility for certain public transportation functions which presently reside in different ACT Government directorates, including the Territory's bus operations and light rail contract management.

~~1.3.3.~~ In undertaking the Project and establishing a single public transportation agency, the ACT is seeking to achieve:

- ~~A-a~~ modal shift to public transport, creating transportation choices for the ACT community;
- ~~Financial-financial~~ sustainability in public transport;
- ~~A-a~~ single point of accountability for the integration of public transport in the Territory.

~~1.3.4.~~ Further background information relevant to the Project is contained in Attachment 2 (Background) to this RFQ.

~~1.4~~ ~~Services – Statement of Requirements~~ Strategic advice and project management (further detail at Attachment 2)

~~1.4.1.~~ The Territory is seeking to procure strategic ~~advisory advice~~ and project management services ~~as detailed in Attachment 3 (Statement of Requirements) to this RFQ~~ (the Services).

~~1.4.2.~~ Generally, the Services shall include:

- ~~high level governance advice on how to structure the relationship between the Government's transport policy area of Government and the new agency, and agency management to agency delivery, to best achieve the Government's objectives (noting that the agency will not have statutory independence);~~
- ~~Formulation-formulation~~ (in consultation with ACT Government) of a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016;
- ~~Assistance-assistance~~ in project management of the implementation of the strategy and transition plan; ~~and~~
- ~~Consultation-consultation~~ with various Territory representatives, including attendance at Transition Team meetings.

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1.4.3. The Services are to be provided from mid-October 2015 to 31 July 2016 in a manner which meets the following milestones:

- Formulation of a draft strategy and transition plan – 30 November 2015;
- Formulation of a final strategy and transition plan – ~~22-20 January~~ February 2016;
- Assistance in project management of the implementation of the strategy and transition plan – from mid-October 2015 to 31 July 2016.

In terms of the timing of the milestones and process, we are willing to consider a timeline and process that involves the prioritisation of some areas of the services above others. For example, it may be appropriate to prioritise the development of high level strategic advice ahead of the more detailed transition planning.

Budget

Respondents are free to propose one or more fee structures, noting that the Territory:

- values price certainty, either in the form of a fixed fee or fee cap; and
- has an upper fee limit of \$300,000 (including GST) for the Services.

The basis for calculation of any disbursements, together with a fixed fee or estimate of any such disbursements, must be clearly detailed by the Respondent.

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Comment [AK1]: Proposed to give them more time for the final report.

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~~2. ASSESSMENT~~~~2.1 Value for Money~~

- ~~2.1.1. In evaluating responses to the RFQ (Quotations), the Territory has as its objective the attainment of best value for money and not necessarily the lowest price.~~
- ~~2.1.2. The Territory will evaluate Quotations on a comparative, unweighted basis by reference to:~~
- ~~(a) the Evaluation Criteria set out in section 2.2;~~
 - ~~(b) any material provided by a Respondent in response to clarifications from the Territory;~~
 - ~~(c) conformity with the requirements of this RFQ; and~~
 - ~~(d) any other information the Territory deems appropriate to consider, including any information from the Territory's own investigations.~~
- ~~2.1.3. Respondents should, as part of their Quotations, clearly articulate their responses against each of the Evaluation Criteria set out in section 2.2 below.~~
- ~~2.1.4. Respondents are strongly encouraged to confine their Quotation responses against the Evaluation Criteria to a maximum of 15 A4 sized pages with font size no smaller than Times New Roman 10 (or comparable size). The cover page, CVs and Respondent Declaration (see section 5 below) are not counted within this page limit.~~
- ~~2.1.5. Minimal use of promotional material is encouraged.~~
- ~~2.1.6. The evaluation process for the RFQ may include, should the Territory so determine:~~
- ~~(a) Confidential interviews or meetings with any or all Respondents; and~~
 - ~~(b) requests for clarification from the Territory.~~

~~2.2 Evaluation Criteria~~

- ~~2.2.1. The Evaluation Criteria for Proposals are as follows:~~

Evaluation Criteria
1. Technical skills, experience and availability of proposed Specified Personnel of the Respondent

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Respondents should provide evidence that proposed specified personnel have the relevant experience, technical capability and availability to provide the Services (as further detailed in Attachment 2 to this RFQ).

Detailed CVs are to be provided which set out the following details:

- Name;
- Specialist skills and qualifications;
- Specific communications skills and ability in transition
- Experience;
- Proposed availability for the Project, including presence at ACT Government offices and other work location(s).

When citing experience, Respondents should set out the precise nature of the role performed and any other relevant details in relation to the advisory role cited. When describing proposed availability and presence at ACT Government offices, this should indicate the number of days per week individuals are anticipated to be dedicated to the Project, and days per week they are anticipated to be in attendance at ACT Government offices.

2.— Demonstrated understanding of the proposed Statement of Requirements

Respondents should provide a comprehensive statement that demonstrates a thorough understanding of the proposed Statement of Requirements (as detailed in Attachment 3 to this RFQ), including:

- How the Respondent proposes to formulate (in consultation with ACT Government) a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016, including an outline of the components of (and supporting evidence for) such strategy and transition plan;
- How the Respondent proposes to assist in project management of the implementation of the strategy and transition plan; and
- How the Respondent anticipates undertaking consultation activities with various Territory representatives, including identification of key stakeholders.

The expectation of the Territory is that Respondents should be able to clearly and comprehensively demonstrate an understanding of the role of, and typical tasks undertaken by, a strategic transportation advisor and change manager.

3.— Fee Proposal

The Territory will assess the fee proposed for the Services in terms of value for money. Respondents are free to propose one or more fee structures, noting that the Territory:

- Values price certainty, either in the form of a fixed fee or fee cap; and
- Has an upper fee limit of \$200,000 (ex GST) for the Services.

The basis for calculation of any disbursements, together with a fixed fee or estimate of any such disbursements, must be clearly detailed by the Respondent.

~~2.2.2. — The Evaluation Criteria are not listed in any order, are not exhaustive and may not be accorded equal weight.~~

~~2.2.3. — Following the evaluation of RFPs against the Evaluation Criteria and other considerations set out above, the Territory will undertake an overall value for money assessment of relevant Proposals, including taking into account:~~

~~(a) — risk (which may include financial risk and risk arising as a result of an RFP being assessed as an unacceptably high risk against any Evaluation Criteria proposed, or departures from form of contract;~~

~~(b) — the results of the evaluation against the Evaluation Criteria; and~~

~~(c) — any other matter set out in, or relevant to, the *Government Procurement Act 2001 (ACT)*.~~

~~2.3 — Assessment Timetable~~

~~2.3.1. — The proposed timetable for the procurement process relating to this RFQ is:~~

RFQ issued	29 September 2015
RFQ responses due	7 October 2015
Interviews (if required)	8 / 9 October 2015
Work Order Issued	14 October 2015
Debrief unsuccessful respondents	Week of 19 October 2015

~~3. — CONTRACT REQUIREMENTS~~

~~3.1.1. — The form of contract expected to be used for the Services required by this RFQ is the Territory's Services Agreement as attached to this RFQ at Attachment XX. The Territory reserves the right to alter provisions of the contract and the form of contract if an alternative is determined to be more appropriate.~~

~~4. — CONDITIONS OF QUOTATION~~

~~4.1 — Acknowledgement~~

~~4.1.1. — In submitting a Quotation the Respondent acknowledges that it:~~

~~a) — has examined this RFQ, any other information issued and any information relevant to the risks, contingencies, and other circumstances having an affect on the Quotation;~~

~~b) — has made and relied upon its own enquiries to address the Evaluation Criteria;~~

- ~~e) — is satisfied as to the correctness and sufficiency of the Quotation; and~~
- ~~d) — agrees its Quotation must remain open for at least thirty (30) days from the date and time of closing.~~

~~4.2 — Errors or omissions~~

- ~~4.2.1. — If the Respondent finds any discrepancy, mis-description, error or omission in the RFQ, the Respondent is requested to notify the Contact Officer on the front cover page of this RFQ before the closing date and closing time for this RFQ.~~

~~4.3 — Further Information, Clarification and Enquiries~~

- ~~4.3.1. — There are no obligations on the part of the Territory to seek clarifications, undertake interviews or seek any other information regarding a Quotation.~~
- ~~4.3.2. — The Territory, in its sole discretion, may invite one or more Respondents to attend interviews or submit additional information to allow full consideration of a Quotation.~~
- ~~4.3.3. — Interview(s) with shortlisted Respondent(s) may be required. Respondents should allow for attending interviews at the CMTEDD office (located at Canberra Nara Centre, 1 Constitution Avenue, Canberra City ACT 2601) on 8 or 9 October 2015.~~
- ~~4.3.4. — Respondents may request clarification of this RFQ or submit queries in relation to this RFQ **in writing** to the Contact Officer. Any response by the Territory will be written and may be provided to all Respondents.~~
- ~~4.3.5. — The Evaluation Team for this RFQ, at its sole discretion, may make enquiries of referees provided in or with a Quotation to confirm any matters set out in the Quotation.~~

