



Transgrid

Probity Advisor Report:

HumeLink ECI Stage 1 Request for Tender (RFT)

Date: March 2023

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1 Preliminaries

At the request of Transgrid, O'Connor Marsden & Associates Pty Ltd (**OCM**) has undertaken a probity review in relation to the ECI Stage 1, for selection of Delivery Partners to:

- Participate in an Early Contractor Involvement (**ECI**) process to design and construct each Contract Package for HumeLink; and
- Be considered for participation in Transgrid's Delivery Partner Panel and support the delivery of Transgrid's upcoming program of major works.

This report is for the ECI Stage 1 of the process only. Our engagement was provided in accordance with the terms and conditions of the *NSW Pre-Qualification Scheme: Performance and Management Services* for the provision of probity services on Major Projects. For further information, refer to the Statement of Responsibility in **Appendix A** of this report.

1.1 Project Background

The HumeLink Project is a priority project for the Australian Energy Market Operator (**AEMO**) and the Commonwealth and NSW Governments. It will deliver 356km of new 500kV transmission line connecting Wagga Wagga, Bannaby and Maragle, and new or upgraded infrastructure at three substation locations. The Project will increase the amount of electricity, including providing capacity for additional renewable energy that can be delivered to customers across the National Electricity Market.

Transgrid intends to deliver the HumeLink Project under the following two (2) separate major Contract Packages (both covered by this ECI Stage 1 process):

1. Substations and Transmission Line Package East (HumeLink East); and
2. Substations and Transmission Line Package West (HumeLink West).

Through the preceding EOI process, the following three Applicants were shortlisted to proceed to the ECI phase:

- Acciona Kalpataru Genus Joint Venture;
- Downer; and
- UGL

Through this ECI Stage 1 process, shortlisted Tenderers were invited to participate in the ECI Stage 1 process for the Project, which overall involved:

- Each Tenderer participating in an interactive ECI process and submitting Tenders for ECI Stage 1, to enable Transgrid to select a Preferred ECI Tenderer for each Contract Package, to finalise and award separate Delivery Contracts (ECI Stage 2); and
- the ECI Tenderers being considered for inclusion in the Transgrid Delivery Partner Panel to support Transgrid in the delivery of future major projects following the HumeLink Project.

OCM provided a Probity Certification report on 7 October 2022 for the EOI stage of the Project. The ECI Stage 1 RFT was released to shortlisted Tenderers 17 October 2022 and closed on 23 December 2022. Following review and assessment by the Evaluation Panel (**EP**), an appropriately skilled and experienced group established by Transgrid to evaluate the submissions, assisted by Advisors as required, it was recommended that:

- The Preferred ECI Tenderer for the HumeLink WEST package was UGL
- The Preferred ECI Tenderer for the HumeLink EAST package was Acciona, Kalpataru Genus Joint Venture (AKG)
- The unsuccessful ECI Tenderer for HumeLink was Downer
- Transgrid to work with all three entities, for inclusion as panel members for the Transgrid Delivery Partner Panel.

1.2 Scope and Methodology

The scope of OCM's engagement included review of the records and observation of the process to confirm compliance with the probity principles as outlined in **Appendix B**, respectively.

Our methodology included the following:

- Review of relevant records, as described in **Appendix C**
- Attendance at meetings during the process, as outlined in **Appendix D**

1.3 Summary

1. This Report covers the period from 7 October 2022 to the date of this Report and finds that, with reference to our services scope, no material breaches of probity have been identified in the RFT phase evaluation process.
2. Key issues and outcomes relevant to our probity findings are:
 - a. There are no outstanding probity issues.
 - b. The recommendations of the Evaluation Panel (as contained in the EP Final Recommendations Report dated 15 February 2023 and endorsed by ERP members on 27 and 28 February 2023) are considered defensible from a probity perspective and align to our observations at the EP meetings and based on relevant probity considerations.
 - c. There are no probity impediments to Transgrid acting on the recommendations of the EP, as set out in the Final Recommendations Report.

2 Work Performed

OCM has outlined in the table below the key activities undertaken and actions to confirm the management of the risks for each phase of the process. Please also refer to **Appendix C** and **Appendix D** for the documentation reviewed during the engagement as well as the meetings attended.

2.1 Accountability of the participants and transparency of the process

Key probity risks and considerations	Activities and risk mitigation strategies confirmed
<p>Roles and responsibilities not clear</p> <ul style="list-style-type: none"> The EP does not have a clear understanding of their roles and responsibilities during the RFT Stage 1 evaluation process. The EP does not have a clear understanding of their obligations to maintain the probity of the process. <p>Lack of governance structure</p> <ul style="list-style-type: none"> Not ensuring that there a clear governance structure for the RFT Stage 1 process including a clear and appropriately documented decision-making process. <p>Lack of skills and experience to evaluate</p> <ul style="list-style-type: none"> Members of the EP did not have sufficient skills and experience to undertake the assessment of the submissions. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> Development of Probity Plan by OCM, which established the probity principles and procedures, identifying probity and accountability risks, together with related strategies and actions to manage them. Development of a pre-approved RFT Stage 1 Evaluation Plan, which includes details of the Project governance, including the Executive Review Panel, Evaluation Panel (EP), EP Chair, Evaluation Sub-Panels (ESP), Evaluation Convenor, Transgrid CEO and Transgrid Board, together with key Advisors, with their respective roles and responsibilities (Section 3), together with key probity (Section 4, appendix A) and procedural (Sections 5 and 6) requirements, including appended scoring guidance to assist the EP in undertaking their assessment of submissions (Section 6). EP and ESP members were experienced Transgrid staff, and from our observations of consensus discussions, there was nothing to suggest that EP and ESP members did not have the skills and experience to undertake this RFT ECI Stage 1 evaluation. OCM confirmed with the Transaction Manager, Major Projects that EP and ESP members and Advisors provided executed Confidentiality and Conflict of Interest declarations. OCM confirmed that any conflicts of which we were made aware were recorded appropriately and managed as required. EP and ESP members were provided a contact person from within the Project Team, being the Transaction Manager, Major Projects, to assist with all aspects of undertaking their assessment of submissions (Sections 3, 5 and 6). OCM observed that this process was followed. OCM's role and details were provided to the Project Team, including EP and ESP members in the Evaluation Plan (Section 4). Also, OCM attended all EP and ESP meetings and confirmed members understood their role and responsibilities in the process and had access to the RFT ECI Stage 1 Evaluation Plan.
<p>Procurement approach not justified or approved within delegated approval</p> <ul style="list-style-type: none"> Approach is inconsistent with agency tender thresholds and 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> Provided information regarding the HumeLink project on its website at:

Key probity risks and considerations	Activities and risk mitigation strategies confirmed
<p>requirements.</p> <ul style="list-style-type: none"> Approval of RFT ECI Stage1 procurement approach is inconsistent with delegations. <p>Selected Tenderers unable to be justified</p> <ul style="list-style-type: none"> Only incumbent contractors or parties known to the agency were informed of the opportunity. Reasons for selected Tenderer(s) not sufficiently justified and documented. 	<p>https://www.Transgrid.com.au/projects-innovation/humelink</p> <ul style="list-style-type: none"> Following the open market EOI process (see OCM Probity Certification dated 7 October 2022), released an RFT ECI invitation document to shortlisted Tenderers, for participation in the ECI process (Stages 1 and 2) through the HumeLink Data Room established for this Project Development of a pre-approved RFT ECI Stage 1 Evaluation Plan, which included confirmation that on completion of the EP's Evaluation Report the report will be forwarded to the Transgrid Executive to endorse the recommendations. The Evaluation Plan was approved prior to the close of the RFT ECI Stage 1. OCM was not made aware of any incumbency issues raised by competing entities impacting this RFT ECI Stage 1 process
<p>Lack of alignment and clarity regarding evaluation criteria</p> <ul style="list-style-type: none"> The requirements / specifications for the project are not clearly articulated and not linked to the evaluation criteria. A competitive response from the market not being received and/or receipt of submissions which do not meet the needs or are unable to be assessed against the criteria. The RFT ECI Stage 1 documents do not contain sufficient information for Tenderers in relation to the process to be undertaken for the assessment of the submissions. Mandatory requirements and assessable criteria to be used for the selection of preferred Tenderers are not clear. Information sought in the returnable schedules is not linked to the evaluation criteria. Tenderers are put to cost of providing information and completing returnable schedules which are not relevant to the evaluation criteria. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> The RFT ECI Stage 1 provided: <ul style="list-style-type: none"> The contact details of the Transgrid Contact Officer for this project, enabling Tenderers to make enquiries regarding the RFT ECI Stage 1 as required Sections 4, 5, 6 and 7 provided details of the structure of the RFT ECI Stage 1 process, including the assessment of responses received and an indicative milestone timeframe Section 7 of the RFT ECI Stage 1 document details the structure and format required of submission from Tenderers, including the Returnable Schedules, aligned with respective assessment criteria. Each criterion is explained individually in Section 6 Section 5 provided Tenderers a mechanism for asking clarification questions of Transgrid, to ensure RFT ECI Stage 1 requirements were understood RFT ECI 1 Stage 1 supporting information documents, returnable schedules, Transgrid Base Requirements (ECI Stage 1) and addenda were available to all Tenderers through the Data Room, to inform their RFT ECI Stage 1 submissions. To this end, Appendix B of the RFT ECI Stage 1 document provided the Data Room interaction rules, to assist Tenderers A pre-approved RFT ECI Stage 1 Evaluation Plan provided details of the evaluation process followed by the EP and ESPs, as observed by OCM and this was consistent with the process outlined in the RFT ECI Stage 1 document.
<p>Lack of flexibility in requirements and ability to seek alternatives</p> <ul style="list-style-type: none"> There is no ability in the RFT ECI Stage 1 document to consider Alternative Tenders or submissions in a process which may provide a more economical or value for money offering. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> The RFT ECI Stage 1 document, at Section 9, provided Tenderers the opportunity to submit non-conforming tenders. Section 7 provided Tenderers the opportunity to provide Alternative Tenders.

Key probity risks and considerations	Activities and risk mitigation strategies confirmed
<p>Treatment of late RFT ECI Stage 1 submissions not clear or aligned with procurement rules</p> <ul style="list-style-type: none"> No clear process for the treatment of late RFT ECI Stage 1 submissions Lodgement requirements are not clear e.g. electronic v hard copy lodgement, ability to accept email submission or other forms. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> The RFT ECI Stage 1 document (Section 9) provides Transgrid with general discretions for managing late RFT ECI Stage 1 submissions, as follows <i>“A Late Submission will be excluded from consideration unless Transgrid otherwise determines, in its absolute discretion, the acceptance of the Late Submission would not compromise the competitiveness and integrity of the process.”</i> Section 5 confirms that RFT ECI STAGE 1s must be lodged electronically (via the HumeLink RFT Data Room). OCM confirmed that no late tenders were received.
<p>No process for issuing information/updates and ensuring equal access to information</p> <ul style="list-style-type: none"> There is no process established for issuing information or addenda during the RFT ECI STAGE 1 phase to ensure that all Tenderers have the same opportunity to access the information. Updates were issued within too short a period for the Tenderers to benefit from the further information prior to lodgement. Questions and answers arising during the process were not captured and circulated to all Tenderers and therefore not all Tenderers have equal opportunity to access this information. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> The RFT ECI STAGE 1 (Sections 5 and 6) provide Transgrid with the discretion to issue notifications/addenda or vary the RFT ECI STAGE 1 process and requirements at any time. The RFT ECI STAGE 1 also contains other provisions regarding communications with Tenderers during the RFT open period. The RFT ECI STAGE 1 provides the details of the project Contact Officer, to assist prospective Tenderers with enquiries regarding the RFT, as required. OCM noted various general messages/notifications, including nine addenda were issued to prospective Tenderers during the RFT ECI STAGE 1 open period through the RFT ECI STAGE 1 Data Room, providing all Tenderers equal opportunity and sufficient time to benefit from the information. The final addendum was issued on 16 December 2022, being 7 days prior to the RFT closing date and providing adequate time for Tenderers to incorporate and respond to the addendum in their RFT submission. Tenderer-specific RFI responses and Q&A were issued and documented via the Data Room – all controlled by the Project Transaction Manager.
<p>Lack of audit trail and Outcome of the evaluation is unable to be justified</p> <ul style="list-style-type: none"> Appropriate records were not maintained of the RFT ECI STAGE 1 conduct and decision-making process and the agency is unable to justify the outcome of the RFT process. There is inadequate justification for the assessment of the submissions which impacts on the ability to process clear and detailed feedback to Tenderers during the debriefing process. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> The Evaluation Plan (Sections 3, 5 and 6) detailed the requirements for ensuring appropriate records were maintained of the RFT ECI STAGE 1 conduct and decision-making process, including the security of RFT documents. The responsibility for this rests with the Transgrid Transaction Manager. OCM attended EP and ESP meetings and observed that, consistent with the Evaluation Plan, meeting notes and papers were maintained documenting the evaluation work undertaken, including the consensus scoring and ranking of RFT ECI STAGE 1 proposals.
<p>Change to weightings during the evaluation</p> <ul style="list-style-type: none"> No evidence that weightings were agreed prior to the RFT ECI 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> Criteria were of equal weighting in the RFT ECI STAGE 1 assessment. However, the approved

Key probity risks and considerations	Activities and risk mitigation strategies confirmed
<p>STAGE 1 submissions being opened.</p> <ul style="list-style-type: none"> The weightings applied to the raw scores were amended following receipt of the submissions and the commencement of the evaluation process either inadvertently or in order to favour a particular outcome or solution. 	<p>RFT ECI STAGE 1 Evaluation Plan (Sections 2 and 6) provide detailed guidance and assistance to the EP and SEPs in their assessment of submissions received and OCM confirmed that this was applied without change throughout the process.</p>

2.2 Fairness and impartiality in carrying out the process

Key probity risks and considerations	Activities and risk mitigation strategies confirmed
<p>Specifications (Scope of Work) developed creating bias</p> <ul style="list-style-type: none"> Third party involvement leading to actual or perceived bias. Specifications (Scope of Work) do not attract wide response from the market – specification based rather than performance-based requirements. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> The project scopes/opportunities were determined by Transgrid through prior work/studies done and referenced or published on the Transgrid website. Key documents were also made available to Tenderers through the RFT ECI Stage 1 data room. The RFT ECI STAGE 1 (Sections 2 and 3) documented the HumeLink project requirements for which Transgrid was undertaking this RFT process. The RFT ECI STAGE 1 allows flexibility for Tenderers to propose non-conforming and Alternative Tenders, to maximise Transgrid's value for money. From our observations OCM is not aware of any third-party bias in the development of the project scopes/opportunities being made available through this RFT ECI STAGE 1, noting the proposed scope of work is consistent with that made available in the preceding EOI stage. Transgrid considered that the quality and quantity of responses received in previous EOI stage (i.e. market engagement process), together with the responses to this RFT ECI STAGE 1 indicated the strength of the market's interest in the opportunities being offered through the RFT. OCM has not been made aware of any incumbency issues or bias in the development of the project scopes/opportunities being made available through this RFT ECI STAGE 1.

