

ATTACHMENT C TASMANIAN INDUSTRY PARTICIPATION PLAN (TEMPLATE/GUIDE)

Revised Buy Local Policy's Local Benefits Test arrangement for use in association with Department of State Growth's Prequalification System for Road and Bridge Construction Contracts

As you would be aware, the Buy Local Policy includes a local benefits test requiring suppliers, as part of their response to Government procurements, to provide information on their impact on local SME¹ industry should they be awarded the contract. Government agencies are required to take this information into account in the evaluation process through the inclusion of a specific evaluation criterion. It is proposed to increase the current minimum weighting to be applied to this criterion from 10 per cent to 20 per cent to further enhance opportunities for local SMEs.

Further, it is also considered timely to reduce red tape associated with the volume of work undertaking the local benefit test on an individual contract basis for major roads and bridges procurements, where suitable prequalification categories exist. It is proposed to incorporate the process in the Department of State Growth's (DSG) Prequalification System for Road and Bridge Construction Contracts arrangement which will essentially mean that the local benefits test is considered once every three years. A bespoke Tasmanian Industry Participation Plan (TIPP) has been developed for this purpose and is attached for your information.

The new arrangements will be as follows:

- the bespoke TIPP be completed by suppliers and submitted in association with DSG's Prequalification System;
- the TIPP be independently reviewed by the Department and a score based on the information supplied in the TIPP attributed to the contractor;
- the allocated score be used as the Buy Local Policy's local benefits test score in the evaluation process for each relevant road and bridge tender (ie where suitable prequalification categories exist) submitted by the supplier, for the period of their prequalification; and
- the TIPP be reviewed every three years, unless a supplier considers that material changes are required to the information originally supplied, in which case the supplier may request that DSG seek a review of the revised TIPP (and attributed score).

In order to ensure a level playing field associated with the commencement of these arrangements, given the varying expiry dates for contractor prequalification, there will need to be a transition process.

Tasmanian Industry Participation Plan *for use in association with* **Department of State Growth's Prequalification System for Road and Bridge Construction Contracts**

The Tasmanian Government is committed to maximising opportunities for local SME² businesses to compete for and win Government procurements.

This Tasmanian Industry Participation Plan (TIPP) has been specifically developed for use in association with the Department of State Growth's Prequalification System for Road and Bridge Construction Contracts only.

Suppliers/proponents are requested to prepare a TIPP.

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

² Local SME are Australian and New Zealand businesses employing less than 200 people.

This TIPP is your opportunity to demonstrate how your business will positively impact on the local industry/economy. 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).

For procurements, the TIPP is an essential part of your registration for prequalification. The TIPP will be reviewed by external assessors who will attribute a score based on the information you have supplied. That score will be recorded by DSG and used as the Buy Local Policy's³ Local Benefits Test score in the evaluation process for each relevant road and bridge tender (ie where suitable prequalification categories exist) submitted by you. The score will contribute a minimum of 20 per cent of the procurement evaluation. Suppliers that fail to submit a TIPP will receive a zero score in relation to this criterion.

The score will remain valid for a period of three years. If you consider that material changes are required to the information originally supplied in the TIPP, you may request the Department of State Growth to seek a review of the revised TIPP (and attributed score), by its external assessor.

Supplier details

Name of supplier	HAZELL BROS GROUP PTY. LTD.
Contact details for supplier	Phone: (03) 6277 7888 Address: 14 Farley St, Derwent Park TAS 7009 Mail: P.O. Box 430, Moonah TAS 7009

Information held by the Department

Tick ONE alternative as applicable:

I/We have been allocated a score to be used as the Buy Local Policy's local benefits test score in the evaluation process for each relevant road and bridge tender (ie where suitable prequalification categories exist) submitted by the supplier, for the period of my/our prequalification and acknowledge and agree that score will be applied in evaluation of my/our tender submission in respect of this RFT **[NOTE: Tenderers which select this alternative are not required to further complete the TIPP].**

I/We have completed the TIPP and provided have supplementary information in support of the degree of Local SME industry impact generated by my/our company. I/We acknowledge and agree that this information will be used to determine the Buy Local Policy's local benefits test score in the evaluation process for each relevant road and bridge tender (ie where suitable prequalification categories exist) submitted by the supplier, for the period of my/our prequalification, which will be applied in evaluation of my/our tender submission in respect of this RFT **[NOTE: Tenderers which select this alternative are required to complete the TIPP].**

Contractor details

Name of contractor	HAZELL BROS GROUP PTY. LTD.
Contact details for contractor	Phone: (03) 6277 7888 Address: 14 Farley St, Derwent Park TAS 7009 Mail: P.O. Box 430, Moonah TAS 7009

(a) I/We acknowledge and agree that the score allocated based on the information submitted in this TIPP will be used as the Buy Local Policy's local benefits test score in the evaluation process for each relevant road and bridge tender (i.e. where suitable prequalification categories exist) submitted by me/us for the period of my/our

³ An overview of the Buy Local Policy is contained in the publication *Buy Local Policy* located on the Purchasing website at <http://www.purchasing.tas.gov.au/buyingforgovernment/publications.jsp>

prequalification and acknowledge and also agree that score will be applied in evaluation of my/our tender submissions in respect of major road and bridge procurements for the period of my/our prequalification.

