

SCHEDULE 7

TASMANIAN INDUSTRY PARTICIPATION PLAN

The Tasmanian Government is committed to maximising opportunities for local SME¹ businesses to compete for and win Government procurements. Suppliers are requested to prepare a Tasmanian Industry Participation Plan (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 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.

If you are the successful tenderer you must complete this Plan prior to signing the Conditions of Contract, and must agree to the publication of an executive summary of this Plan on the Department of Treasury and Finance website, within 14 days of award of Contract.

Procurement details

Procurement Reference No.	2303
Procurement title	Midland Highway (A0087) Mangalore to Bagdad, Road Improvements (Stage 1)
Name of Responsible Agency/Entity	Department of State Growth

Supplier details

Name of supplier	VEC Civil Engineering Pty Ltd
Contact details for supplier	10b Industrial Drive, Ulverstone, Tasmania, 7315 Tel: (03) 6425 6530

Local SME industry impact

What is the direct local impact of your business?

Are you a local SME (how many people 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 - how many?

¹ Local SME are Australian and New Zealand businesses employing less than 200 people.

VEC Civil Engineering Pty Ltd (VEC) is a Tasmanian based company with its head office in Ulverstone employing 96 people. The table below shows the division of these employees over Casual, Part time, Full time or apprentices, as well as how these are geographically spread.

	Casual	Part time	Full time	Apprentices
Tasmania	7	7	78	6
Queensland	0	0	5	0
Victoria	0	1	0	0
TOTAL	7	6	83	6

It should be noted that VEC has a high commitment to employing and training local people. With 20% of our employees in the Steel Division undergoing an apprenticeship and 24% of our staff in our Structures division undergoing an apprenticeship in Certificate 3 in Carpentry, VEC can confidently say that our apprentice ratio is superior, reflecting our strong devotion to upskilling local trades people.

VEC was founded by two local highly respected Tasmanians 20 years ago. Over the years, VEC has grown to be a company commonly known in the market as one that invests heavily in their employees to provide a safe and inviting workplace. Although ownership was transferred in October of 2014², VEC continues to withhold the local culture and stay true to its values by committing to supporting the local industry.

VEC is a successful, diversified business that understands the value of its employees. Good performance, teamwork and loyalty are well rewarded. We place a high level of importance on fostering a positive and safe work environment and take pride in being an equal opportunity employer. We invest in our people to encourage personal advancement within the company, with training and development needs regularly assessed.

VEC has a unique business model, whereby we maximise the flow on effect of all works awarded through the Civil industry given our strategic decision to only own specialised equipment such as pile rigs and high rail equipment, thereby engaging 2nd tier earthmoving and equipment business to work side by side with VEC.

Our focus is on effective project management and engineering whilst partnering with other local providers to maximise the industry benefit. Often our ratio of subcontractor to VEC employees is 4:1 utilising local based contractors and labourers which in turn supports the local community and assists with community engagement.

Should VEC be awarded the contract, we estimate that the number of new SME jobs created to undertake this contract would be approximately two; the number of new jobs that are likely to be created will be approximately three.

² VEC became a wholly owned subsidiary of Downer EDI as of the 31st of October 2014.

Goods and services to be utilised in the contract

Identify the goods and/or services 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 or subcontracted works	Total estimated value	Name of supplier anticipated to be used (if already determined through existing supply chain arrangements) – including location of business	Labour component as an approximate percentage of total estimated value	If supplier not yet determined, is there a local SME market for same? (Yes/No)
Quarry Products	\$1.325M	TBD	TBD	
Bituminous Surfacing Material	\$1.416M	TBD	TBD	
Pavement Marking	\$75K	TBD	TBD	
Road Safety Barriers	\$304	TBD	TBD	
Water Mains	\$233	TBD	TBD	
Precast Items	\$62K	TBD	TBD	
Bridge Widening and Strengthening	\$434K	TBD	TBD	

Opportunity for local SME involvement

Will you source components of your offer from other local SME companies/sub-contractors or is there new work to be undertaken locally as a result of you fulfilling the contract or workers travelling to the local area to undertake the work? How much?

Detail how you intend to identify and engage with sub-contractors and/or other SMEs in relation to the delivery of the contract including your supply chain ie use of existing supply chains, advertising of sub-contracting or supply opportunities, liaison with industry groups and ICN etc.