Key probity risks and considerations	Activities and risk mitigation strategies confirmed
<p>Inadequate RFT ECI STAGE 1 open period</p> <ul style="list-style-type: none"> Agency's procurement policy requirements not met. Actual timeframe for response (considering public holidays etc.). Market analysis and other projects which may impact on Tenderers availability. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> RFT ECI STAGE 1 preceded by Market Sounding Invitation for Registration of Interest (dated April 2022) and market soundings briefings were also held in mid-April 2022. RFT ECI STAGE 1 was issued to shortlisted Tenderers 17 October 2022 and closed on 23 December 2022, which was considered adequate given the substantial Registration of Interest period and level of general market engagement preceding the RFT ECI STAGE 1. The RFT ECI Stage 1 process included a series of structured interactive workshop sessions, aligned with the published assessment criteria, enabling Tenderers to clarify any aspects of the RFT process, as required. Project Contact Officer available to manage any queries from Tenderers regarding RFT ECI STAGE 1 response period.
<p>Lack of justification to support recommendation</p> <ul style="list-style-type: none"> A recommendation was made on the outcome of the evaluation which did not align with the overall ranking of the submissions and was unable to be justified or linked to the discretions in the RFT ECI STAGE 1 document 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> The recommended shortlisted Tenderers were the top three ranked Applicants from the preceding EOI process. OCM observed through attendance at EP and ESP meetings that the assessment undertaken by the EP and ESPs was consistent with the methodology and criteria in the approved Evaluation Plan and aligned with the assessment provisions in the RFT ECI STAGE 1.
<p>Probity concerns with the process</p> <ul style="list-style-type: none"> Members of the EP and ESPs did not form an individual view of the submissions received and/or were influenced in their assessment of the submissions. Members of the EP and ESPs took into consideration personal opinion or unrelated information as part of the assessment of the submissions without the Tenderer being provided with a right of reply. One or more Tenderers were treated unfairly during the RFT ECI STAGE 1 evaluation process or have outstanding probity concerns at the conclusion of the process. One or more members of the EP and ESPs have outstanding probity concerns at the conclusion of the process. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> OCM attended EP and ESP consensus meetings, and reviewed the documents provided for the EP and ESP meetings, noting all EP and ESP members had access to the pre-approved RFT ECI STAGE 1 Evaluation Plan. From our attendance OCM observed that EP and ESP members undertook their assessments consistent with the requirements of the pre-approved Evaluation Plan, without discussion of personal opinion or unrelated information, and that there was nothing observable to suggest that individual members were unduly influenced by others in their assessments (including the consensus scoring and ranking of Tenderers). Throughout the process, all members were reminded of OCM's role and contact details - no probity issues or concerns with the conduct of the RFT ECI STAGE 1 evaluation process was raised with OCM and all EP members endorsed the recommendations to the ERP. Throughout the process OCM progressively confirmed with Tenderers that they did not have any probity issues or concerns with the conduct of the RFT ECI STAGE 1 evaluation process.

2.3 Management of actual, potential and perceived conflicts of interest

Key probity risks and considerations	Activities and risk mitigation strategies confirmed
<p>Lack of understanding of conflicts</p> <ul style="list-style-type: none"> Not ensuring that individuals associated with the process are aware of how a conflict of interest arises and their responsibilities to report conflicts both perceived and actual to the Project Director. <p>Lack of process for identifying and disclosing</p> <ul style="list-style-type: none"> Not appropriately addressing conflicts of interest once they are disclosed or ensuring that the conflict and the agreed management strategy have been appropriately documented. <p>Conflict of interest impacting on impartiality of assessment</p> <ul style="list-style-type: none"> One or more members of the EP or ESPs or advisors to the EP and ESPs had an undisclosed conflict of interest which impacted on the impartiality of the assessment process. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> Development of a pre-approved RFT ECI STAGE 1 Evaluation Plan, which included details of general probity requirements for the Project and Procedural Requirements (Section 4 and Appendix A and B of the Evaluation Plan). An RFT ECI STAGE 1 Submissions Register established and maintained by the Transgrid Transaction Manager, Major Projects, to record and control access by ESP and EP members and Advisors to the RFT ECI STAGE 1 submissions. The Register identified each person accessing these documents, their organisation, confirmation of receipt of their executed Statement of Interests and Associations Disclosure Form (SIA) and the date at which the SIA was updated. Where a conflict was declared, this was recorded in the Register, with a note regarding the nature of it and the measure(s) to be taken in respect of this. OCM's advice was sought regarding each occurrence of an identified conflict. It was confirmed at each ESP and EP meeting that attendees' SIAs were current and any declared conflicts were being appropriately addressed.

2.4 Maintenance of confidentiality and security of documentation and information

Key probity risks and considerations	Activities and risk mitigation strategies confirmed
<p>Lack of security arrangements</p> <ul style="list-style-type: none"> No electronic restricted access folders in place. Not maintaining appropriate security over confidential information, particularly where open office arrangements and common use printers present risks of inadvertent information breaches. <p>Lack of clarity of confidentiality arrangements</p> <ul style="list-style-type: none"> Members of the Project Team are not clear on what information is confidential. Lack of clarity in relation to the storage of confidential information, both electronic and physical storage. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> Sections 3,5, 6 and 7 of the Evaluation Plan provides for RFT ECI STAGE 1 records to be maintained securely and managed by the Transgrid Transaction Manager. OCM observed and also confirmed verbally with the Transgrid Transaction Manager that RFT ECI STAGE 1 information, including all Tenderers information was being maintained securely and that access was controlled and limited to the EP and key Advisors. OCM has not been made aware of any breaches of confidentiality during the RFT ECI STAGE 1 process.

Key probity risks and considerations	Activities and risk mitigation strategies confirmed
<ul style="list-style-type: none"> Lack of understanding on who information can be shared with – e.g. rights to know the information leading to inadvertent release of information. Not clearly communicating confidentiality requirements to all persons with access to confidential information, including advice on how to respond to any enquiries received on the RFT ECI STAGE 1 process from parties outside the process. 	

2.5 Achieving value for money in the prevailing circumstances

Key probity risks and considerations	Activities and risk mitigation strategies confirmed
<p>Value for money unable to be demonstrated</p> <ul style="list-style-type: none"> A value for money outcome was not demonstrated by way of limited competition during the procurement process. Evaluation of the RFT ECI STAGE 1s did not give consideration to price and non-price criteria. The recommendation of the EP was not consistent with the outcome of the assessment against the criteria and therefore not clearly justified. 	<p>OCM confirmed the following strategies and actions adopted by Transgrid to mitigate this risk:</p> <ul style="list-style-type: none"> The RFT ECI STAGE 1 (Sections 4 and 6) included price and non-price criteria. The RFT ECI STAGE 1 process was through an open market approach (i.e. the preceding Registration of Interest stage), to maximise the opportunity for competition and optimise value for money. In addition, the competitive tension was maintained in the RFT, through the participation by three Tenderers. The response to the preceding EOI and RFT ECI STAGE 1 were considered strong by Transgrid, confirming the level of market interest, capability and capacity. Also, the RFT ECI STAGE 1 sought details of reference projects, details of Tenderers' proposed contract departures and a robust cost plan from each Tenderer, to further inform Transgrid on the commercial and financial viability of each Tenderer's proposal. The EP and ESP consensus meetings discussed and documented the assessment process, including the scoring and ranking of Tenderers and demonstrated consistency with the approved RFT ECI STAGE 1 Evaluation Plan and released RFT ECI STAGE 1 document. This process is confirmed in the finalised EP Evaluation Report.

