

Outcomes of the Review of the Government Information Technology and Communications Framework, Version 4

Introduction

Review to examine the use of the GITC and its supporting framework

On 31 March 2005, the Special Minister of State, Senator the Hon Eric Abetz, announced that the Australian Government would review the Government Information Technology and Communications Framework Version 4 (GITC). The GITC, established initially in 1991, is a set of legal documents that Australian Government departments and agencies may use to create contracts for information and communication technology (ICT) goods and services and large office machines.

The GITC aims to deliver a consistent and comprehensive set of ICT contract terms and conditions

The Special Minister of State noted that the GITC aimed to reduce costs to both suppliers and government by simplifying and streamlining the purchasing process. The GITC aims to deliver a consistent and comprehensive set of ICT contract terms and conditions, founded on best practice. The purpose of the review was to examine the use by the various stakeholders of the Australian Government GITC and its supporting framework to determine whether it is achieving these aims.

Consultation

Extensive consultation with industry and government

To assist with the review, a consultant was engaged to facilitate workshops with industry and government representatives and to provide input on the issues being considered by the review. Those consulted included peak industry bodies, large and small suppliers, those responsible for procurement in agencies, including Chief Information Officers, and officials of the Australian Procurement and Construction Council in all states and territories.

Findings

Continued interest in the use of model IT contracts to reduce the costs of doing business

The GITC was originally introduced to support ICT procurement processes at a time when knowledge and experience in ICT purchasing was at a developmental stage. Nevertheless, consultations showed that there is still strong interest in continuing with some form of model contract that could be used across government for ICT procurement. Suppliers felt that model contracts help to reduce unnecessary variations between agencies and can significantly reduce the cost of doing business with government. Model contracts were particularly important to smaller agencies that often do not have in-house expertise in technology contracts.

The GITC needs updating to reflect new developments

The consultations also evidenced the need for adjustments to the existing GITC before it would be used more widely. There was general agreement among those consulted that adjustments to the GITC are necessary to, among other things, reflect changes in technology since its last major revision in 2001 and that a number of matters - such as software development, managed services and open source software - require more attention. Additionally, a legal review of the GITC clauses found that there was a need to improve the wording in a number of areas.

The structure of the GITC 'product' has to change and online access improved

Change was also seen to be needed in the structure of the GITC 'product'. At present, the GITC is not a model contract; rather, it is a series of clauses from which agencies make selections to create a contract. This can result in the creation of a different set of terms and conditions for each contract, even if only standard clauses are used.

Also, consultations indicated that the ‘build’ approach for the existing GITC is not particularly helpful for inexperienced staff who may not know which clauses they should include in contracts. This was identified as resulting in large contracts with many redundant clauses. Both suppliers and agencies were of the view that these practices add cost to the procurement process. The consultations also found that stakeholders are of the view that the GITC web site, from which the GITC contract is accessed and built, needs to be more user-friendly.

A number of other matters raised in this process are being reviewed separately

During consultations, a range of broader government procurement matters were raised by suppliers. For example, suppliers indicated that matters that need to be addressed include liability, intellectual property and the endorsed supplier arrangements (ESA). These issues are not specific to the GITC and are not addressed in this report. However, they are being reviewed, or are scheduled for review, and may affect the content of the GITC.

Release of draft guide on Limiting Liability - for consultation

The Minister for Communications, Information Technology and the Arts has released, concurrently with the GITC review outcomes, a draft guide for consultation – *A Guide to Limiting Supplier Liability Policy in ICT Contracts for Australian Government Agencies*. It is supported by a user-friendly *Companion* that provides practical assistance to procurement officers including case studies and sample clauses for contracts. The Attorney-General's Department is leading, with relevant agencies, development of a whole-of-government approach to the management of intellectual property in the Australian Government. This includes a review of the *Commonwealth IT IP Guidelines*. The process for the engagement of a consultant to assist with the review of the ESA is well progressed. The GITC will be adjusted to reflect the outcomes of these reviews where appropriate.

Next Steps

The *Financial Management and Accountability Act 1997* (FMA Act) places responsibility for efficient and effective resource management, including procurement, on agency Chief Executives. Devolved decision-making on procurement tends to be faster and more flexible than centralised processes and is more conducive to maintaining competition in the market place. Within this devolved environment, there is scope to reduce unnecessary variation among agency contracts.

Model contracts to cover the major types of ICT procurement by May 2006

The Government proposes to initiate a number of actions to address the matters that arose during the review. First, a series of model contracts will be developed that are tailored to the different elements of ICT procurement, such as hardware, software development and licensing (including open source software) or managed services. The model contracts will be ‘living’ documents and can be adjusted as needs change. To ensure that users are aware of changes, there will be a particular emphasis on version control where changes are made.

Improved internet site and support for users to implement the new system

Second, the GITC web site will be redeveloped to improve its user-friendliness and to enhance support to users of the model contracts. Third, during the period of implementation of these outcomes, a GITC helpdesk will be maintained to support those using the GITC.

It is expected that these model contracts will be available for use by the end of May 2006. To ensure that these provide value to both agencies and suppliers, the use and continued need for model contracts will be reviewed in the third year of their operation.