

## ATTACHMENT C TASMANIAN INDUSTRY PARTICIPATION PLAN (TEMPLATE/GUIDE)

The Tasmanian Government is committed to maximising opportunities for local SME<sup>1</sup> businesses to compete for and win Government procurements. Suppliers/proponents 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; and
- For private sector projects valued at over \$5 million that receive support, including in-kind support, valued at or greater than \$500 000 from the Government.

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.

For procurements, the Tasmanian Industry Participation Plan is an essential part of your submission and will be used by the procuring entity to evaluate your submission. In these circumstances, the Plan will contribute a minimum of 10% of the procurement evaluation. Tenderers that fail to submit a Plan will receive a zero score in relation to this criterion.

This template was specifically developed for procurement. Where a Tasmanian Industry Participation Plan is required for a private sector project, the template should be adapted to suit the specific circumstances of the project.

### *Procurement details*

Procurement Reference No.	2396
Procurement title	Pavement Resurfacing 2017-18 - North
Name of Responsible Agency/Entity	Department of State Growth

### *Supplier details*

Name of supplier	Venarchie – A division of Fulton Hogan Industries Pty Ltd
Contact details for supplier	Andrew Virieux – State Manager 11 Cavalry Road, Mowbray Tasmania 7248 <a href="mailto:andrew.virieux@venarchie.com.au">andrew.virieux@venarchie.com.au</a> Phone: (03) 6326 8440, Mobile: 0419 132 564

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

### **Local SME industry impact**

What is the direct local impact of your business? *Examples: 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?*

#### **Tenderer response:**

Venarchie has been operating within Tasmania for over 25 years providing asphalt and spray sealing road maintenance services. Venarchie is located in Mowbray and directly employs a total number of 58 staff. We employ engineers, project managers, site supervisors, foremen, plant operators, qualified mechanics and administrative staff, and currently have apprentices under training.

If awarded this Contract Venarchie would create a number of new positions to complete the team including:

- Engineer – to ensure quality management systems are maintained
- Supervisor – to complete the two team structure
- Four new traffic controllers – to allow capacity for Island Traffic Management to manage the traffic for this contract while meeting other commitments

The staff of Venarchie have officially become members of the Fulton Hogan family as of 01 May 2017. Fulton Hogan is recognised internationally for research and innovation by identifying opportunities and investing in improvements. This is an exciting opportunity for the Venarchie team as we come together with Fulton Hogan to collectively strengthen our expertise in road maintenance for our Tasmanian customers and partners.

Venarchie has developed a wide network of reputable specialist sub-contractors and suppliers, and are always on the look-out for new local suppliers, sub-contractors and consultants. Local procurement is always the first and best option.

Venarchie has demonstrated a confidence and commitment to growth in Tasmania through ongoing investment for the Venarchie operations. This investment extends to acquisition of property, employing local tradespersons and designers, completion of capital improvement and building works.

The establishment of an asphalt plant at Venarchie's premises in Mowbray brought new jobs and skill development opportunities to the area. We have also developed a bitumen storage facility which not only mitigates risk to Venarchie's projects, but has created additional business for local companies such as Tas Star Transport. Other examples of Venarchie's investment are:

- Office and workshop expansion (2010)
- Acquisition of property for civil yards (Cavalry Road, Mowbray – 2010)
- Planned development of a staff training room (2017)

### **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.

#### **Tenderer response:**

<b>Identified goods or services</b>	<b>Total estimated value</b>	<b>Name of supplier anticipated to be used (if already determined through existing supply chain arrangements)</b>	<b>Labour component as an approximate percentage of total estimate value</b>	<b>If supplier not yet determined, is there a local SME market for same? (Yes/No)</b>
Thermoplastic Marking Removal	\$135,000	Straight Path Enterprises	50%	
Pavement marking	\$1,070,000	Statewide Linemarking Supalux	65%	
Traffic Management	\$280,000	Island Traffic Management Via-Tech Altus	85%	
Asphalt	\$910,000	Venarchie Hardings Hotmix Roadways Downer	10%	
Aggregate (PSV54)	\$950,000	Gaspersic Contracting Boral	15%	
Aggregate (PSV48)	\$180,000	Boral BIS Industries Ulverstone Quarries	15%	
Bitumen	\$2,100,000	Viva Energy SAMI Bitumen Technology Puma Energy	25%	