Appendix A: Statement of Responsibility

Statement of Responsibility

Transgrid is responsible for the preparation, conduct and management of the procurement activities associated with the RFT in accordance with the relevant policies and guidelines, applicable laws and regulations. This responsibility includes designing, establishing and maintaining processes and controls relevant to managing potential probity risks.

Our responsibility is to assist Transgrid to identify, assess and manage probity risks related to the RFT such that compliance with relevant policies and guidelines is achieved in all material respects. The matters raised in this report are only those which came to our attention during the course of performing our work and are not necessarily a comprehensive statement of all risks that exist or improvements that might be made.

Materiality was considered in both our planning and completion of our work. Judgements about materiality are made in light of surrounding circumstances and are affected by the size and nature of a deviation, or a combination of both. Deviations from the relevant policies and guidelines are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the decisions resulting from the process under review, or which could reasonably be expected to seriously affect the reputation of Transgrid in its commercial dealings.

We note that OCM is not responsible for the preparation, conduct and management of the procurement activities associated with the RFT in accordance with the legislative and policy framework applicable to Transgrid, including the design, establishment and maintenance of processes and controls relevant to managing potential probity risks. In order to facilitate these activities, OCM may provide advice or suggestions, based on our extensive experience in these activities. Any advice or suggestions that OCM provides in order to facilitate these activities should be considered carefully by Transgrid before implementation.

Limitations

Any comments or conclusions reached in relation to the availability or sufficiency of information are based on the understanding and representation made by representatives of Transgrid as we are not able to qualitatively assess the value of such information from a technical perspective.

The comments or advice provided in this report do not provide an assurance as defined by the Australian Audit and Assurance Standards Board. We therefore have not expressed any form or audit or assurance opinion and none should be inferred from any comments in the report. Any use of words or derivatives of “opinion”, “verify”, “finding”, “conclude” (other than in the context of the overall summary expressed in the cover letter) or other similar words have their ordinary meaning.

This report does not represent legal or financial advice.

Statement on use

This report is provided solely to Transgrid and should not be quoted in whole or in part without our prior written consent. We disclaim any assumption of responsibility for any reliance on this report to any person other than Transgrid, or for any purpose other than for which it was prepared. We disclaim all liability to any other party for all costs, loss, damages, and liability that the other party might suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party, or the reliance on our report by the other party.

Statement of independence

All professional personnel involved in this engagement have met the independence requirements of the Australian professional accounting bodies.

Appendix B: Probity Principles

Accountability of the participants and transparency of the process.

Accountability and transparency are related concepts. Accountability involves agencies being able to justify the use of public resources to an appropriate authority by allocating and taking responsibility for both decisions and performance. This includes aligning the decision-making process with the appropriate delegated authority and keeping records of both the delegations and decisions.

Transparency refers to the provision of timely and appropriate information to each stakeholder and the need to leave an auditable trail of adequate records of the reasons for all decisions.

Fairness and impartiality in carrying out the process.

A fair process, where those involved act with integrity and impartiality is the cornerstone of best practice in procurement. Consistency and equality in the treatment of, and interaction with, potential market participants and Tenderers is important in ensuring probity standards are met.

Staff, contractors and consultants involved in procurement process should act with integrity by being honest and open in dealings, using power responsibly, reporting any improper conduct, avoiding any real or apparent conflicts of interest and striving to earn and sustain a high level of public trust. In addition, they should work to ensure compliance with government legislation and codes relevant to the procurement process.

Achievement of this standard is usually supported by the application of an employee code of conduct, such as the NSW Government Model Code of Ethics and Conduct.

Management of actual, potential and perceived conflicts of interest.

A conflict of interest occurs where there is, or there is a potential for, a conflict between a person's personal or private interest and that person's public duty. A perceived conflict of interest may exist where it appears that a person's personal or private interest or associations are improperly influencing, or may improperly influence, the performance of the person's role in the Project without bias.

A relevant personal or private interest includes not only the personal, professional or business interests of a person, but also the personal, professional or business interests of any person or group with which or whom the first person associates directly. Relevant personal or private interests are generally divided into two categories:

- Pecuniary; and
- Non-pecuniary interests.

Pecuniary (material) interests

A pecuniary interest can also be referred to as a material interest and refers to when a person has a financial interest in something. Pecuniary interests involve an actual or potential financial gain or loss and may give rise to an actual or perceived conflict of interest arising from a tendency toward favour or prejudice resulting from their ability to gain or lose financially from a certain outcome.

A person may have a pecuniary interest if they (or an 'associated person'), for example, own property, hold shares, or receive benefits (such as income, concessions, discounts, gifts or hospitality) from a particular source that is, or could be, the subject of consideration by the Project.

Non-pecuniary interests

Non-pecuniary interests do not have a financial component and relate to the views or beliefs that may be held by that person as a result of their particular association. They may arise from the person's personal or family relationships, an association with a particular interest group or political group, or involvement in sporting, social or cultural activities. Non-pecuniary interests may give rise to an actual or perceived conflict of interest arising from a tendency toward favour or prejudice resulting from their personal involvement with

another person or group. A person may not necessarily consider the interest as significant, but when viewed objectively, the association could give rise to a conflict of interest.

It should be noted that it is not possible to develop an exhaustive list of all instances where a conflict of interest may arise, and each set of circumstances must be considered as they arise.

Maintenance of confidentiality and security of documentation and information.

Although accountability and transparency are fundamental to the work of public sector organisations and public officials, there is some information that needs to be kept confidential, at least for a specified period of time, in order to protect the integrity of the process and give Tenderers the confidence to do business with government.

Procedures must be implemented to ensure that no unauthorised release of confidential information occurs. The processes adopted for receiving and managing information are to ensure the security and confidentiality of intellectual property, proprietary information or otherwise sensitive information of both Transgrid and Tenderers.

Achieving value for money in the prevailing circumstances.

Value for money is the key driver of tendering decisions. Value for money does not necessarily mean accepting the lowest available price and tender processes need to maximise value for money, consistent with meeting the project objectives but having regard to the prevailing conditions at the time the project is undertaken.

The process should include the evaluation of non-price criteria such as the quality of services offered, the experience and past performance of the Tenderers, the financial strength of participating parties, the differing risk factors and quality of the personnel. Where appropriate it should also include comparison against a target benchmark or budget outcome.

Appendix C: Documents Reviewed

During the engagement, OCM sighted, reviewed or provided comment on the following documentation relating to the procurement process.