VEC has access to a wide network of reputable specialist sub-contractors and suppliers to satisfy the requirements of the contract and as an ongoing measure are always searching for and procuring the services of new local suppliers, subcontractors and consultants.

Where deemed suitable, our preference is to utilise local contractors to complement our resources to undertake the works. This is a cost effective approach which provides the Department with value for money whilst providing an economic benefit to the local community. Typically these subcontractors will be identified during the tender phase of a contract, through Community Consultation undertaken by the tender team.

VEC has an extensive list of approved and compliant sub-contractors throughout the state, with commercial relationships in place through past experience working together on VEC sites. Should works be awarded in regions whereby current contractors are not pre-qualified with VEC, we plan to advertise locally via newspaper adverts seeking expressions of interest as well as working with the CCF and ICN who can assist with sub-contractor identification.

Local labour will be sourced through our Labour Hire partners to minimise site travel time and maximise community engagement and financial upside.

As demonstrated by the indicative schedule above, VEC provide opportunities to the wide community. Even though this list is a realistic indication of current suppliers, no commitment has been given to subcontract and should a suitable local provider exist unknown to VEC, that provider will be given the opportunity to supply goods or services as appropriate.

Broader economic opportunities

Are there any other impacts that your business and/or this specific supply will provide to the local/regional economy?

Your supply may lead to: new skills being developed locally; trainees/apprentices being appointed; cross transfer skills to a local SME partner/sub-contractor; your company (if you are not a local SME) setting up an office/employing local staff; scale for you to take your products/services interstate/overseas; local community sponsorship etc.

At VEC, we believe that a company's Corporate Social Responsibility extends beyond financial sponsorship. It also includes building partnerships with community organisations to better the lives of other people. We have a full and effective CSR program that begins with our Community Partnership Program (CPP), which is driven by applications from employees to support charities, events and youth activities. It continues through ongoing support for the Tasmanian Leaders Program that helps create future industry leaders who will make a valuable contribution to Tasmanian business and community. Assistance is provided to other community groups and causes where appropriate.

VEC has had a very positive impact upon local communities through:

- Increased local employment via labour hire;*
- Increased local skillset through accreditation and licencing (traffic management, machinery etc);*
- Utilisation of local civil business and equipment hire;*
- Utilisation of local hotels / motels for accommodation;*
- Support of local sporting teams and community organisation through sponsorship and community grants; and*
- Provision of fuel through local providers where possible.*

Where possible, we endeavour to support the local community where our projects are located. An example of this is the Active Strahan Fun Run, which VEC were a bronze sponsor for this year; a team of VEC employees participated in the fun run on the 31st of October to show our support and involvement with the local community. As executed in Strahan, VEC may endeavour to investigate the possibility of sponsoring a local event in the vicinity of the Midland Highway –Mangalore to Bagdad project should VEC be awarded this contract.

To show the Department our commitment to the development of the local community, VEC have already committed to sponsoring a student at the Kings Meadows High School, to participate in the National F1 in Schools Design & Engineering Challenge in Sydney during February 2016. Due to our contribution, this student is able to participate in this program that involves students engineering and then creating a technically perfect miniature Formula 1 car using Autocad Software. Within the team, there are 4 males and 1 female. The student we are sponsoring is also taking the role of team manager. We feel it is important to continuously support young engineers who are key to future Tasmanian developments.

Every year, VEC are overwhelmed with applications for summer internships from local Engineering students. These are assessed and where possible, VEC ensure a placement is provided for at least

one student each summer. Our commitment to upskilling, training and guiding young professionals is evident through the number of past successful internships and in some cases, these internships leading to full time employment at VEC.

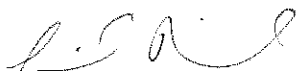
VEC is a Professional Development Program Partner with Engineers Australia, and support many of our Project Engineers and Project Managers through this program. Other financial support can also be provided when employees undertake tertiary qualifications relevant to their role and potential advancement within the company.

Where a project requires the need for a local office, VEC may provide site offices that are set up in a way to provide all the office support necessary. Where additional administrative support is desirable, VEC endeavour to employ local staff to perform the work.

Should VEC be awarded this contract, a site office will be located adjacent to the site works and the local hospitality facilities (ie. Cafés, restaurants, shops) are able to provide the crew with their supplies.

Completed and endorsed (Supplier)

Lincoln Bromwich – General Manager
(Name and position – print)



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(Signature)

23 December 2015
(Date)