~~4.4 — Ownership of Quotations~~

- ~~4.4.1. — Quotations (including copies) will not be returned and become the property of the Territory. Each Respondent authorises the Territory to use (including copying, reproducing or supplying) their Quotation for assessment purposes and in any agreement resulting from their Quotation that may be entered into with the Territory should they be selected as the preferred Respondent.~~
- ~~4.4.2. — The Respondent retains any intellectual property rights in their Quotation and warrants no other person's or organisation's moral or intellectual property rights will be infringed in the Territory's use of the Quotation.~~

4.5 — Selection of Preferred Quotation

- 4.5.1. — ~~The Territory is under no obligation to select any Quotation and may vary or discontinue the Quotation process upon giving written notice to Respondents.~~
- 4.5.2. — ~~Late Quotations may be accepted, at the sole discretion of the Territory. Confirmation of receipt of Quotations will not be issued.~~
- 4.5.3. — ~~The Territory may, in its sole discretion, develop a shortlist of Respondents at any time during the Quotation evaluation process.~~
- 4.5.4. — ~~Shortlisting will be conducted on the basis of an initial assessment of the Quotations against the requirements of this RFQ and those that are not included on any shortlist will be set aside and not be considered further. The Territory may, but is not in any way bound to, shortlist Respondents, select as successful a Respondent, or accept a Quotation offering the lowest price.~~
- 4.5.5. — ~~Upon conclusion of the Quotation assessment process, the Territory may select a preferred Respondent and then:~~
- a) — ~~commence contract negotiations with the preferred Respondent with a view to concluding those negotiations within a prescribed period of time;~~
 - b) — ~~negotiate with another Respondent if contract negotiations with the preferred Respondent are not concluded within the time specified to the preferred Respondent; or~~
 - c) — ~~cease negotiations with any Respondent.~~
- 4.5.6. — ~~No legal obligations arise until the Territory has executed a Work Order in the form identified at Part 3.1.1 of this RFQ.~~
- 4.5.7. — ~~The Territory will offer unsuccessful Respondents the opportunity of a debriefing.~~

4.6 — Costs of Submitting a Quotation

- 4.6.1. — ~~The Territory will make no payment to a Respondent for any costs incurred by a Respondent in preparing a Quotation; or in respect of any discussions, negotiations, enquiries or requests for details or information made by or on behalf of the Territory after the submission of Quotations; or for any work undertaken by any Respondent after its Quotation is submitted including work requested by the Territory in accordance with any provision of the RFQ.~~

4.7 — Addenda

~~4.7.1. Addenda to this RFQ may be issued by the Territory prior to the closing date and closing time for this RFQ for the purposes of clarifying documents or to notify any amendments to the RFQ.~~

~~4.7.2. Addenda will be issued to each person or organisation to which the RFQ was issued, or they will each be notified that an addendum is available for collection.~~

~~4.8 Confidential Text and Disclosure~~

~~4.8.1. The Respondent must specify in writing if the Respondent believes any information in relation to its Quotation is confidential and wishes that information to be treated as confidential in any contract. Respondents should be aware that the Territory may be required to disclose information, either under the *Freedom of Information Act 1989* or by the responsible Minister in the Legislative Assembly.~~

~~4.8.2. Respondents should seek their own legal advice as to the implications for them of the notifiable contracts provisions of the *Government Procurement Act 2001 (ACT)*.~~

~~4.9 Conflict of interest~~

~~4.9.1. A Respondent with a conflict of interest must disclose the conflict of interest to the Territory at the time of lodging its Quotation; or, if the conflict of interest or a risk of conflict of interest arises after lodgement of the Quotation and prior to the completion of the Quotation assessment process, immediately disclose that conflict of interest to the Territory.~~

~~5. RESPONDENT DECLARATION~~

~~5.1.1. The Respondent must include in its Quotation a completed and signed Respondent Declaration in the form provided at Attachment 1.~~

6. — LODGEMENT OF QUOTATIONS

~~6.1.1. — RFQ Quotations are required to be emailed to the following electronic tender box by the closing time and closing date to:~~

~~tendersACT@act.gov.au~~

~~6.1.2. — All enquiries in relation to this RFT must only be directed to the Contact Officer to the email address set out on the cover page (with the RFQ number in the subject heading).~~

~~6.1.3. — Respondents are strongly discouraged from seeking additional information from any other CMTEDD officer, other than the Contact Officer, noting that in pursuing value for money, the Territory will have regard to probity and ethical behaviour of respondents.~~

~~6.1.4. — Respondents assume full responsibility for ensuring the successful electronic lodgement of their Quotations by the closing time and closing date. Leaving transmission of Quotations to the “last minute” or transmitting large files or files with complex formatting may delay successful transmission by the closing time and closing date.~~

~~6.1.5. — The Territory, including CMTEDD, has no responsibility whatsoever in relation to any Respondent or Territory systems or technical problems that cause or contribute to a Quotation not transmitting to the correct email address, or not being received in the electronic tender box by the closing time and closing date.~~

ATTACHMENT 1 – RESPONDENT DECLARATION

I/We provide this quote to the Territory for the provision of the Project Management – Transaction and Procurement Advisory Services at the GST inclusive prices specified in this RFQ.

I/We have provided details of any information I/we wish to be treated as confidential in any resulting contract, in accordance with section 4.8 of the RFQ.

I/We acknowledge section 4.9 of the RFQ and have no conflicts of interest to declare.

I/We have sighted all addenda to this RFQ.

Full Name and /or Name of Company		AND/OR	Trading Name (Business Name)	
ACN (Australian Companies Number)		OR	ABN (Australian Business Number)	
Business Address			Postal Address	
State	P/Code		State	P/Code
Telephone No	Mobile No	Facsimile No	Email address	
Name of ACT Professional Standards Scheme		Upper Limit of capped Professional Indemnity Liability Insurance		
Respondent's Representative		{include telephone number}		
Position Held by Respondent's Representative				
Signature of Director if corporate or else Respondent			Printed Name	
Date				
Signature of 2nd Director if corporate or else Witness			Printed Name	

ATTACHMENT 2-1 – BACKGROUND

The ACT Government recognises an opportunity exists for public transport improvement in the ACT. This opportunity exists in the context of:

- A recent strategic review of Territory’s wholly-owned bus operations;
- The impending delivery of light rail in the ACT via a public-private partnership arrangement;
- The entry into the ACT market of new transportation technologies; and
- Growing costs to the ACT economy from road traffic congestion.

To capitalise upon this opportunity, the ACT Government has undertaken to establish a new public transportation agency in the Territory from 1 July 2016. That public transport agency will have responsibility for certain public transportation functions which presently reside in different ACT Government directorates, including the Territory’s bus operations and light rail contract management.

Objectives in Undertaking the Project

In undertaking the Project and establishing a single public transportation agency, the ACT is seeking to achieve:

- A modal shift to public transport, creating transportation choices for the ACT community;
- Financial sustainability in public transport;
- A single point of accountability for the integration of public transport in the Territory.

Current Bus Operations

ACTION is currently the primary public transportation provider in the ACT. ACTION is a city wide bus service wholly owned and operated by the ACT Government. It is presently operated within the ACT Government’s Territory and Municipal Services Directorate.

In 2013-14 the Government commissioned a targeted expenditure review of ACTION, with the aim to place public transport bus services in the ACT on a sustainable financial footing and expenditure trajectory.

ACTION's financial performance had been deteriorating over time accompanied by a loss of patronage despite increasing service levels and reduced fares (in real terms). In short, costs had significantly increased and farebox recovery had decreased.

An external consultant, MR Cagney, was engaged to work on the Review with a Final Report delivered to Government in February 2015. This report will be made available to the successful Respondent.

From this work, it was identified that there are opportunities to improve the financial sustainability of the Territory's bus services. Two main sustainability options were identified - reform ACTION in a manner that moves it closer to the efficiency levels of other public and private operators, and/or change the service delivery model. Business as usual is not considered to be a viable option.

Capital Metro- Light Rail

The ACT Government has committed to implementing the first stage of light rail in Canberra. The Territory's first light rail route will operate from Gungahlin to Canberra City, though the ACT Government is also considering an augmentation of that route to Russell.

The procurement of Capital Metro light rail is being conducted by the Capital Metro Agency, a directorate of the ACT Government. The project is being procured as a public-private partnership, incorporating the design, construction, financing and operations of the light rail system over an approximately three year delivery and 20 year operating period.