Document	OCM activities
Probity Conduct Plan (July 2022)	Prepared the Project Probity Plan for the HumeLink Project EOI and ECI processes. The Plan establishes the probity principles and procedures, identifying probity and accountability risks, together with related strategies and actions, including relevant protocols to manage them.
ECI Interactive Process Guidelines - HumeLink (October 2022)	<p>Reviewed the ECI Interactive Process Guidelines and observed they included the following probity provisions:</p> <ul style="list-style-type: none"> • An introduction to the ECI process, and its purpose, objectives and underlying principles • The interactive meeting protocols (for both face to face and remote meetings) • The probity principles underpinning the ECI process • Confirmation that the ECI Tenderer's performance in the ECI phase is assessable under criterion 5 "Collaboration" in the RFT process • Details of the ECI program, including workshop structures and topics, together with the key responsibilities of both the Tenderer and Transgrid • Details regarding the Interim Submissions Tenders are to provide • Provisions regarding site visits • Indicative ECI milestone program, and • Supporting appendices.
ECI Stage 1 Request for Tender (RFT)	<p>Reviewed RFT ECI Stage 1, released to the 3 shortlisted Tenderers on 17 October 2022, and observed it included the following probity provisions:</p> <ul style="list-style-type: none"> • Project overview and objectives, together with the key project milestones • Purpose and structure of the RFT ECI Stage 1 documentation • Explanation of the two-stage market engagement process (i.e. EOI and ECI stages) • Indicative milestone program for the ECI process • Details of the Transgrid contact person for the project • OCM's role explained and contact details provided, together with details of the probity principles underpinning this RFT ECI Stage 1 process • Scope of work outlined, including consideration of other project considerations (including: technical, site access, construction site establishment, delivery considerations, environmental requirements, sustainability, planning approvals, stakeholder management, workforce development, local industry participation, community investment and benefits, Aboriginal engagement and participation, and commissioning) • Commercial and legal arrangements • ECI phase (Stages 1 & 2) process steps • Access to the ECI Data Room, together with arrangements for Q&A and issuing addenda • Activities following tender close • Tender evaluation process, including evaluation criteria, aligned with their respective returnable schedules • General terms and conditions for participation in this RFT ECI Stage 1 process, including discretions retained by Transgrid, and

Document	OCM activities
	<ul style="list-style-type: none"> Supporting appendices.
Media release (27 October 2022)	<p>Sighted the media release by Transgrid, providing public notification of the selection of the 3 shortlisted Tenderers, being Acciona JV, Downer and UGL, to be invited to proceed to the RFT ECI Stage 1 tender phase of the project (see https://www.Transgrid.com.au/media-publications/news-articles/Transgrid-shortlists-proponents-for-critical-humelink-transmission)</p>
Data Room Access Notification (28 October 2022)	<p>Sighted the notification issued to the Project team by the Transaction Manager, Major Projects confirming the access to the Ansarada Humelink RFT ECI Stage 1 – Interim Submission Data Room, to enable viewing (only) the ECI Tenderers interim submissions. Tenderers were de-identified, as Tenderer A, B and C. Workstream Leads undertook the following priority tasks:</p> <ul style="list-style-type: none"> Carried out an initial review of the detailed agenda items and supporting material for ECI Workshop 1 – Value Engineering for Tenderer A, B and C. Started to develop a list of any clarifications required where proposed agenda items (or supporting material) are not clear, and Reviewed the Preliminary Schedule of Topics for all other ECI Workshops (2 to 15) proposed by ECI Tenderers A, B and C. <p>OCM accessed the Data Room and sighted various process documents, technical reports, maps, information documents, returnable schedules, Transgrid Base Requirements (ECI Stage 1), addenda, Tenderers submissions, RFIs and Q&A documents. Also, the Data Room enabled assessment of submissions by Sub-panel and Evaluation Panel members, through the use of established templates, noting the data room was a secured working environment, with access controlled by Transgrid Transaction Manager, Major Projects.</p> <p>OCM confirmed the Tenderers' interim submissions were accessible in the Data Room, for review by the ESP and E. Also, we continued to access the Data Room progressively during the course of the assessment process. We observed that Transgrid progressively placed various information documents in the Data Room, both tenderer-specific (and secured accordingly) and for access by all Tenderers.</p> <p>In addition, Transgrid placed eight addenda in the Data Room, providing all Tenderers with equal opportunity to access and respond to these within their respective submissions, as required. The final addendum was placed in the Data Room on 16 December 2022, sufficiently prior to the submission closing date to enable Tenderers to take account of all addenda in their submissions.</p>
ECI Stage 1 Evaluation Plan	<p>Sighted the approved EOI Evaluation Plan (dated December 2022), and observed it included the following probity provisions:</p> <ul style="list-style-type: none"> Project background, including summary of the preceding EOI (i.e. Strategic Market Engagement) Project objectives Purpose of the Evaluation Plan, together with the key related documents and provisions for amending the Plan if required Evaluation criteria, aligned with their respective returnable schedules The structure of the Transgrid Evaluation Team, comprising the Executive Review Panel, ECI Stage 1 Evaluation Panel, ECI Stage 1 Evaluation Sub-Panels and key Transgrid Stakeholders The composition and core roles of each panel and the sub-panels, together with the role of the Evaluation Chair and Transaction Manager The sub-criteria within each main assessment criterion were shown, together with the assessors to whom that sub-criterion was allocated for review/evaluation OCM's role and contact details were provided, together with confirmation of the Probity Principles applying to the Project. These aligned with the Project Probity Plan. In particular, the requirements of evaluation team members regarding disclosure of any interest and associations was emphasised and a register maintained by the Transgrid Transaction Manager, Major Projects ECI Stage 1 evaluation procedures, to guide the Evaluation Panel and Sub-Panels, including the protocols to be applied for the conduct of electronic evaluations

Document	OCM activities
	<ul style="list-style-type: none"> Provisions for managing late submissions, conflicts of interest, confidential information, communications with Tenderers, clarifications, requests for information by Tenderers, structured clarification workshops and negotiations Provisions for the keeping of process records, being the responsibility of the Transaction Manager ECI Stage 1 evaluation methodology and scoring framework, to assist assessors and ensure scoring clarity and consistency Clarification of the requirements for a conforming tender and provisions for submission of an Alternate Tender General requirements for receipt and opening of submissions, secure storage and management of access by evaluators, through the Ansarada data room Indicative evaluation program, together with key evaluation milestones, and Supporting appendices, which included the Humelink Probitry Conduct Plan, Transgrid Code of Ethics, Returnable Schedules, Sub-Panel presentation templates, Price Evaluation guidance, Scoring spreadsheet template, Request for Clarification process guidance and form, Tender Opening form, Completeness Check form template and Conformance Check form template.
ECI Stage 1 Submission Opening Forms and Receipt Logs	Confirmed with Procurement Adviser that the RFT ECI Stage 1 Receipt and Opening Forms (Logs) for each Applicant were maintained, confirming submissions were received by the due date and time, together with the identity of the Transgrid Receiving Officer and details of the material received within each submission.
ECI Stage 1 Submissions Access Register	<p>Confirmed that the Register was established and maintained by the Transgrid Transaction Manager, Major Projects, to record and control access by Evaluation Sub-Panel and Evaluation Panel members and Advisors to the RFT ECI STAGE 1 submissions. The Register identified each person accessing these documents, their organisation, confirmation of receipt of their executed Statement of Interests and Associations Disclosure Form and the date at which the SIA was updated.</p> <p>Where a conflict was declared, this was recorded in the Register, with a note regarding the nature of it and the measure(s) to be taken in respect of this. OCM's advice was sought regarding each occurrence of an identified conflict. It was confirmed at each ESP and EP meeting that attendees' SIAs were current, and any declared conflicts were being appropriately addressed. OCM observed that few perceived conflicts were declared and all simply required noting in the Register and no active management was required.</p>
Email from Transaction Lead to Evaluation Panel and Sub-Panel members (23 December 2022)	<p>Sighted the notification issued to the Project team by the Transaction Manager, Major Projects confirming the access to the Ansarada Humelink RFT ECI Stage 1 – Non-Price and Price Submissions Data Rooms, to enable viewing (only), pending commencement of evaluations from 3 January 2023.</p> <p>The Transaction Lead and their team undertook the following priority tasks:</p> <ul style="list-style-type: none"> Prepared a Tender Opening Form (which we sighted) Carried out a Completeness Check of submissions received, and Carried out a Conformance Check of submissions received <p>OCM accessed the Data Rooms and sighted each submission and various process and information documents, notifications and clarification requests/responses. Also, the Data Rooms enabled assessment of submissions by Sub-panel and Evaluation Panel members, through the use of established templates, noting each Data Room was a secured working environment, with access controlled by Transgrid Transaction Manager, Major Projects. OCM noted that access to the Datta Rooms was only allowed to those who has submitted an executed Statement of Associations and Interests and attended an Establishment Meeting, which we attended. We continued to access the Data Rooms progressively during the course of the assessment process. We observed that Transgrid progressively placed various information documents in the Data Rooms, both Tenderer-specific (and secured accordingly) and for access by all Tenderers.</p>
ECI Stage 1 Evaluation ERP (Final Recommendations)	<p>Sighted the slide pack used by the EP to brief the ERP and to seek their concurrence to the EP's recommendations, and observed the following from a probity perspective:</p> <ul style="list-style-type: none"> Overview of the RFT ECI STAGE 1 evaluation process, including a summary of the