- (b) I/We agree that the financial and other information submitted in relation to my/our current or most recently completed prequalification application can be used to assist in arriving at the score allocated to me/us under the Local Benefits Test criterion, including to supplement and verify the information supplied in this TIPP.
- (c) I/We request that the following listed information and previous tenders, applications and submissions are considered in addition to the information supplied in this TIPP *[contractor to list below]*.

Local SME industry impact

What is the direct local impact of your business on local SMEs?

Examples: how many people do you employ, where is your business located, what is the ownership? How many people do you employ in Tasmania? Would you expect any new SME jobs to be created to undertake new State Government contracts - approximately how many?

Established in southern Tasmania in 1944, Hazell Bros (HB) 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. Any profit the business makes in carrying out these works remains in Tasmania.

Hazell Bros Group Pty Ltd (Tasmanian Construction) employs less than 200 people in a range of roles across Tasmania and can confirm that we are a local SME. All employees likely to be involved in this project currently reside in Tasmania. On the project, HB envisage opportunities for local employment for at least a further six employees directly from the local area of the project site with a further six additional people involved in ancillary plant hire services, truck hire, delivery services and cleaning services.

Hazell Bros Tasmanian Construction is planning to employ 35 employees into the business each year for the next three years, dependent on project requirements and business growth. Currently there is one trainee/apprentice employed with a forward plan of intake of at least five trainees/apprentices per year across the upcoming three-year period.

Goods and services expected to be utilised in State Government contracts

Identify the types of goods and/or services you expect to purchase when undertaking road and bridge construction works and services activities and provide the requested information in relation to same, where known.

Materials –

Identify the materials that you do or will purchase for utilisation in road and bridge construction works and services activities.

Description	Name of supplier	Location of supplier	Estimated annual value
Quarry Materials	HBMI	Leslie Vale	\$1,300,000.00
Reinforcing	ARC	Rosetta	\$150,000
Concrete	Hazell Bros Concrete	Cambridge	\$200,000

Manufacturing

Identify the materials or components you manufacture or produce which are used in road and bridge construction works and services activities, the locations of your production facilities and the number of people you employ as a result of your manufacturing and/or production activities.

Description	Location of facility	Number of employees
Drainage Products	Hudsons Civil– Launceston & Hobart	40
Structural Steel (Bridge Barriers)	Launceston	30

Professional services

Identify the consulting and other technical services that you do or will require when carrying our State Growth road and bridge contracts.

Description	Name of supplier	Location of supplier	Estimated annual value
Surveying	Walter Surveying	Hobart	\$90,000.00
Environmental Consultant	TBA	Hobart	\$10,000.00
Building Inspections	IPD Consulting	Hobart	\$12,000

Labour hire services

Identify the labour hire that you do or will require when carrying out State Growth road and bridge contracts.

Description	Name of supplier	Location of supplier	Estimated annual value	% Tasmanian labour
Traffic Control	ATC Traffic Control	Evandale	\$186,000	100

Other (free text)

Identify any other supply chain related activities and relationships employed by your company to, wherever local capability exists, maximise the use of SME and/or local content in the goods and services used in State Growth road and bridge contracts.

Opportunity for local SME involvement

Would you expect to source components relating to State Government contracts from local SME companies/sub-contractors or do you expect new work to be undertaken locally as a result of you fulfilling any new contracts or workers travelling to the local area/s to undertake the work? How much?

Hazell Bros Group is committed to maximising opportunities through a partnering approach to enable other local Small to Medium Enterprises (SME) to maximise industry benefit. Whereas previously Hazell Bros has opted for a largely 'self-perform' model on our construction projects we have recently made a corporate decision that we will downsize our direct plant fleet. This results in more opportunities for smaller local SME's to supply plant and other services to Hazell Bros projects.

Other opportunities in the region for SME's during the construction period will also extend to:

- Fuel from local service stations
- Supply of meals, rooms and consumables from local accommodation/eateries that best service the project requirements

We estimate that the SME's required to assist Hazell Bros in performing works on the project will collectively deliver approximately 50% of the project value, thus ensuring a significant boost to the local and state economy.

For the project 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.

Subcontractors

Does the business routinely subcontract work: yes (yes/no)

If yes to the above, can you estimate the proportion (percentage) of work subcontracted based on the financial level applied for or granted and technical categories applied for and granted under the NPS? 21 per cent.