The Territory is presently conducting an evaluation of proposals from Shortlisted Respondents. It is anticipated that a contract will be entered into by the Territory with the successful Respondent in mid 2016, with construction thereupon commencing. Integration of light rail and bus services is a key requirement of the Territory.

Relevant Materials

Relevant background materials include:

- **Transport Improvement Plan**: The ACT Government has agreed to a Transport Improvement Plan that outlines the Government's plans to improve public

transport in Canberra. The centrepiece of the Plan is the announcement of the establishment of the new agency from 1 July 2016. The Transport Improvement Plan is scheduled to be released in October 2015. [Drafting note: can we attach this to the RFQ?]

- **Transport for Canberra 2012-2031:** This plan approved by ACT Government sets the foundation for transport planning for the next 20 years.
- **The Capital Metro Business Case:** (<http://www.capitalmetro.act.gov.au/the-case-for-light-rail/the-business-case>)
- **Active Travel Framework. Building an Integrated Transport Network.**
- **ACTION Enterprise Agreement 2013-2017.**

Transition Team

The ACT Government has established a 'Transition Team' to oversee arrangements for the establishment of the new agency. The Transition Team is chaired by the Deputy Director General, Policy and Cabinet Division (CMTEDD), and includes senior representatives from:

- Capital Metro Agency;
- Treasury;
- Territory and Municipal Services Directorate; and
- Environment and Planning Directorate.

The consultant will report to the Deputy Director General, Policy and Cabinet Division (CMTEDD) and work closely with the Transition Team.

Initial Thoughts and Constraints

The ACT Government has agreed that the new agency will be established on 1 July 2016. It is the view of ACT Government that the new agency will be responsible for:

- management, service planning and service delivery of light rail and existing and future bus services;

- integration of light rail and buses, as well as integration of light rail and buses with other transport modes (such as taxis); and
- strategic reform and future governance arrangements for the delivery of public transport to achieve continuous improvement to customer experience and efficient operation.

The agency would have a strong mandate to drive operational policy (including marketing, network planning, service integration, timetabling, ticketing and revenue protection policy) and will provide input to relevant directorates in relation to broader transport land planning, policy development and regulation.

The agency will be a directorate ie not have statutory independence. In this regard:

- The new agency will not be responsible for high level transport policy such as town planning, however, will be responsible for 'small p' policy relating to public transport operations.
- The new agency will not be responsible for roads.
- The new agency will not be responsible for the regulation of taxis, except as it relates to public transport provision (ie augmenting the public transport network).

ATTACHMENT 3-2 – STATEMENT OF REQUIREMENTS STRATEGIC ADVICE AND PROJECT MANAGEMENT

1- General Requirements

The successful Respondent shall provide all services to the Territory as contemplated by the 'Statement of Requirements' contained in this Attachment 3 to the RFQ (the Services).

Generally, the Services shall include:

1. high level governance advice on how to structure the relationship between the Government's transport policy area of Government and the new agency, and agency management to agency delivery, to best achieve the Government's objectives (noting that the agency will not have statutory independence);

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2. Formulation (in consultation with ACT Government) of a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016;

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3. Assistance in project management of the implementation of the strategy and transition plan;

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4. Consultation with various Territory representatives, including attendance at Transition Team meetings.

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The Services are described in more detail below. Section 1.6 below contains an indicative overview of the Territory's current thoughts regarding strategic and transitional activities which are to be undertaken.

1. High level governance advice

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There is a view that a statutory independence model is desirable, in that it provides management with clear objectives and accountability and significant freedom. Given that the new agency is proposed to not have this independence, we are seeking advice on how to structure the relationship between policy and the agency and management to delivery to achieve the benefits that would otherwise be obtained through independence.

This advice should include:

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- a) how a single agency could best achieve the Government’s objectives through an effective relationship with the transport policy and town planning area of government; and
- b) governance arrangements required to support accountability and the relationship with the transport policy and town planning area of government, with a view to promoting management freedom;
- c) best practice in other cities, where it is relevant to making recommendations on how to take forward the ACT’s preferred model;
- d) how the new agency could best draw upon external expertise to support strategic direction setting, accountability and management freedom (noting that many cities use board of directors at both the strategic level and the management level).

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2. Specific Requirements – Formulation of Strategy and Transition Plan

The successful Respondent shall formulate (in consultation with ACT Government) a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016. That strategy and transition plan shall be detailed in a report that the ACT Government anticipates will be submitted to Cabinet for approval.

The strategy and transition plan should incorporate matters which include:

- a) ~~Articulating~~ articulating an overarching vision and purpose for the new organisation;
- b) developing key short, medium and long term strategic priorities.
- b/c) ~~Determining~~ determining the recommended organisational structure of the new agency (noting it is intended that the new public transport agency will be a directorate of ACT Government without statutory independence – please refer to the constraints listed above). This may include:
 - a. how arrangements between the new agency and other areas of government (such as land use planning and road operations areas of ACT Government) should be structured;
 - b. governance arrangements for the new agency;
 - c. organisational principles to promote a performance culture;
 - d. consideration of industrial relations environment;
 - e. leadership arrangements;

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- f. the development of an organisational chart;
- g. development of organisations KPIs.

~~e~~d) Recommending functions of the new agency (subject to constraints listed above), with emphasis upon:

- a. ~~Public-public~~ transport integration from a customer perspective;
- b. ~~Achievement-achievement~~ of the ACT Government’s public transportation and broader policy objectives;

~~e~~e) Input and consideration of communication strategy and key stakeholder management policy;

~~e~~f) Proposed transition plan arrangements, including:

- a. stakeholder engagement;
- b. identification and establishment of interface arrangements;
- c. staff management during transition;
- d. branding;
- e. a transition program;
- f. other activities identified in section ~~4.6~~ below.

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In developing the strategy and transition plan, references to best practice in other relevant jurisdictions is expected.

3. Specific Requirements – Assistance in Project Management

The successful Respondent shall assist in project management of the implementation of the strategy and transition plan. In this regard, the Transition Team chaired by the Deputy Director General, Policy and Cabinet Division (CMTEDD) shall have ultimate responsibility for project management of the implementation of the strategy and transition plan. However, the successful Respondent shall work closely with the Transition Team Chair to ensure transition tasks are successfully implemented in accordance with the transition timeline.

4. Consultation

The successful Respondent shall liaise closely with the Transition Team, Transition Team Chair and other Territory officers as a component of providing the Services.

The Project is a 'live' project. While the completion of a formal report is an important element of the Services, the successful Respondent will also have the role of a strategic partner and change manager, and will be expected to play a collaborative supporting role with the implementation of the new agency up to a month following its 'go live' date of 1 July 2016. This will include:

- Attending Transition Team meetings on a fortnightly basis;
- Working with Territory representatives on an extensive basis (including, but not limited to, representatives of TaMS and ACTION, Capital Metro Agency, Environment and Planning Directorate, and CMTEDD);
- Conducting extensive 'ramp-up' meetings with Territory representatives; and
- Being available to attend and present at key meetings and providing ad-hoc advice as requested.

The Territory expects that the successful Respondent will maintain a substantial presence at the Territory's offices during the provision of the Services. The successful Respondent is expected to mobilise quickly to commence providing the Services as soon as contractual arrangements are finalised.

5. Duration of the Services

The Services are to be provided from mid-October 2015 to ~~31 July~~ 2016 in a manner which meets the following milestones:

- Formulation of a draft strategy and transition plan – 30 November 2015;
- Formulation of a final strategy and transition plan – ~~22-20 January~~ February 2016;
- Assistance in project management of the implementation of the strategy and transition plan – from mid-October 2015 to ~~31 July~~ 2016.