### **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?

#### **Tenderer response:**

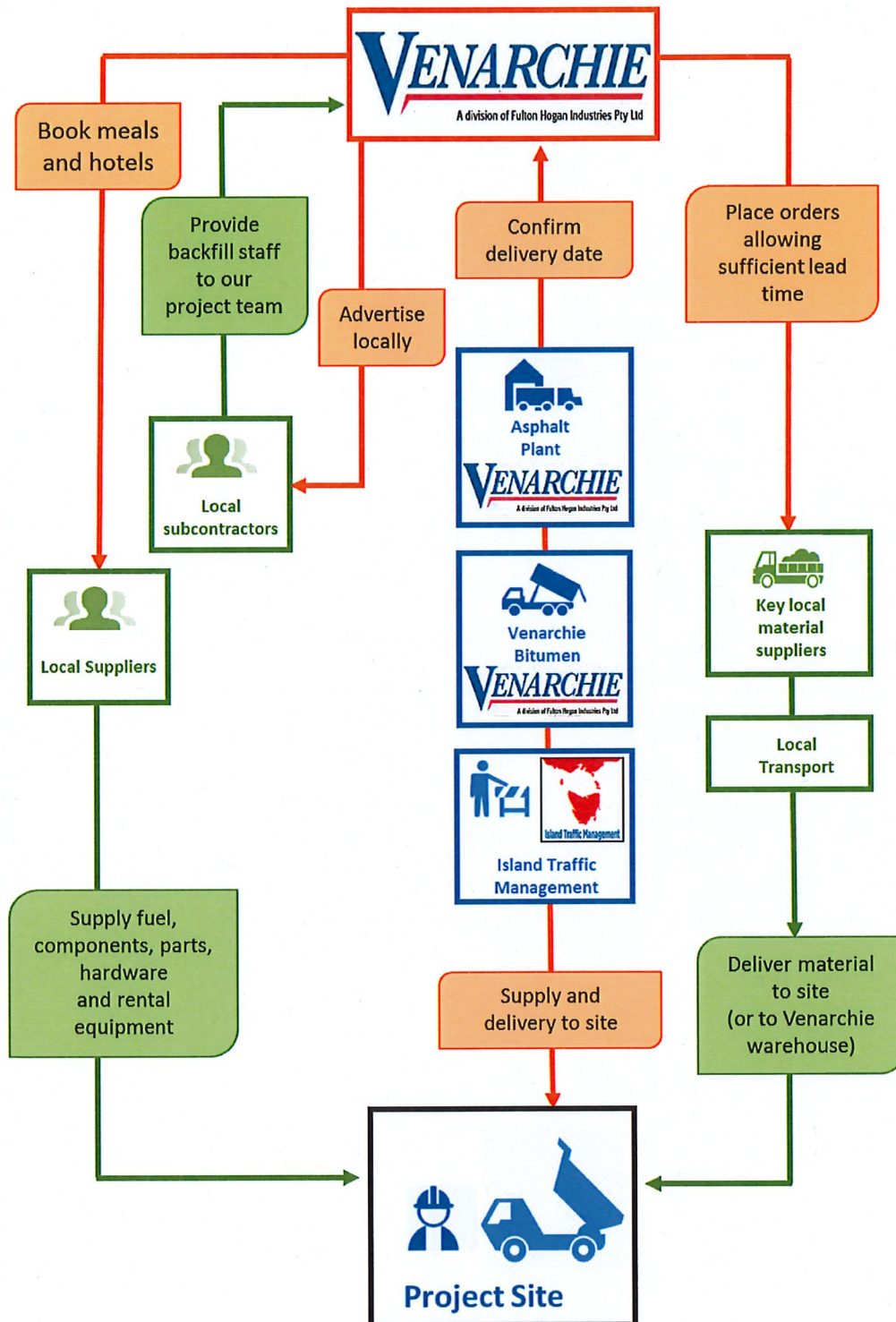
Venarchie will source components of our offer from other local SME companies/sub-contractors.

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, etc.

#### **Tenderer response:**

Venarchie always go to our existing local suppliers and sub-contractors first. Over many years Venarchie has built a comprehensive register of approved sub-contractors, and knows which ones have met our high expectations. Venarchie is also a member of the Industry Capability Network which we use to identify location-specific sub-contractors, plant hire and materials.

