

**REPLY BY THE MINISTER OF THE TREASURY AND RESOURCES  
DEPARTMENT TO QUESTIONS ASKED PURSUANT TO RULE 6 OF THE RULES  
OF PROCEDURE BY DEPUTY MARY LOWE**

**Question 1**

*I have been concerned to learn that one of the projects managed under the Financial Transformation Programme may have failed on a number of fronts. It would be helpful for the minister to address the issues below.*

*In April 2010 the SOG issued an expression of interest and market sounding prior to tender for a Wide Area Network and Telephony contract.*

*In January 2012 (Billet d'Etat III 2012 p252) the States was asked "To approve the acceptance of the tender from wave Telecom, at a sum of £3m to provide the Wide Area Network managed service for the next five years commencing 1<sup>st</sup> February 2012".*

*On a recent BBC Sunday phone in programme, Sure and JT confirmed that the initial evaluation of the tenders resulted Sure being the preferred supplier, shortly after Sure were awarded preferred supplier status, and this was withdrawn without explanation to Sure and awarded to JT (Wave Telecom at the time).*

*This project included the guaranteed delivery of fibre optic connectivity to the island's schools. We now know of course that the promises made in the January 2012 Billet have not come to fruition. The reliability issues and the impact of the poor existing service on our children's education are well documented. I therefore have the following question for the minister:*

What criteria were used to assess the preparedness of the chosen vendor to deliver the solution and did this include any weighting to judge ability of the chosen partner to deliver the solution within a particular timeframe and to a particular standard?

**Answer**

In answering the question and all others the Member is reminded that the award of this contract was made under the previous Board and therefore these answers are the current Board's understanding of the position.

A wealth of criteria were considered for the overall evaluation including the technical solution, development and implementation plans and the timeframe was heavily weighted while measured against risk and milestones. Specifically the areas were:

- Design Solution (5 areas: adherence to specification, technical architecture, long term adaptability, innovation, scalability, flexibility)
- Specification (44 areas split under the headings technical, support, management, development)
- Development Plan (3 areas: strategy, resources , support)
- Implementation Plan (3 areas: timeframe, risk, milestones)

- Phase 1 –take on of the service (2 areas: itemisation of service requirements, client assumptions); Phase 2 – service development (3 areas : functionality, return on investment ,innovation)
- Business/Legal – (2 areas: financial covenant, legal/commercial)

**Question 2**

I am aware that Sure has fibre optics cable to all schools on the Island, but JT do not. Was there any consideration during the evaluation of the tenders given to infrastructure already in place, particularly relating to existing fibre to all of the schools?

**Answer**

There were 44 areas that were considered and scored against our specification and this included bandwidth and network links. All our circuits were novated over to JT who use the Sure Infrastructure when they have no alternative available.

**Question 3**

Is it the case that JT have recently told SoG that they will not now deliver fibre to 4 schools including La Mare de Carteret?

**Answer**

JT has said that they will not install their own fibre to specific schools, including La Mare de Carteret but they will continue to use the Sure fibre to provide this service as they are the main telecommunications incumbent on the island.

**Question 4**

What criteria were used to assess other aspects of the preparedness of the chosen vendor to deliver the required solution?

**Answer**

The criteria covered specification, design, development and implementation plan and pricing. Details are provided in the answer to question 1.

**Question 5**

Why was the original evaluation of the tenders altered to change the outcome and how was this done? Were the evaluation criteria changed or just the scoring?

**Answer**

We appointed one of the vendors as preferred supplier. During due diligence it was found that the preferred supplier had included items in their response that were not part of the tender. When these were taken into consideration, the costs were affected and the scoring changed. The evaluation criteria were not changed. Sure were fully briefed on this assessment and the reasons for their non-selection.

**Question 6**

If alterations were made in such a way did at anytime T&R consider going back out to tender, if not why not?

**Answer**

There was no need to go back out to tender as the specification was the same and the second vendor had not been discounted during the due diligence process with the preferred vendor.

**Question 7**

Were both suppliers given equal opportunity to address any concerns during the pre-contract negotiation phase?

**Answer**

Both suppliers had equal opportunities during the pre-contract negotiation phase.

**Question 8**

Has the post project evaluation considered the impact on our children's education?

**Answer**

A post project evaluation has not yet been carried out because the project is not yet completed.

**Question 9**

Has the post project evaluation confirmed that the level of savings estimated at the tender stage have been actually achieved?

**Answer**

A post project evaluation has not yet been carried out because the project is not yet completed

**Question 10**

Have there been additional costs incurred since the award of the contract over and above the fixed price solution presented by the chosen provider? If so what are they and what are they for and what budget was this money raised from? Has this been covered by the post project evaluation?

**Answer**

There have been no additional costs over and above the fixed price solution except where new circuits have been added or upgraded to meet business demand. These costs have been met by the States Departments concerned or through routine budget allocation.

**Question 11**

Will the post project evaluation be published in full? If so, when?

**Answer**

A post project evaluation will be published within six months of completion of the implementation.

**Date of Receipt of the Question:** 10<sup>th</sup> February 2014

**Date of Reply:** 25<sup>th</sup> February 2014