Document	OCM activities
Presentation Slide Pack (15 February 2023)	<p>preceding Strategic Market Engagement</p> <ul style="list-style-type: none"> • The RFT ECI STAGE 1 evaluation process outcomes • The EP's recommendations, including the EP's consensus scores and key comments for each Tenderer • Key comments to justify the inclusion of Downer on the Transgrid Delivery Partner Panel, subject to Downer meeting certain conditions, which were also outlined • Next steps in the process, including seeking the CEO's approval of the EP/ERC's recommendations, public announcement of the successful Tenderers (i.e. AGK and UGL), commencement of ECI Stage 2 and providing a detailed debrief to the unsuccessful Tenderer (i.e. Downer), and • Supporting appendices including the evaluation methodology, team and program; the evaluation outcomes; commercial framework and risk profile; commercial alignment evaluation and the ECI Stage 2 program (indicative).

Appendix D: Meetings Attended

During the procurement process, OCM attended the following meetings and interactions with the Tenderers.

Date	Nature of the meeting
<p>RFT ECI Stage 1 Executive Review Panel (ERP), Transaction Coordination Group (TCG), Evaluation Panel (EP) and Evaluation Sub-Panel (ESP) meetings</p>	<p>18 October 2022: Attended TCG meeting and observed attendees were briefed on the current position with key elements of the EOI process, including debriefing the unsuccessful Applicants and preparing for the upcoming interactive workshops with each of the shortlisted Applicants at the commencement of the ECI phase of the process.</p> <p>19 October 2022: Attended Transgrid combined project team HumeLink Project ECI readiness Workshop. The team received a comprehensive briefing which included the following elements of probity:</p> <ul style="list-style-type: none"> • Confirmation that the RFT was released to the 3 shortlisted Tenderers on 17 October 2022 • Project background • The identity of the 3 shortlisted Tenderers, being the Acciona/Genus/Kalpataru JV, Downer and UGL • The purpose, objectives and program for the ECI phase • Details of the ECI interactive process, with a focus on what the process seeks to achieve, through a 'partnership' relationship between Transgrid and Tenderers • Details of the Transgrid ECI phase team • Details of the structure of the ECI phase workshops, to enable teams to prepare adequately • The guiding principles of the interaction process, together with the protocols and behaviours to achieve the best outcomes • An explanation of the structure and key content of the RFT documents, with emphasis on what represents a Conforming Tender and how an Alternate Tender may be presented • Details of the Q&A process, via the ANSARADA Project Data Room, noting Tenderers will be anonymised, together with other information security measures, to protect their identities and Project documentation security and confidentiality more broadly • General probity guidance, including the role of OCM and availability of OCM as Probity Advisor. <p>21 October 2022: Attended initial interactive workshops (<i>Knowledge Transfer</i> workshop) with the 3 shortlisted Tenderers. All tenders were provided an equal opportunity to engage with the Transgrid Humelink team, including the same venue, agenda, Transgrid presentation, meeting duration and time allowed for Q&A.</p>
<p>RFT ECI Stage 1 - Knowledge Transfer Workshop 1: Kick-Off and ECI Phase Briefing (21 October 2022)</p>	<p>Attended the initial workshop held separately with each of the 3 shortlisted Tenderers (i.e. Acciona JV, Downer and UGL) on this date and observed from a probity perspective that the Project Team provided the same presentation to each Tenderer, following the same agenda, with equal time and opportunity for Q&A with each Tenderer, ensuring all Tenderers were treated equally.</p>
<p>RFT ECI Stage 1 - Knowledge Transfer Workshops (25, 26, 27 & 28 October 2022), as follows:</p> <ul style="list-style-type: none"> • W2: Technical & 	<p>Attended the 3 interactive workshops held with each shortlisted Tenderer on the dates listed below and observed from a probity perspective that the Project Team provided the same presentations for each session to each Tenderer, followed by general Q&A. The overall time allocated to each session was the same for each Tenderer, and the members of the Transgrid Project Team attending each workshop were the same and those most relevant to the subject matter of that particular workshop, ensuring all Tenderers were</p>

Date	Nature of the meeting
<p>Delivery Briefing</p> <ul style="list-style-type: none"> • W3: Community and Stakeholder Engagement, and Community Investment • W4: Commercial and Pricing 	<p>treated equally.</p> <ul style="list-style-type: none"> • 25 October 2022 (W2,3 and 4) [REDACTED] (Tenderer A) • 26 October 2022 (W2 and 3) [REDACTED] (Tenderer B), • 27 October 2022 (W2, 3 and 4) [REDACTED] (Tenderer C), and • 28 October 2022 (W4) [REDACTED] (Tenderer B)
<p>RFT ECI Stage 1 – Value Engineering workshops (1, 2 and 3 November 2022)</p>	<p>Attended 3 value engineering workshops with Tenderers, (consistent with Sections 3 and 5 of the RFT) and observed from a probity perspective that the workshops were attended by the same Transgrid Project Team. The agenda provided by Transgrid was followed, on an interactive basis, with the overall time allowed for each workshop being the same, including time specifically for Q&A. The workshops were as follows:</p> <ul style="list-style-type: none"> • 1 November 2022 Tenderer A • 2 November 2022 Tenderer B, and • 3 November 2022 Tenderer C
<p>RFT ECI Stage 1 – various interactive workshops (8 November 2022 to 9 December 2022) as follows:</p> <ul style="list-style-type: none"> • W5: Delivery Approach (Pt 2) • W6: Commercial Model • W7: Pricing Schedule Review • W8: Collaboration (externally facilitated workshops) • W9: Delivery Program (Pt 1) • W10: Resourcing and Supply Chain • W11: Risk Allocation and Contingency • W12: Delivery Program (Pt 2) • W13: Construction Site and Access + EIS Feedback • W14: Accommodation Strategy • W15: Final Commercial Model • W16: Draft Cost 	<p>Attended a series of interactive workshops with Tenderers, (consistent with Sections 3 and 5 of the RFT) and observed from a probity perspective that the workshops were attended by the same Transgrid Project Team. The agendas provided by Transgrid were followed, on an interactive basis, with the overall time allowed for each workshop being the same for each Tenderer, including time specifically for Q&A. The workshops were held on the following dates and topics:</p> <ul style="list-style-type: none"> • 8 November 2022 Tenderer A (W5, 6 and 7) • 9 November 2022 Tenderer B (W5) • 10 November 2022 Tenderer C (W5, 6 and 7) • 11 November 2022 Tenderer B (W6 and 7) • 14 November 2022 Tenderer B (W5 and 8) • 15 November 2022 Tenderer A (W5 and 8) • 17 November 2022 Tenderer C (W5 and 8) • 18 November 2022 Tenderer A, B and C (W7) • 22 November 2022 Tenderer A (W9, 10 and 11) • 23 November 2022 Tenderer B (W9, 10 and 11) • 24 November 2022 Tenderer C (W9, 10 and 11) • 30 November 2022 Tenderer A (W9 and 13) • 1 December 2022 Tenderer C (W6 and 13) • 1 December 2022 Tenderer B (W12 and 13) • 6 December 2022 Tenderer A (W6, 15 and 16) • 7 December 2022 Tenderer B (W16) • 8 December 2022 Tenderer C (W14 and 6) • 9 December 2022 Tenderer B (W14 and 6) • 13 December 2022 Tenderers A and C (W16)