## Our Supply Chain Supports Local Business



Venarchie has already obtained quotes and confirmed availability of supply for key sub-contractors for this Contract. Key factors in our supply chain are:

- Long-term relationships with our key suppliers enable us to source the best quality products at the best price.
- By only using aggregate suppliers that meet VicRoads specifications and achieving successful outcomes, Venarchie lowers the risk of poor quality product or workmanship.

Once selected, sub-contractors are formally engaged by one of two methods. For larger or more complex sub-contracts, sub-contractors are engaged using a standard form contract, while smaller engagements, e.g. for a one-off supply of materials is 'contracted' via a detailed purchase order.

Should Venarchie be awarded this Contract, local heavy equipment businesses will also benefit from the purchase of additional heavy machinery and the associated ongoing maintenance contracts.

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 this contract (ie unpacking of procurements into smaller components so that local SMEs can compete more effectively etc).

**Tenderer response:**

As part of the tender process Venarchie obtains quotes from all accredited Tasmanian based suppliers. A framework is then developed to ascertain the lowest price for each site, identifying multiple sub-contractors. It is commonplace for sub-contractors to offer best value for money due to their proximity to project sites. As an example Venarchie has engaged five locally based sub-contractors to supply aggregate for a single contract.

As a contingency for this Contract Venarchie has identified alternative asphalt plants, Hardings Hotmix (Ulverstone) and Roadways (Burnie), which are located in the North West region. Venarchie will use them as sub-contractors where it is assessed they are required to successfully complete the contracted works.

There is also opportunity for multiple local hospitality businesses when Venarchie's employees require accommodation and meals in the areas that they work.

Beachway – Ulverstone  
Argosy - Devonport  
Top of the Town - Burnie

Tall Timbers - Smithton  
Bayside – St Helens  
Kendalls – Scottsdale

### **Broader economic opportunities**

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

*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.*

#### **Tenderer response:**

In addition to the direct benefits Venarchie has brought to the region, communities also continue to benefit indirectly. Award of this Contract will enable Venarchie to continue to demonstrate our genuine commitment to employment and growth in the community, and to the future of our industry.

### **Supporting trainees and apprentices**

Venarchie is an employer that is in Tasmania for the long-haul. Venarchie understands that we need to continue investing in the local employees to maximise outcomes for the business and the communities in which we operate. Venarchie's investment in training and development covers a wide range of skills and job types:

Graduate Engineers. Venarchie has a structured recruitment process for graduate engineers and currently employs three qualified engineers. For the past three years Venarchie has offered paid work experience placements for undergraduate engineers to support them in meeting their degree requirement.

Apprentices and Traineeships. Trainees typically start with our smaller crews to ensure they get more attention and are trained in low-risk situations. It is anticipated that some of the additional positions created will be traineeships.

Other training. Ongoing training is provided to Venarchie's employees dependent on the requirements of the job. Other opportunities are offered to develop people, for advancement within the company or for personal development. Venarchie's casual and contract employees are offered the same training as permanent employees.

### **Keeping jobs in the region**

Many of Tasmania's regional areas have experienced difficult economic conditions. Venarchie's commitment to regional Tasmania was evident when the St Helens community was significantly impacted by a downturn in the forestry industry. We acquired the concrete plant from BIS in August 2014 and thereby provided job security for the existing employees.

### **Contributing to community groups**

Venarchie is an active part of the communities in which we operate. We sponsor senior and junior football teams and provide financial and other support to community groups in the region including:

- Ridgley Senior and Junior Football clubs
- Tasmanian Christmas Carnivals
- Blazeaid Volunteers
- Supported local government through flood damage recovery in 2016

Venarchie looks forward to maintaining this local support.


### **Supporting Tasmanian industry**

Venarchie takes a keen interest in the development of our industry throughout Tasmania. Our Airports Project Manager, Ashley Cooper, represents Venarchie on the board of the Civil Contractors Federation (Tasmania). This organisation represents the interests of the industry in optimising local contribution to Tasmanian projects. The Civil Contractors Federation also undertakes projects to increase capacity and skills at all levels of the industry.

*Note: Where determined appropriate by the procuring entity, the supplier's obligations under this Plan are to be captured in the contract and monitored as part of the contract performance.*

### **Completed and endorsed (Tenderer)**

Andrew Virieux – State Manager  
(Name and position – print)



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(Signature)

15 June 2017  
(Date)