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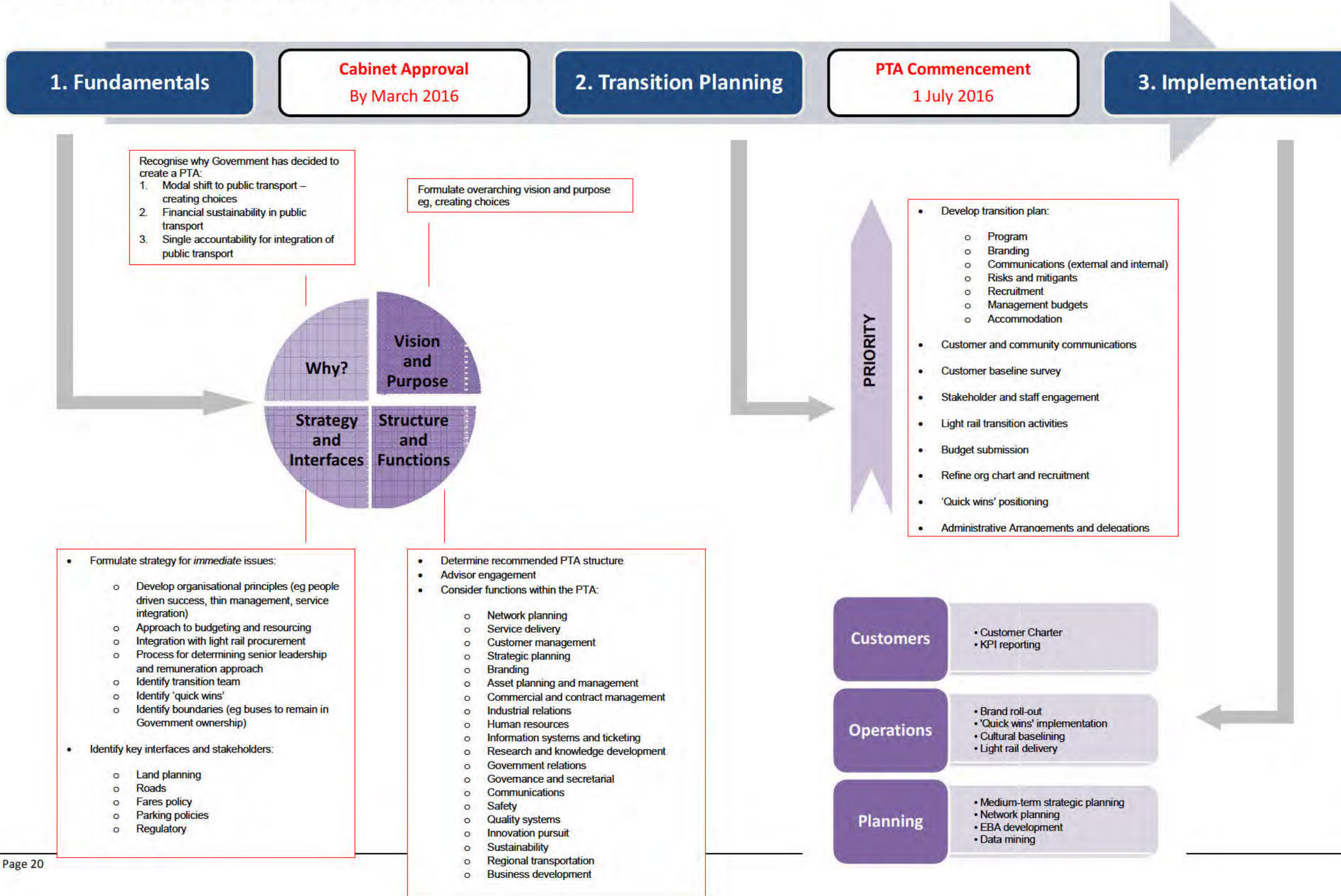
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6. Indicative Overview of Potential Strategic and Transitional Planning Activities



RFQ 572015 Public Transport Improvement – Strategic Advisory and Project Management Services

MINUTE



ACT
Government

Chief Minister, Treasury and
Economic Development

Date	29 September 2015	TRIM No:EXC:2015/01551
		File No:
To	Head of Service <i>AV</i> 7/60	
From	Acting Under Treasurer	
Subject	Public Transport Improvement – Strategic Advisory and Project Management Services – Exemption from public tender	

Critical date and reason

1. As soon as possible.

Reason/s for Request for Exemption and Details of Proposed Contract

2. Section 9 of the Government Procurement Regulation 2007 requires a Territory entity to invite public tenders for the procurement of goods, services or works if the total estimated value of the procurement is \$200,000 or more.
3. We are seeking to engage a consultant to provide advice to support the establishment of a single public transportation agency from 1 July 2016 (see Attachment A for draft project terms).
4. We propose to allocate a budget for proposed procurement of \$300,000. This exceeds the section 9 threshold.
5. Following consultation with the steering group that is responsible for managing the establishment of the new agency, we have identified four consulting firms that have the relevant transportation and management / governance expertise: MRCagney; Deloitte; EY (Ernst & Young); and KPMG.
6. This Minute seeks your exemption from conducting a public tender process and to conduct a select tender process. You may exempt CMTEDD from inviting public tenders only if satisfied, on reasonable grounds, that the benefit of the exemption outweighs the benefit of compliance with the requirement.
7. We are seeking your exemption for the following reason.
 - a. The establishment of a single public transportation agency is not public knowledge, and only known by a limited number of public servants. We intend to publically announce the establishment of a single transport agency as part of a broader communications strategy, including communications to affected staff. An open tender would compromise this approach and risk a negative communications and change management outcome.

Value for Money

8. If you provide an exemption, we will arrange for a procurement process to be conducted, including for the purpose of obtaining value for money (under s22A of the *Government Procurement Act 2001*).
9. We will only enter into a contract with the proposed supplier/contractor only if I am satisfied that:
 - (a) value for money is demonstrated, and
 - (b) relevant due diligence has been satisfactorily completed in relation to the supplier/contractor.

Consultation

10. As part of preparing the terms for the proposed consultancy, we consulted with: Treasury; CMA; TAMSD; and EPD.

Financial

11. We are proposing a budget of \$300,000 (GST inclusive) for the consultancy. CMTEDD has \$1.4 million of funding for transport reform as part of the 2015-16 budget.

Risks/ Sensitivities

12. We consider that conducting a select procurement would reduce the risks of a negative communications and change management outcome.

Media

13. Nil.

Recommendations

That you:

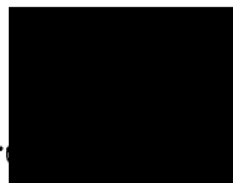
- approve this request for an exemption under s10 of the Regulation, and

AGREED/NOT AGREED/NOTED/PLEASE DISCUSS

- approve a select procurement process for the procurement of a consultancy to support the establishment of a single public transportation agency.

AGREED/NOT AGREED/NOTED/PLEASE DISCUSS

David Nicol.....



7/19/15

Karl Alderson, Acting Under Treasurer

Action Officer: Alexander Konovalov, x52634

From *Government Procurement Act 2001*

22A Procurement principle—value for money

- (1) A territory entity must pursue value for money in undertaking any procurement activity.
- (2) Value for money means the best available procurement outcome.
- (3) In pursuing value for money, the entity must have regard to the following:
 - (a) probity and ethical behaviour;
 - (b) management of risk;
 - (c) open and effective competition;
 - (d) optimising whole of life costs;
 - (e) anything else prescribed by regulation.

From *Government Procurement Regulation*

10 Procurement of goods, services or works—exemption from quotation and tender requirements

- (1) The responsible chief executive officer for a territory entity may, in writing, exempt the entity from a requirement mentioned in section 6 or section 9 for a particular procurement proposal.
- (2) However, the responsible chief executive officer may exempt the entity only if satisfied, on reasonable grounds, that the benefit of the exemption outweighs the benefit of compliance with the requirement.

Examples—when exemption may be given

- 1 only 1, or a limited number of, suppliers is available because of a need to buy equipment that is compatible with existing equipment, or because of a supplier's specialist knowledge
 - 2 only 1 supplier can supply a particular good or service
 - 3 standardisation of a product is agreed after public tenders are called for the original equipment
 - 4 the time within which a particular procurement activity must be completed prevents public tenders being called.
- (3) If the responsible chief executive officer exempts an entity, the chief executive officer may, in writing, direct the entity to do 1 or more of the following:
 - (a) seek a stated kind or number of quotations for the procurement;
 - (b) invite a tender from a stated supplier for the procurement.
 - (4) An exemption must state—
 - (a) the procurement proposal to which it applies; and
 - (b) the responsible chief executive officer's reasons for giving the exemption; and
 - (c) any direction to which it is subject under subsection (3).

CABINET IN CONFIDENCE**COMMERCIAL IN CONFIDENCE****Public Transport Reform – Project Terms**

Objectives

We are seeking advice and support with establishing a new transport agency that best promotes long term performance for public transport in Canberra. This will involve the development of a strategic plan, including the supporting agency structure, plans for stakeholder engagement and key short, medium and long term service delivery priorities.

We are also seeking detailed advice around implementation of the strategic plan and transition planning for the new agency.

Objectives of the new agency

The Government is seeking to build a future public transport system for Canberra that integrates buses and light rail, providing a seamless experience for customers.

The new agency is intended to be high performing and customer focused, with a capacity to deliver value for money operations and the best possible overall community outcome.