Date	Nature of the meeting
Plan	
Site Visits (4 and 7 November 2022)	<p>Attended site visits held on 4 and 7 November 2022 in Wagga Wagga and Bannaby respectively and observed the following from a probity perspective:</p> <ul style="list-style-type: none"> • An agenda was provided by Transgrid for each site visit • Tenderers were reminded of the RFT provisions for interactive site visits (i.e. Appendix A - ECI Interactive Process Guidelines, within ECI RFT – Volume 1), together with key logistical requirements to facilitate the site visits • Tenderers were reminded of attendee limits, together with requirements to submit complete and executed Land Access Indemnity Deed Polls prior to the site visits, and • Probity briefing provided by OCM, reinforcing the need to observe the probity principles detailed in the RFT process documents.
RFT ECI Stage 1 – Project Team Check-in meetings (28 October 2022 to 16 December 2022)	<p>Attended weekly Project Progress Check-in meetings held by the Transgrid Project Team separately with each ECI 1 Tenderer's project team, to address key process issues including the status of the remaining tender period, upcoming interactive sessions and interim submissions (2 week lookahead), feedback on previous interactive sessions and interim submissions, updates on any addenda or information documents recently issued and those proposed to be issued, general project matters to be flagged, any Tenderer-specific items to be raised and a program update.</p> <p>The time allocated to each session was the same for each Tenderer and the members of the Transgrid Project Team attending each session were the same, ensuring all Tenderers were treated equally. Also, OCM sighted the speaking notes the Project Team used to provide feedback to each Tenderer, noting the topics covered were generally consistent with the Project objectives, requirements and criteria contained in the RFT. The meetings were held as follows:</p> <ul style="list-style-type: none"> • 28 October 2022: Tenderers A, B and C • 4 November 2022: Tenderers A, B and C • 11 November 2022: Tenderers A, B and C • 18 November 2022: Tenderers A, B and C • 25 November 2022: Tenderers A, B and C • 2 December 2022: Tenderers A, B and C • 16 December 2022: Tenderers A, B and C
RFT ECI Stage 1 – Executive Health Check meetings (28 October 2022 to 16 December 2022)	<p>Attended separate individual Executive Health Check meetings with each ECI 1 Tenderer and Transgrid Executives responsible for the HumeLink Project, to address any issues which may be hindering development of their respective proposals, any urgent requests for clarification, potential upcoming addenda and matters relating to the Program. The time allocated to each session was the same for each Tenderer, with the same Transgrid Executives attending each session, ensuring all Tenderers were treated equally. Also, OCM sighted the speaking notes the Project Team used to provide feedback to each Tenderer, noting the topics covered were generally consistent with the Project objectives, requirements and criteria contained in the RFT. The meetings were held as follows:</p> <ul style="list-style-type: none"> • 4 November 2022: Tenderers A, B and C • 25 November 2022: Tenderers A, B and C • 9 December 2022: Tenderer B • 15 December 2022: Tenderers A and B • 16 December 2022: Tenderer C
RFT ECI Stage 1 Evaluation Team Establishment Meeting (20 December 2022)	<p>Attended the collective Evaluation Team Establishment Meeting, consistent with Section 6 of the approved Evaluation Plan and observed the following elements of probity were addressed:</p> <ul style="list-style-type: none"> • The Team was briefed on the Project background and scope, to ensure all Team members had a common understanding of the current position and requirements of the Project, recognising that some Team members were new to the Project. The

Date	Nature of the meeting
	<p>detailed slide pack used for the briefing was provided to all attendees</p> <ul style="list-style-type: none"> • OCM briefed the Team on the key probity requirements of the Evaluation Plan and ensured all Team members had access to that Plan and to our contact details, if required • The Team was briefed on the evaluation process and methodology, including their respective roles, in accordance with Sections 5 and 6 of the Evaluation Plan, including confirmation that the Plan was available in the Project Data Room. This included the assessment of Alternative Tenders, Options and Pre-Agreed Variations (to the core scope i.e. Owner's Requirements). Also, the Team was briefed on the evaluation timetable, in particular the key milestones for the Evaluation Sub-Panels, Evaluation Panel and Executive Review Panel • The Team was advised of the need to provide executed Statements of Interest and Associations Disclosure before receiving access to the confidential tender submissions and any other confidential material. The disclosure forms were to be provided to the Transaction Manager, consistent with Section 6 of the Evaluation Plan. OCM was made aware of several minor disclosures, which were appropriately addressed, and • The Transaction Manager confirmed the document security arrangements in place to protect all project information and tender submissions, control access and facilitate assessment, noting all assessment was electronic, via <i>MS Teams and Ansarada</i> platforms, with no assessment in hard copy form.
<p>RFT ECI Stage 1 Evaluation Team combined initial meeting (9 January 2023)</p>	<p>Attended initial Price and Non-Price Evaluation Teams combined meeting and observed from a probity perspective that:</p> <ul style="list-style-type: none"> • it was confirmed that 3 tenders were received by the due date and time. There were no late tenders • the identities of the Tenderers were anonymised, to ensure fair and equal treatment • all tenders were accepted as Conforming and Complying by the ET. However, the ET agreed to issue several Request for Clarification to each Tenderer as part of the conformance check. The clarification questions will be coordinated by the Procurement Advisor for issue to Tenderers • all 3 Tenderers confirmed they had no probity issues to declare • it was noted that all Tenderers had exceeded page limits and the ET formulated an agreed consistent approach to managing this issue • the EP was provided as high-level briefing on the status of the evaluations and early findings against each evaluation criterion <p>OCM reminded ET member of the key probity aspects of the upcoming evaluation process, in particular to follow the Evaluation Plan, available in the data room, not to engage directly with Tenderers unless authorised to do so, ensure the security of information accessed, and to only share/discuss project information on a 'need to know' basis with the project team</p>
<p>RFT ECI Stage 1 Price Sub-Panel Evaluation Team initial meeting (9 January 2023)</p>	<p>Attended separate initial Price Evaluation Team meeting and observed from a probity perspective that:</p> <ul style="list-style-type: none"> • each tender was anonymised using different codes to those of the non-price component, to ensure further anonymisation between the Price and Non-price team • in addition to the combined teams briefing earlier today, this team was briefed in detail by the Cost Planner of the comparative costings and key Bill of Quantity elements of each tender • requests for clarification would be issued to each Tenderer and these would be formulated by the Cost Planner, for consideration by the EP.
<p>RFT ECI Stage 1 Evaluation Panel meeting (20 January 2023)</p>	<p>Attended EP briefing meeting and observed from a probity perspective that:</p> <ul style="list-style-type: none"> • Purpose of meeting was for the Sub-Panel Leads to present their current findings (including key strengths, weaknesses, issues and emerging recommended rankings and scoring) to the EP and to enable the EP to ask any questions and identify any areas they would like the Sub-Panel Leads to further consider prior to finalising their