Description	Name of supplier	Location of supplier	Estimated annual value	% Tasmanian labour
Sealing	Downer	Austins Ferry	\$850,000	100
Fencing/ Safety Barrier	Geotas	Derwent Park	\$400,000	100
Signage	Eye Spy	Cambridge	\$112,000	100
Linemarking	Onlinez	Hobart	\$46,000	100
Concrete islands and kerbing	Cm Concreting	Huonville	\$140,000	100
Vegetation Management	Tree Dynamix	Brighton	\$40,000	100

General services

Identify the general services, such as administration, accommodation, transportation, operational support, that the business utilises.

Description	Name of supplier	Location of supplier	Annual value
Food and Petrol	Local	Closest to project site/all within 10km radius of the Works	1-2% of the project value
Accommodation	Local	Closest to project site/all within 10km radius of the Works	1-2% of the project value

Consumables and other products

Identify the consumables and other products (eg fuel supplies, parts, tools, protective and other clothing and the like) the business purchases in support of it undertaking State Roads road and bridge construction operations.

Description	Name of supplier	Location of supplier	Annual value
Construction Consumables	Various	Various	1-2% of the project value

In relation to the manufactured or produced components, provide details of any businesses that you engage in order to provide maintenance or other services, goods or equipment to support and maintain your manufacturing and production activities.

Description	Name of supplier	Location of supplier	Annual value
-	-	-	-

Detail the process that you are to undertake to ensure that local SMEs are not to be disadvantaged where competing with other suppliers in the provision of goods or services to be used as part of any new State Government contracts (ie unpacking of procurements into smaller components so that local SMEs can compete more effectively etc).

When assessing the packages of work that the project will create, Hazell Bros believe that they are all naturally suited to local SME businesses rather than larger organisations. HB have found previously on many similar projects that these sized packages are most successfully and competitively delivered by local SME businesses rather than larger organisations. This naturally maximises the local SME content on the project. The challenge for Hazell Bros is to then ensure that the SME's delivering these works are fully supported by our management team to ensure compliance with safety and quality aspects of their works. This is a challenge we are familiar with and have successfully dealt with on many previous rural projects.

Other supporting information (free text):

Broader economic opportunities

Are there any other impacts that your business and/or specific supply will provide to the local/regional economy when undertaking State Government contracts?

Examples: 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.

Training & Development

Hazell Bros takes pride in its people. HB commit to actively investing in our personnel through continual development and training, which in turn ensures the foundation for our continued company success through delivery of construction project throughout Tasmania. We are an organisation that undertakes regular training both in house and externally. It is through continuing to deliver infrastructure programs which utilise all areas of our multifaceted business that Hazell Bros can continue to support this workforce who in turn support the Tasmanian economy by living and spending locally. On the project additional training for workers will be provided in the areas of site induction, first aid, safety, traffic management and risk management. Much of this training will be provided by Hazell Bros for new local employees and local SME businesses thus upskilling people in the local area and leaving behind a positive legacy after the works are complete.

Other Project Impacts & Local Benefits

On the project Hazell Bros will offer additional opportunities for local and wider community involvement. Benefits on this project can include:

- Opportunity for local school group to visit the site and look at the works in progress
- UTAS final year student work experience opportunities due to timing of project

Broader Economic Benefits

Hazell Bros invests in the Tasmanian economy through our daily business activities. 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 HB 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 the services of a number of recipients of this scholarship have been retained. 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 HB continue to work with and support these smaller local businesses where possible.

Hazell Bros has developed a national business that is regionally focused and strives to meet the expectations of our stakeholders and all of the communities in which we work. HB are committed to building relationships based on respect, mutual success, open and honest communication and the development of long term partnerships. Hazell Bros are active in the community and provide support by way of provision of products and services to a range of charitable, sporting and community organisations as well as the arts. Our key sponsorship partners include Cancer Council Tasmania, Ronald McDonald House, White Lion, Agfest, Point to Pub Fun Run, Schools Triathlon Challenge (Hobart and Devonport), Glenorchy Fun Run, Give me 5 for Kids and 10 Days on the Island.

Hazell Bros cares about its people and the communities we serve, and sees this program as supporting its people in taking ownership and increasing awareness of their overall health and wellbeing. HB works in partnership with the Cancer Council of Tasmania and BUPA to deliver its Fit for Work – Fit for Life program. These initiatives have delivered positive outcomes for our workers and their families: free skin cancer checks have been conducted on many employees and free health checks carried out.

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.

Signed by the contractor or a person who duly warrants their authority to sign on the contractor’s behalf	
Name of person signing	Andrew McDavitt
Position title	Project Manager
Date	10 th October 2019