The purpose of establishing a single public transport agency is that a single agency would be able to:

- look at marketing, route planning and timetabling and ticketing in a combined and coherent way across buses and light rail;
- ensure that planning and delivery of the public transport network is approached holistically, with bus and light rail services integrated, not competing;
- pursue opportunities for service integration with the other transport modes (such as taxis, rideshare, park and ride and cross border services);
- provide better and more holistic advice to Government to inform policy and budgetary decisions relevant to public transport; and
- make more efficient use of public transport related expertise and common functions, especially in the context of the ACT's small scale.

For Canberrans, a single entity would better enable them to:

- easily move around (bus routes and timetables would connect well with light rail);
- easily plan their journey (a single source for timetable information);
- have a consistently positive experience across bus and light rail (single branding/ticketing); and
- address any issues to a single point of contact.

New Agency – brief overview

The ACT Government has agreed that the new agency will be established on 1 July 2016. The new agency would be responsible for:

- management, service planning and service delivery of light rail and existing and future bus services;

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- integration of light rail and buses, as well as integration of light rail and buses with other transport modes (such as taxis); and
- strategic reform and future governance arrangements for the delivery of public transport to achieve continuous improvement to customer experience and efficient operation.

The agency would have a strong mandate to drive operational policy (including marketing, network planning, service integration, timetabling, ticketing and evasion policy) and will provide input to relevant directorates in relation to broader transport land planning, policy development and regulation.

- The new agency will not be responsible for high level transport policy such as town planning, however, will be responsible for 'small p' policy relating to public transport operations.
- The new agency will not be responsible for roads.
- The new agency will not be responsible for the regulation of taxis, except as it relates to public transport provision (ie augmenting the public transport network).

Accordingly, the consultant will not be required to provide advice around the general scope of the agency (although advice may be sought on specific functions, should areas of uncertainty arise).

Budget

The ACT Government has an upper limit of \$300,000 (including GST) for the proposed consultancy.

Background

ACTION expenditure review

In 2013-14 the Government commissioned a targeted expenditure review of ACTION, with the aim to place public transport bus services in the ACT on a sustainable financial footing and expenditure trajectory.

ACTION's financial performance had been deteriorating over time with a loss of patronage despite increasing service levels and reduced fares (in real terms). In short, costs had significantly increased and farebox recovery had decreased.

An external consultant, MR Cagney, was engaged to work on the Review with a Final Report delivered to Government in February 2015.

From this work, it was identified that there are opportunities to improve the financial sustainability of public transport. Two main sustainability options were identified - reform ACTION in a manner that moves it closer to the efficiency levels of other public and private operators, and/or change the service delivery model. Business as usual is not considered to be a viable option.

The review also identified a suite of internal business improvements and a need for some reform of enterprise agreement arrangements. These matters are being separately progressed by the Government and are outside the scope of the project however progress would be available as an input to this brief.

CABINET IN CONFIDENCE**COMMERCIAL IN CONFIDENCE**Transport Improvement Plan

The ACT Government has agreed to a Transport Improvement Plan that outlines the Government's plans to improve public transport in Canberra. The centrepiece of the Plan is the announcement of the establishment of the new agency from 1 July 2016. The Transport Improvement Plan is scheduled to be released in mid October 2015.

New agency – Transition Team

The ACT Government has established a Transition Team to oversee arrangements for the establishment of the new agency. The Transition Team is chaired by the Deputy Director General, Policy and Cabinet Division, and includes senior representatives from:

- Capital Metro Agency;
- Treasury;
- Territory and Municipal Services Directorate; and
- Environment and Planning Directorate.

The consultant will report to the Deputy Director General, Policy and Cabinet Division.

Project Terms and Deliverables

We are seeking a report that provides advice on:

1. strategic planning for an integrated transport agency, including broader governance reforms and key short, medium and long term service delivery priorities;
2. advice on the organisational structure of the new agency;
3. detailed advice around implementation, stakeholder engagement, transition plans and sequencing of effort.

The strategic planning advice should include:

- how a single agency could best achieve the Government's objectives through promoting strategic management capabilities (clear strategic direction and management provided with the appropriate incentives, flexibility and resources to manage effectively);
- best practice in other cities, where it is relevant to making recommendations on how to take forward the ACT's preferred model;
- how the new agency could best draw upon external expertise (noting that many cities use board of directors at both the strategic level and the management level); and
- key short, medium and long term strategic priorities.

The advice on the organisational structure of the new agency should include:

- how any performance agreement between the transport policy area of government and the public transport operational area (the new agency) should be structured;

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- governance arrangements for performance reporting required to support any performance agreement;
- organisational principles to promote a performance culture;
- leadership arrangements;
- the development of an organisational chart.

Detailed advice around implementation should include:

- approach to resourcing;
- change management for staff of the new agency, including approach to staff engagement and strategy to build support for the new agency;
- approach to broader stakeholder engagement, including unions; and
- transition planning.

Consultation

The consultant will be required to consult with relevant stakeholders which include:

- a. Public Transport and ACTION management;
- b. Capital Metro Agency; and
- c. other areas of ACT Government that work closely with Public Transport such as:
 - i. the Environment and Planning Directorate, which has responsibility for public transport and urban planning and transport policy; and
 - ii. the Education and Training Directorate, which contracts with Public Transport for Special Needs Transport services.

Deliverables

The consultant will:

- a. prepare a project plan / project inception document that is endorsed by CMTEDD;
- b. prepare a draft report; and
- c. prepare a final report that takes into account comments made on the draft report.

The consultant's work is intended to be a 'live' project. While the completion of a formal report is an important element of the consultancy, the consultant will also have the role of a strategic partner and change manager, and will be expected to have play a collaborative supporting role with the implementation of the new agency up to the 'go live' date of 1 July 2016. This will include being available to attend key meetings and providing ad-hoc advice as requested.

Indicative timeframe

October 2015 – engage consultant

December 2015 – draft report

February 2015 – final report

February 2015 to July 2015 – ongoing support with execution

From: Konovalov, Alexander
Sent: Thursday, 1 October 2015 10:34 AM
To: 'Psychogios, Theo (AU - Western Sydney)'; 'McInnis, Todd (AU - Barton)'
Cc: 'Colbert, Joe (AU - Canberra)'
Subject: Request for Quote - public transport consultancy - confidential
Attachments: 03 - Request-for-Quote-GS.docx; Statement of Requirements - transport reform consultancy.docx

Good morning.

The ACT Government is seeking strategic advice and project management services to support significant governance reform to public transport in Canberra (advised in confidence).

Please see attached for a Request for Quote and Statement of Requirements for the consultancy.

The deadline for response is **9 October 2015**.

I note and thank you for your previous engagement. I am available to discuss the changes if it would help.

I would also note that we have established a steering group to oversee this project. Before making a decision, we reserve the right to shortlist and to invite one or more respondents to discuss their proposal with one or two key members of our steering group. If this is required, it would be a date such as 16, 19 October 2015.

Regards,
Alex

Alexander Konovalov | Manager | Phone: 6205 2634 | alexander.konovalov@act.gov.au
Government Reform Branch | **Policy and Cabinet Division** | Chief Minister, Treasury and Economic Development Directorate |
ACT Government

Please consider the environment before printing this email. If printing is necessary, please print double-sided.

Goods and Services REQUEST FOR QUOTE

REQUEST FOR QUOTE INFORMATION

The Territory as represented by the Chief Minister, Treasury and Economic Development would like to invite MRCagney to respond to this request for quotation (RFQ).

This RFQ comprises:

- [Schedule 1 – Statement of Requirement.](#)
- [Schedule 2 – Supplier Quotation.](#)
- [Schedule 3 – Special Conditions.](#) (if any)
- [Attachment A – RFQ Definitions.](#)
- The [Territory's General Conditions of RFQ](#), located on the [Procurement website](#).

SCHEDULE 1 – STATEMENT OF REQUIREMENT

.RFQ Title:	Public Transport Reform – options and implementation	RFQ Number (if applicable)	-
.Directorate:	Chief Minister, Treasury and Economic Development	.Section/Business Unit:	Policy and Cabinet Division
.Date Issued:	01/10/2015	.Closing Date:	09/10/2015
.Referees Requested:	Yes	.Closing Time:	5:00pm
.Territory Contact Officer:	For all matters relating to this RFQ contact: Alexander Konovalov, alexander.konovalov@act.gov.au , 0262052634	.Supplies Required by:	31/07/2016
.Lodgement method:	Quotations should be lodged with Alexander Konovalov, Manager, Government Reform Branch, by the closing time and closing date specified above. Please note: due to system restrictions responses cannot exceed one file and 3MB.		
.Questions	Any questions relating to this RFQ should be address to Alexander Konovalov and emailed to alexander.konovalov@act.gov.au		

The Requirement

Item	Details
Description of Requirement:	The ACT Government is establishing a new public transport agency from 1 July 2016 (confidential). We are seeking strategic advice, transition planning and project management to support the establishment of the new agency.
Background Information:	See the Statement of Requirements.
Delivery Information:	See the Statement of Requirements. Reports are to be provided in a standard format (word document or pdf).
Standards and Best Practice:	Respondents will be expected to maintain high levels of confidentiality around information.