Date	Nature of the meeting
	<p>recommendations</p> <ul style="list-style-type: none"> • The Tenderers' pricing was not presented to the EP and it was confirmed that this would not occur until the EP had concluded their evaluation of the non-price criteria and reached a preliminary consensus on the scores for each Tenderer. It was noted that the EP will have an opportunity to adjust their preliminary scores following the presentation of the price assessment, given that there are some aspects of this assessment may impact non-price considerations • The EP and ESPs would submit any requests for clarification to the Procurement Manager as soon as possible, so that Tenderers could provide responses in a timely manner, to enable the assessment program to be maintained. It was noted that these responses will need to be taken into account in overall assessment • The updated evaluation program was confirmed to ensure a common understanding for the EP and ESP Leads • It was noted that the conformance checks showed that each Tenderer proposed minor legal departures but nothing major. The EP decided that these would be addressed via requests for clarification • The ESP Leads briefed the EP (interactive briefing) on the work to date of their respective sub-panel. Narrative assessment in dot point form and interim scores were provided, pending a more detailed upcoming EP report and recommended scoring. The EP discussed each criterion against each Tenderer's response • The EP discussed the key issue of Risk and was briefed on the proposed risk adjustment methodology, and • The EP was presented with the interim scoring and rankings based on the work to date by the Sub-Panels.
<p>RFT ECI Stage 1 Executive Review Panel (24 January 2023)</p>	<p>Attended ERP meeting and observed from a probity perspective that:</p> <ul style="list-style-type: none"> • The ERP was briefed on the status of the evaluation process to date • The ERP identified several specific areas of Tenderers' submissions which would benefit from further elaboration during the following ECI Stage 2 process • Given the Tenderers were currently delivering other projects within Transgrid's works program, the ERP sought to satisfy themselves regarding any potential impact on the program if any of the Tenderers was engaged on the HumeLink projects (i.e. East or West) • The ERP was briefed on the contract/commercial departures sought by Tenderers, in particular Downer, noting that this Tenderer was seeking substantial additional departures in the ECI Stage 1 phase above those sought in the EOI phase. Also, the ERP noted that Downer had not submitted a native file of their detailed project costing, and • The ERP decided that the Chair of the ERP should contact Downer at a senior Executive level and flag Transgrid's concerns regarding the expanded list of departures and non-provision of the native file for their costings.
<p>RFT ECI Stage 1 Evaluation Panel meetings (27 January 2023)</p>	<p>Attended two EP meetings and observed from a probity perspective that:</p> <ul style="list-style-type: none"> • The EP was provided an update and overview of the evaluation process undertaken to date • each ESP Lead briefed the EP on the current position with their respective team's assessment of the criterion assigned to them, together with their respective scoring and ranking recommendations, for the EP's consideration • EP undertook a provisional consensus non-price scoring and ranking, noting that finalisation of the scoring and ranking was subject to receipt and consideration of any outstanding RFIs • Upon completion of the provisional non-price criterion consensus scoring and ranking, the EP was briefed on the price evaluation. This included details of the comparative costings (including normalisation) and key Bill of Quantity elements of each tender, • The identity of each Tenderer in the price evaluation was anonymised by using

Date	Nature of the meeting
	<p>different codes to those of the non-price component, to ensure the Non-price team would not be influenced by Tenderers price bids when completing their non-price consensus scoring, and</p> <ul style="list-style-type: none"> The EP identified various specific areas where each Tenderer, in particular the Preferred Tenderer(s), should, in ECI Stage 2, be briefed to further elaborate/upgrade their submissions.
<p>RFT ECI Stage 1 Evaluation Panel meeting (2 February 2023)</p>	<p>Attended EP meeting and observed from a probity perspective that:</p> <ul style="list-style-type: none"> The EP was provided a recap. of the evaluation process undertaken to date The EP was briefed on the adjusted recommended non-price scores and rankings following completion by the sub-panels of review and consideration of the outstanding RFIs received Also, the EP was briefed on the adjusted total project cost of each tender, including a cost breakdown of each key project element. The briefing also included the ranking of each tender for each package i.e. East and West The EP was briefed on the overall scoring and ranking of each tender (i.e. combined non-price and price/cost), through which the 2 top-ranked Tenderers were identified The EP identified further targeted clarifications to be sought from the 2 top-ranked Tenderers, noting that the rankings were not expected to change through these clarifications. However, the ECI Stage 2 process would be enhanced through obtaining these RFIs at this stage of the process The EP discussed and agreed upon agenda items to guide upcoming briefing meetings with each of the Tenderers ahead of commencement of the ECI Stage2 process. The aim of the agenda items was to enable Tenderers to further elaborate/upgrade their submissions, and The EP decided to include the last-ranked Tenderer in the ECI Stage process in order to enable them to qualify for inclusion on the Delivery Partner Panel to be established by Transgrid.
<p>RFT ECI Stage 1 Executive Review Panel (7 February 2023)</p>	<p>Attended ERP meeting and observed from a probity perspective that:</p> <ul style="list-style-type: none"> The ERP was briefed on the status of the evaluation process to date The ERP was briefed on the outcomes of the EP's RFT assessment, for both non-price and price criteria, consistent with Section 3.2.1 of the Evaluation Plan The ERP was provided a specific briefing on the commercial alignment of each submission with the Transgrid draft contract The ERP discussed the potential approach for retaining Downer on the Transgrid pre-qualified Delivery Partner Panel, consistent with Section 3.3.2 of the Evaluation Plan and the RFT The ERP was provide the EP's recommendations for the Preferred ECI Stage 1 Tenderer(s), noting that UGL and Acciona JV were the two highest-ranked Tenderers and Downer was the lowest-ranked Tenderer, and While endorsing the EP's recommendations, the ERP observed that the lowest-ranked Tenderer was a high performing current Transgrid supplier, in segments of work similar to those on HumeLink. On this basis, the ERP requested that the EP review and validate the assessment of that Tenderer, consistent with Section 2 of the Evaluation Plan and 6.4 and 9.14 of the RFT.
<p>Structured Clarification workshop meetings:</p> <ul style="list-style-type: none"> AKG: 9 February 2023 UGL: 10 February 2023 	<p>Attended the following structured clarification workshop meetings (consistent with the Evaluation Plan and Section 5 of the RFT) and observed from a probity perspective that:</p> <ul style="list-style-type: none"> A Tenderer-specific agenda was provided for each workshop Each Tenderer was provided the same overall time for their respective workshop The same Transgrid team attended each workshop, to ensure each Tenderer had equal access to that team Transgrid provided the same briefing to each Tenderer regarding any issues

Date	Nature of the meeting
	<p>common to both Tenderers</p> <ul style="list-style-type: none"><li data-bbox="470 295 1412 353">• Both Tenderers were provided the same opportunity to make presentations to the Transgrid team on the respective issues identified for clarification by Transgrid, and<li data-bbox="470 365 1133 398">• Equal time was provided for Q and A with each Tenderer.