

**Memo to the Secretary**

Date to be actioned by

Date received by OOS

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**04 December 2015**

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**Subject: Contract No. 2283 – Brooker Highway Elwick Road to Howard Road Junction Upgrade - Roadworks**

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**Purpose:**

- Treasurer's Instruction No. 1225 (Clause 8) states the Head of Agency must approve the Tasmanian Industry Participation Plan before a contract is finalised with the supplier, and before a supplier enters into sub-contracting arrangements.

**Recommendation(s):**

- That the Secretary approves the Tasmanian Industry Participation Plan submitted by Hazell Bros Group Pty Ltd.

**Approves / Not-Approves / Notes**

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**Secretary**

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**Background:**

- Tenders closed on 04 November 2015 and the Tender Assessment Committee considered tenders on 10 November 2015.
- The Departmental Procurement Committee endorsed the recommendation on 26 November 2015 to award Contract No. 2283 to Hazell Bros Group Pty Ltd.

**Attachments:**

- Evaluation Report
- Minutes of the Departmental Procurement Committee
- Tasmanian Industry Participation Plan.

## SCHEDULE 9

### Tasmanian Industry Participation Plan

The Tasmanian Government is committed to maximising opportunities for local SME<sup>1</sup> businesses to compete for and win Government procurements. Suppliers are requested to prepare a Tasmanian Industry Participation Plan:

- For all procurements with a value exceeding \$5 million;
- For nominated procurements (at the discretion of the procuring Government entity) greater than \$2 million and up to \$5 million.

Your Tasmanian Industry Participation Plan is an essential part of your submission and will be used by the procuring entity to evaluate your submission. The Plan will contribute a minimum of 10% of the procurement evaluation. Suppliers that fail to submit a Plan will receive a zero score in relation to this criterion.

This Plan is your opportunity to demonstrate how your submission will positively impact on the local industry/economy. You do not need to answer all of the questions below and your submission may not necessarily be limited to these issues (which are provided as prompts). You will need to ensure you can verify the information you submit and where possible should provide actual numbers of staff (full-time equivalent)/values of goods and/or services.

#### Procurement details

Procurement Reference No.	2283
Procurement title	BROOKER HIGHWAY - ELWICK ROAD TO HOWARD ROAD - JUNCTION UPGRADE ROADWORKS
Name of Responsible Agency/Entity	DEPARTMENT OF STATE GROWTH

#### Supplier details

Name of supplier	HAZELL BROS GROUP PTY LTD
Contact details for supplier	Phone: 03 62 777 888 Address: 14 Farley St Derwent Park TAS 7009 Mail: PO Box 430 Moonah TAS 7009

#### Local SME industry impact

What is the direct local impact of your business?

Examples: Are you a local SME (how many full time employees and casual employees do you employ, where is your business located, what is the ownership)? How many people do you employ in Tasmania? Would any new SME jobs be created by the proposed contract, and if so how many people will be employed to undertake this contract, and how many new jobs are likely to be created should your company be awarded the contract?

Established in southern Tasmania in 1944, Hazell Bros is a family owned, diversified construction and resources group of companies providing civil construction, concrete, quarry and equipment services for government departments, government business enterprises, local government, and local and multinational companies.

<sup>1</sup> Local SME are Australian and New Zealand businesses employing less than 200 people.

As a local SME, Hazell Bros currently employs some 350 people in Tasmania in a range of roles across the State and it is only through continuing to deliver infrastructure programs which utilise all areas of our multifaceted business that we can continue to support this workforce who in turn support the Tasmanian economy by living and spending locally.

**Goods and services to be utilised in the contract**

Identify the goods and/or services (including plant hire) you expect to purchase in order to complete the contract and provide the requested information in relation to same, where known.

Identified goods or services	Total estimated value	Name of supplier anticipated to be used (if already determined through existing supply chain arrangements)	Location of supplier (where already determined through existing supply chain arrangements)	If supplier not yet determined, is there a local SME market for same? (Yes/No)

*NOTE: All Goods and Services must be to State Growth Specifications and Standards and may be subject to a Contract Hold Point.*

**Opportunity for local SME involvement**

Unlike many project based operations where people are only engaged for the term of the project, Hazell Bros maintains core civil works crews and thus our employees perform the majority of the project work we undertake. Whilst at times it is difficult to justify maintaining such crews we believe that by maintaining and developing the skills of a core workforce we are better placed to deliver successful projects. As projects wind-down we ensure that workers are not left idle and are either attending training, developing new skills in other areas of the business or taking well-earned leave.

For this Contract all materials will have GST payments made in Tasmania and all workers on the project will pay Payroll Tax (where applicable) to the Tasmanian Government. This is the highest level of Tasmanian SME participation possible.

**Broader economic opportunities**

Hazell Bros invests in the Tasmanian economy through our business activity. All superannuation investments are with Tasmanian based superannuation schemes unless at the specific request of the employee. All transactional banking is with local banks and branches. Our business executive and owners live and invest in Tasmania. These higher value investments in the Tasmanian economy are rarely replicated in less diversified and non-Tasmanian owned businesses.

Hazell Bros is committed to keeping jobs and skilled workers in Tasmania and providing training and development opportunities for our employees to ensure that they can deliver not only for Hazell Bros but can grow as people and help develop a better and more prosperous Tasmania. In an effort to increase qualified Engineers in Tasmania and keep young Engineers in the State, each year we offer a \$4,000 scholarship and vocational employment between years 3 and 4 with a view to a graduate placement on completion of studies. This has been a successful program and we currently retain the services of a number of recipients of this scholarship. We are also proud of the fact that a number of civil operators

and industry leaders have started out working at Hazell Bros before embarking on their own business ventures, and we continue to work with and support these smaller local businesses where we can.

Hazell Bros ethic is to employ locally wherever possible and to support the communities in which we work. Our community support is wide and varied and includes things such as supporting community initiatives such as the safety of Roadside Workers Association – an initiative of the Launceston City Council; or supporting fund raising and community building activities through the provision of products and services to causes such as the Wilson Homes Make a Wish Community House or the Truck Drivers Memorial at Epping Forrest or just lending a helping hand to a neighbour in need.

In addition to this local economic impact; Hazell Bros is also leveraging its strong operational capabilities to operate on mainland Australia – thereby ensuring that the economic strength of the Hazell Bros group is underpinned by more than just the local infrastructure activity so that the periodic nature of project funding will not threaten the financial security of our Tasmanian employees.

Hazell Bros is proudly Tasmanian and wants to see Tasmania grow and prosper for the benefit of all who work and live here.