SCHEDULE 2 – QUOTATION**Respondent's Details**

Full legal name:	Insert your full legal or company name.
Registered office or postal address:	Insert your registered office address or postal address.
ACN/ARBN (if applicable):	Insert your ACN or ARBN if applicable.
ABN (if applicable):	

Contact Officer

For all matters relating to this RFQ, including any notices, the Respondent's contact officer will be:

Name or position title:	
Work:	
Mobile:	
Email:	

This Request for Quotation will be assessed against the following Assessment Criteria.

Criterion One – Demonstrated knowledge and experience in strategic management reform and strategic public transport reform.

- Respondents should provide CVs for nominated project members.
- Respondents are to provide contact details of two referees that the Directorate can contact concerning your role in previous projects of a similar nature, including: a brief description of the services; the contact name for the referee; and the email address and phone number.

Criterion Two – Change Management. The extent to which the respondent's proposal demonstrates an understanding of the practical steps required to introduce and manage change in the ACT, including the identification of risks and the development of implementation and transition plans.

Criterion Three – Demonstrated understanding. The extent to which the respondent's proposal demonstrates an understanding of the ACT Government's public transport reform objectives and a capacity to add value to the ACT Government's planning.

Criterion Four – Capacity. The ability of the supplier to meet the ACT Government's timeframes, and to be responsive, including the availability of nominated advisors.

IMPORTANT: The ACT Government is committed to providing regional [Small to Medium Enterprises](#) (SMEs) with opportunities to win business. Consideration will be made in the evaluation process to SME's and to suppliers who demonstrate that they will sub-contract to SMEs.

Evaluation of your quote will be based on value for money (e.g. capacity, capability and price) and will include consideration of your business status (i.e. SME). When completing this RFQ ensure your response covers these areas.

Insert your description of how you will meet the Territory's requirements as set out in [Schedule 1](#). Include details of products/services and your capacity to deliver against the requirements.

Prices for Goods

Make sure you include the following for each product required:

- Item number
- Item description
- Quantity required
- Unit price excluding GST
- Unit price GST component

- Total Price

Also include an overall total price including GST.

Prices for Services

Make sure you include the following for each service requirement:

- Task
- Milestone deliverable (if applicable)
- Milestone delivery date (if applicable)
- Payment schedule excluding GST
- Payment schedule GST component
- Payment schedule including GST

Also include the total costs broken down into:

- Total GST Exclusive
- Total GST
- Total GST inclusive

Insurance Details

The Supplier must effect and maintain, for the Term, all insurances required to be effected by it by law and the following insurances:

- Public liability insurance in the amount of \$20 million in the aggregate
- Product liability insurance in the amount of \$20 million in the aggregate
- Professional indemnity insurance in the amount of \$20 million in the aggregate

If required by the Territory, the Supplier must provide evidence of the above insurance.

Specified Personnel (delete if not applicable)

Note: Rate's must be in Australian dollars, and include any duty payable.

Make sure you include the following information for each specified personnel:

- Name
- Position or Role
- Rate excluding GST
- Rate including GST
- Anticipated time
- Total of person
- Current level of security clearance

Also include the total costs for all personnel broken down into:

- Total GST Exclusive
- Total GST
- Total GST inclusive

Subcontractors (delete if not applicable)

Make sure you include the following information for each subcontractor:

- Legal name and ABN/ACN
- Scope of work to be subcontracted and technical specifications
- Fees and associated expenses excluding GST
- Fees and associated expenses including GST

Referees (delete if not applicable)

If referees have been requested in [Schedule 1](#) make sure you provide the following information for each referee:

- Name
- Position/Company

- .Phone Number
- .Email Address

SCHEDULE 3 – SPECIAL CONDITIONS OF QUOTATION

i For many requirements it will not be necessary to specify any special conditions. However, some Directorates have developed a range of special conditions (e.g. directorate specific security requirements).

Successful respondents will be expected to maintain a high level of confidentiality.

The ACT Government reserves the right to shortlist respondents, and to invite one or multiple respondents to discuss their proposal prior to making a final decision on the preferred respondent.

RESPONDENT DECLARATION

i I/We quote to provide the Supplies described in the RFQ at the GST inclusive prices specified in the Quotation.

I/We undertake to provide evidence of insurance policies if selected as the preferred Respondent prior to entering into a contract with the Territory.

I/We declare I/We have sighted and agree to the [General Conditions of RFQ](#) (located on the Shared Services Procurement website), and any Special Conditions of RFQ at Schedule 3.

I/We declare that all information required by the General Conditions of RFQ has been included in our Quotation.

Prior to signing ensure you have the legal authority to be a signatory for this quote.

NB: physical signatures are not required for this document. Complete the information and return electronically to the email address provided in [Schedule 1](#).

Signatory's Full Printed Name:	-	Signatory's Title/Position:	-
Signatory's Phone Number:	-	Signatory's email address:	-
Date:	-		

ATTACHMENT A - DEFINITIONS

The following definitions apply to this RFQ:

Assessment Criteria	the criteria by which a quotation will be evaluated, set out in Schedule 2 – Quotation.
Quotation	means a quotation lodged by a respondent in response to an RFQ.
Respondent	means the legal entity that submits a quotation.
Supplies	means the goods, services or goods and services specified in Schedule 1 of this RFQ, and includes all incidental goods and services that are reasonably necessary to allow the Territory to use and understand the supplies to their full benefit.
Territory	when used in a geographical sense, means the Australia Capital Territory, when used in any other sense, the body politic established under the <i>Australian Capital Territory (Self-Government) Act 1988</i> (Cth).

STATEMENT OF REQUIREMENTS

Public Transport Improvement – Strategic Advisory and Project Management Services

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) is seeking strategic advisory and project management services to the in respect of the establishment of a single ACT Government public transportation agency (the Project).

The Project has not yet been publicly announced. Public announcement of the Project by the ACT Government is not anticipated to occur until late October 2015. The existence of the Project must be kept strictly confidential until such time as otherwise notified by ACT Government.

Background (further detail at [Attachment 1](#))

The ACT Government recognises an opportunity exists for public transport improvement in the ACT. This opportunity exists in the context of:

- a recent strategic review of Territory’s wholly-owned and operated bus service;
- the impending delivery of light rail in the ACT via a public-private partnership arrangement;
- the entry into the ACT market of new transportation technologies; and
- growing costs to the ACT economy from road traffic congestion.

To capitalise upon this opportunity, the ACT Government has undertaken to establish a new public transportation agency in the Territory from 1 July 2016. That public transport agency will have responsibility for certain public transportation functions which presently reside in different ACT Government directorates, including the Territory’s bus operations and light rail contract management.

In undertaking the Project and establishing a single public transportation agency, the ACT is seeking to achieve:

- a modal shift to public transport, creating transportation choices for the ACT community;
- financial sustainability in public transport;

- a single point of accountability for the integration of public transport in the Territory.

Strategic advice and project management (further detail at [Attachment 2](#))

The Territory is seeking to procure strategic advice and project management services (the Services).

Generally, the Services shall include:

- high level governance advice on how to structure the relationship between the Government’s transport policy area of Government and the new agency, and agency management to agency delivery, to best achieve the Government’s objectives (noting that the agency will not have statutory independence);
- formulation (in consultation with ACT Government) of a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016;
- assistance in project management of the implementation of the strategy and transition plan; and
- consultation with various Territory representatives, including attendance at Transition Team meetings.

The Services are to be provided from mid-October 2015 to 31 July 2016 in a manner which meets the following milestones:

- Formulation of a draft strategy and transition plan – 30 November 2015;
- Formulation of a final strategy and transition plan – 17 February 2016;
- Assistance in project management of the implementation of the strategy and transition plan – from mid-October 2015 to 31 July 2016.

In terms of the timing of the milestones and process, we are willing to consider a timeline and process that involves the prioritisation of some areas of the services above others. For example, it may be appropriate to prioritise the development of high level strategic advice ahead of the more detailed transition planning.

Budget

Respondents are free to propose one or more fee structures, noting that the Territory:

- values price certainty, either in the form of a fixed fee or fee cap; and

- has an upper fee limit of \$300,000 (including GST) for the Services.

The basis for calculation of any disbursements, together with a fixed fee or estimate of any such disbursements, must be clearly detailed by the Respondent.

ATTACHMENT 1 – BACKGROUND

The ACT Government recognises an opportunity exists for public transport improvement in the ACT. This opportunity exists in the context of:

- A recent strategic review of Territory’s wholly-owned bus operations;
- The impending delivery of light rail in the ACT via a public-private partnership arrangement;
- The entry into the ACT market of new transportation technologies; and
- Growing costs to the ACT economy from road traffic congestion.

To capitalise upon this opportunity, the ACT Government has undertaken to establish a new public transportation agency in the Territory from 1 July 2016. That public transport agency will have responsibility for certain public transportation functions which presently reside in different ACT Government directorates, including the Territory’s bus operations and light rail contract management.

Objectives in Undertaking the Project

In undertaking the Project and establishing a single public transportation agency, the ACT is seeking to achieve:

- A modal shift to public transport, creating transportation choices for the ACT community;
- Financial sustainability in public transport;
- A single point of accountability for the integration of public transport in the Territory.

Current Bus Operations

ACTION is currently the primary public transportation provider in the ACT. ACTION is a city wide bus service wholly owned and operated by the ACT Government. It is presently operated within the ACT Government’s Territory and Municipal Services Directorate.

In 2013-14 the Government commissioned a targeted expenditure review of ACTION, with the aim to place public transport bus services in the ACT on a sustainable financial footing and expenditure trajectory.

ACTION’s financial performance had been deteriorating over time accompanied by a loss of patronage despite increasing service levels and reduced fares (in real terms). In short, costs had significantly increased and farebox recovery had decreased.

An external consultant, MR Cagney, was engaged to work on the Review with a Final Report delivered to Government in February 2015. This report will be made available to the successful Respondent.

From this work, it was identified that there are opportunities to improve the financial sustainability of the Territory's bus services. Two main sustainability options were identified - reform ACTION in a manner that moves it closer to the efficiency levels of other public and private operators, and/or change the service delivery model. Business as usual is not considered to be a viable option.

Capital Metro Light Rail

The ACT Government has committed to implementing the first stage of light rail in Canberra. The Territory's first light rail route will operate from Gungahlin to Canberra City, though the ACT Government is also considering an augmentation of that route to Russell.

The procurement of Capital Metro light rail is being conducted by the Capital Metro Agency, a directorate of the ACT Government. The project is being procured as a public-private partnership, incorporating the design, construction, financing and operations of the light rail system over an approximately three year delivery and 20 year operating period.

The Territory is presently conducting an evaluation of proposals from Shortlisted Respondents. It is anticipated that a contract will be entered into by the Territory with the successful Respondent in mid 2016, with construction thereupon commencing. Integration of light rail and bus services is a key requirement of the Territory.

Relevant Materials

Relevant background materials include:

- **Transport Improvement Plan**: The ACT Government has agreed to a Transport Improvement Plan that outlines the Government's plans to improve public transport in Canberra. The centrepiece of the Plan is the announcement of the establishment of the new agency from 1 July 2016. The Transport Improvement Plan is scheduled to be released in October 2015.
- **Transport for Canberra 2012-2031**: This plan approved by ACT Government sets the foundation for transport planning for the next 20 years.
- **The Capital Metro Business Case**: (<http://www.capitalmetro.act.gov.au/the-case-for-light-rail/the-business-case>)
- **Active Travel Framework. Building an Integrated Transport Network.**

- **ACTION Enterprise Agreement 2013-2017.**

Transition Team

The ACT Government has established a 'Transition Team' to oversee arrangements for the establishment of the new agency. The Transition Team is chaired by the Deputy Director General, Policy and Cabinet Division (CMTEDD), and includes senior representatives from:

- Capital Metro Agency;
- Treasury;
- Territory and Municipal Services Directorate; and
- Environment and Planning Directorate.

The consultant will report to the Deputy Director General, Policy and Cabinet Division (CMTEDD) and work closely with the Transition Team.

Initial Thoughts and Constraints

The ACT Government has agreed that the new agency will be established on 1 July 2016. It is the view of ACT Government that the new agency will be responsible for:

- management, service planning and service delivery of light rail and existing and future bus services;
- integration of light rail and buses, as well as integration of light rail and buses with other transport modes (such as taxis); and
- strategic reform and future governance arrangements for the delivery of public transport to achieve continuous improvement to customer experience and efficient operation.

The agency would have a strong mandate to drive operational policy (including marketing, network planning, service integration, timetabling, ticketing and revenue protection policy) and will provide input to relevant directorates in relation to broader transport land planning, policy development and regulation.

The agency will be a directorate ie not have statutory independence. In this regard:

- The new agency will not be responsible for high level transport policy such as town planning, however, will be responsible for 'small p' policy relating to public transport operations.

- The new agency will not be responsible for roads.
- The new agency will not be responsible for the regulation of taxis, except as it relates to public transport provision (ie augmenting the public transport network).

ATTACHMENT 2 – STRATEGIC ADVICE AND PROJECT MANAGEMENT

General Requirements

The successful Respondent shall provide all services to the Territory as contemplated by the 'Statement of Requirements' contained in this Attachment 3 to the RFQ (the **Services**).

Generally, the Services shall include:

1. high level governance advice on how to structure the relationship between the Government's transport policy area of Government and the new agency, and agency management to agency delivery, to best achieve the Government's objectives (noting that the agency will not have statutory independence);
2. Formulation (in consultation with ACT Government) of a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016;
3. Assistance in project management of the implementation of the strategy and transition plan;
4. Consultation with various Territory representatives, including attendance at Transition Team meetings.

The Services are described in more detail below. Section 6 below contains an indicative overview of the Territory's current thoughts regarding strategic and transitional activities which are to be undertaken.

1. High level governance advice

There is a view that a statutory independence model is desirable, in that it provides management with clear objectives and accountability and significant freedom. Given that the new agency is proposed to not have this independence, we are seeking advice on how to structure the relationship between policy and the agency and management to delivery to achieve the benefits that would otherwise be obtained through independence.

This advice should include:

- a) how a single agency could best achieve the Government's objectives through an effective relationship with the transport policy and town planning area of government; and

- b) governance arrangements required to support accountability and the relationship with the transport policy and town planning area of government, with a view to promoting management freedom;
- c) best practice in other cities, where it is relevant to making recommendations on how to take forward the ACT's preferred model; and
- d) how the new agency could best draw upon external expertise to support strategic direction setting, accountability and management freedom (noting that many cities use board of directors at both the strategic level and the management level).

2. Specific Requirements – Formulation of Strategy and Transition Plan

The successful Respondent shall formulate (in consultation with ACT Government) a strategy and transition plan for the establishment of a single public transportation agency on 1 July 2016. That strategy and transition plan shall be detailed in a report that the ACT Government anticipates will be submitted to Cabinet for approval.

The strategy and transition plan should incorporate matters which include:

- a) articulating an overarching vision and purpose for the new organisation;
- b) developing key short, medium and long term strategic priorities.
- c) determining the recommended organisational structure of the new agency (noting it is intended that the new public transport agency will be a directorate of ACT Government without statutory independence – please refer to the constraints listed above). This may include:
 - a. how arrangements between the new agency and other areas of government (such as land use planning and road operations areas of ACT Government) should be structured;
 - b. governance arrangements for the new agency;
 - c. organisational principles to promote a performance culture;
 - d. consideration of industrial relations environment;
 - e. leadership arrangements;
 - f. the development of an organisational chart;
 - g. development of organisations KPIs.
- d) Recommending functions of the new agency (subject to constraints listed above), with emphasis upon:

- a. public transport integration from a customer perspective;
- b. achievement of the ACT Government’s public transportation and broader policy objectives;
- e) Input and consideration of communication strategy and key stakeholder management policy;
- f) Proposed transition plan arrangements, including:
 - a. stakeholder engagement;
 - b. identification and establishment of interface arrangements;
 - c. staff management during transition;
 - d. branding;
 - e. a transition program;
 - f. other activities identified in section 6 below.

In developing the strategy and transition plan, references to best practice in other relevant jurisdictions is expected.

3. Specific Requirements – Assistance in Project Management

The successful Respondent shall assist in project management of the implementation of the strategy and transition plan. In this regard, the Transition Team chaired by the Deputy Director General, Policy and Cabinet Division (CMTEDD) shall have ultimate responsibility for project management of the implementation of the strategy and transition plan. However, the successful Respondent shall work closely with the Transition Team Chair to ensure transition tasks are successfully implemented in accordance with the transition timeline.

4. Consultation

The successful Respondent shall liaise closely with the Transition Team, Transition Team Chair and other Territory officers as a component of providing the Services.

The Project is a ‘live’ project. While the completion of a formal report is an important element of the Services, the successful Respondent will also have the role of a strategic partner and change manager, and will be expected to play a collaborative supporting role with the implementation of the new agency up to a month following its ‘go live’ date of 1 July 2016. This will include:

- Attending Transition Team meetings on a fortnightly basis;

- Working with Territory representatives on an extensive basis (including, but not limited to, representatives of TaMS and ACTION, Capital Metro Agency, Environment and Planning Directorate, and CMTEDD);
- Conducting extensive ‘ramp-up’ meetings with Territory representatives; and
- Being available to attend and present at key meetings and providing ad-hoc advice as requested.

The Territory expects that the successful Respondent will maintain a substantial presence at the Territory’s offices during the provision of the Services. The successful Respondent is expected to mobilise quickly to commence providing the Services as soon as contractual arrangements are finalised.

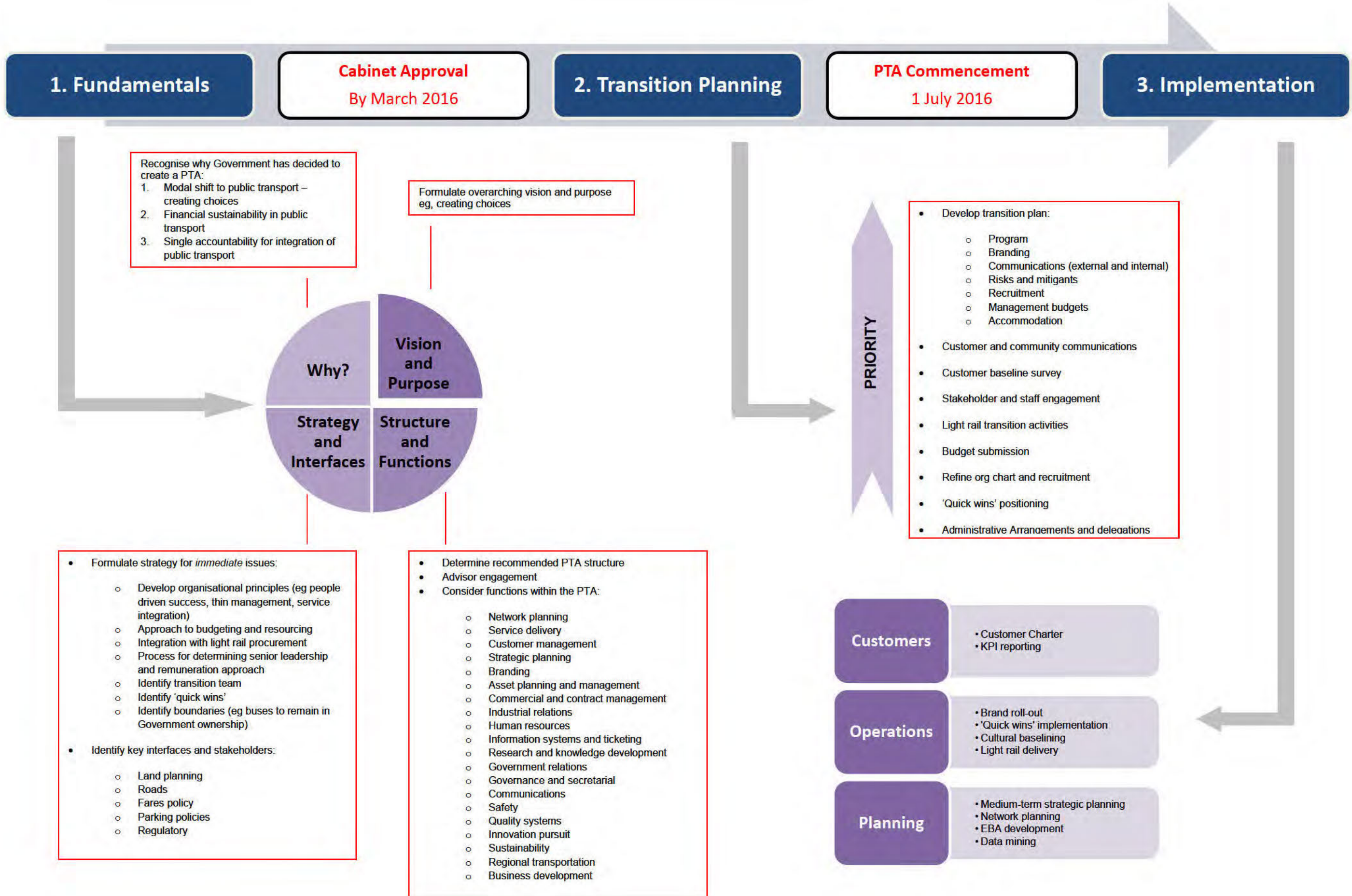
5. Duration of the Services

The Services are to be provided from mid-October 2015 to 31 July 2016 in a manner which meets the following milestones:

- Formulation of a draft strategy and transition plan – 30 November 2015;
- Formulation of a final strategy and transition plan – 17 February 2016;
- Assistance in project management of the implementation of the strategy and transition plan – from mid-October 2015 to 31 July 2016.

DRAFT

6. Indicative Overview of Potential Strategic and Transitional Planning Activities



From: Konovalov, Alexander
Sent: Thursday, 1 October 2015 10:41 AM
To: 'Barry Watkins'
Subject: FW: Request for Quote - public transport consultancy - confidential
Attachments: 03 - Request-for-Quote-GS.docx; Statement of Requirements - transport reform consultancy.docx

Good morning, see below and attached.

From: Konovalov, Alexander
Sent: Thursday, 1 October 2015 10:37 AM
To: 'Neil Cagney'; Paul Matthews
Subject: Request for Quote - public transport consultancy - confidential

Good morning.

The ACT Government is seeking strategic advice and project management services to support significant governance reform to public transport in Canberra (advised in confidence).

Please see attached for a Request for Quote and Statement of Requirements for the consultancy.

The deadline for response is **9 October 2015**.

I note and thank you for your previous engagement. I am available to discuss the changes if it would help.

I would also note that we have established a steering group to oversee this project. Before making a decision, we reserve the right to shortlist and to invite one or more respondents to discuss their proposal with one or two key members of our steering group. If this is required, it would be a date such as 16, 19 October 2015.

Regards,
Alex

Alexander Konovalov | Manager | Phone: 6205 2634 | alexander.konovalov@act.gov.au
Government Reform Branch | **Policy and Cabinet Division** | Chief Minister, Treasury and Economic Development Directorate |
ACT Government

Please consider the environment before printing this email. If printing is necessary, please print double-sided.

From: Konovalov, Alexander
Sent: Thursday, 1 October 2015 10:39 AM
To: 'Martin Conneally'; 'Andrew G Sprague'
Subject: Request for Quote - public transport consultancy - confidential
Attachments: 03 - Request-for-Quote-GS.docx; Statement of Requirements - transport reform consultancy.docx

Good morning.

The ACT Government is seeking strategic advice and project management services to support significant governance reform to public transport in Canberra (advised in confidence).

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The deadline for response is **9 October 2015**.

I note and thank you for your previous engagement. I am available to discuss the changes if it would help.

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Regards,
Alex

Alexander Konovalov | Manager | Phone: 6205 2634 | alexander.konovalov@act.gov.au
Government Reform Branch | **Policy and Cabinet Division** | Chief Minister, Treasury and Economic Development Directorate |
ACT Government

Please consider the environment before printing this email. If printing is necessary, please print double-sided.

From: Konovalov, Alexander
Sent: Thursday, 1 October 2015 10:51 AM
To: 'cjsloan@kpmg.com.au'
Subject: Request for Quote - public transport reform consultancy - confidential
Attachments: 03 - Request-for-Quote-GS.docx; Statement of Requirements - transport reform consultancy.docx

Good morning.

The ACT Government is seeking strategic advice and project management services to support significant governance reform to public transport in Canberra (advised in confidence).

My colleagues at Capital Metro Agency advised that you would be a good contact for this consultancy and indicated that either yourself or KPMG may have the right skills / experience.

Please see attached for a Request for Quote and Statement of Requirements for the consultancy.

The deadline for response is **9 October 2015**.

I would also note that we have established a steering group to oversee this project. Before making a decision, we reserve the right to shortlist and to invite one or more respondents to discuss their proposal with one or two key members of our steering group. If this is required, it would be a date such as 16, 19 October 2015.

I am available if you would like to discuss the consultancy – my contact details are below.

Regards,
Alex

Alexander Konovalov | Manager | Phone: 6205 2634 | alexander.konovalov@act.gov.au
Government Reform Branch | **Policy and Cabinet Division** | Chief Minister, Treasury and Economic Development Directorate |
ACT Government
Please consider the environment before printing this email. If printing is necessary, please print double-sided.