

## 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***

<b>Procurement Reference No.</b>	Contract No. 2932
<b>Procurement title</b>	Midland Highway Safety Upgrades – Mangalore to Bagdad Stage 2 (Mangalore)
<b>Name of Responsible Agency/Entity</b>	Department of State Growth

### ***Supplier details***

<b>Name of supplier</b>	VEC Civil Engineering Pty Ltd
<b>Contact details for supplier</b>	Lincoln Bromwich Email: <a href="mailto:lincoln.bromwich@vec.com.au">lincoln.bromwich@vec.com.au</a> Tel: (03) 6425 6530

### **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:**

VEC directly employs 142 people within Tasmania, with the head office located on the North West Coast in Ulverstone. We also have an office located in Hobart.

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

VEC was founded in 1994 in Tasmania and continues to maintain a local culture and support the local industry. Although VEC is now owned by Downer EDI Works Pty Ltd, VEC continues to employ many Tasmanians and operate as an independent Proprietary Limited Company with its own ABN and ACN registration. The business operates self-sufficiently under its own systems, management and branding. VEC also holds its own pre-qualifications and certifications.

With the award of this contract to VEC we estimate that the number of new, direct SME jobs created would amount to eleven FTE's, namely:

- Civil Supervisor x 1 (Refer to organisational chart and CV's attached in 'Team' section of the tender submission);
- Plant operators x 2 (flat drum roller operator for pavement construction and medium rigid truck operator for culvert and headwall construction);
- Skilled carpenters x 1 (formwork construction and reinforcement tying for box culvert construction work);
- Fulltime Traffic Controller x 1 (Responsible for managing traffic control on site including implementation of TMP's, completing daily traffic checklists and working with Nominated Traffic Officer);
- Graduate (Site) Engineer x 1 (Assist Project Engineer with site tasks including daily progress and productivity records, site surveillance and assistance with quality documentation); and
- Labour x 5 (multi-tyre roller operator, traffic controller, water cart operator, general labourer x 2)

Furthermore, we expect that the increased demand in precast concrete supply due to box culvert units and concrete barrier fabrication will generate additional employment for 4 carpenters/steel fixers in the VEC Ulverstone precast manufacturing facility.

#### **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:**

Identified goods or services	Total estimated value	Name of supplier anticipated to be used (if already determined through existing supply chain arrangements)	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)
Pavement material cartage and supply	\$2.7M	Hazell Bros, Boral, Local Owner/Operator cartage companies e.g. Hard Rock Cartage	50%	Yes
Bituminous surfacing	\$2.5M	Roadways, Downer	30%	Yes
Plant hire – watercart, trucks, excavators, bobcat	\$940K	Tinning earth moving, Batchelor Construction, Hirequip	40%	Yes
Earthworks	\$900K	Batchelor Construction	60%	Yes

Embankment Material	\$650K	Stornoway	50%	Yes
Temporary Concrete Safety Barrier	\$580k	Hudson Civil Products, VEC	20%	Yes
Drainage Construction	\$460k	Cemento Rapido, VEC	60%	Yes
Labour Hire	\$400k	MC Labour, Auslabour, Hays, Cemento Rapido	100%	Yes
Road Safety Barrier (TWRSF and W-Beam)	\$340K	Geotas, Protector Rail	25%	Yes
Rural property fencing	\$250k	Supreme Line Fencing, South East Fencing	60%	Yes
Drainage products, gabion baskets	\$200K	Hudson Civil Products, Geotas	20%	Yes
Pavement Marking	\$200k	Statewide Linemarking, Onlinez	60%	Yes
Plant Hire – second grader	\$200K	Walter Contracting, Batchelor Civil	35%	Yes
Traffic control	\$160k	Altus, Traffic Dynamix	80%	Yes
Services Works	\$130k	Water Industry Solutions	60%	Yes
Plant hire – float costs to move barriers, plant and equipment	\$120K	Batchelor Civil, Tas Heavy Haulage	40%	Yes
Survey	\$120k	National Survey Solutions, Walter Surveys, PDA Surveyors	70%	Yes
Quality control verifier	\$110k	Pitt and Sherry	90%	Yes
Plant hire – Compaction Rollers, Multi-tyre roller	\$100K	Walter Contracting, Batchelor Civil, Hirequip	70%	Yes
Crane hire	\$80k	Pfeiffer, Cranes Combined	60%	Yes
Fuel supply	\$75k	Bennetts, United, BP	30%	Yes
Geotechnical and pavement testing	\$75k	ADG Laboratories	65%	Yes
Sign supply/installation	\$60k	EyeSpy Signs,	50%	Yes
Landscaping	\$50k	Reveg Tas, Greening Australia, SP Landscaping	70%	Yes
Precast box culvert units	\$50k	Hudson Civil Products, VEC	20%	Yes
Variable message boards	\$50K	TFH	10%	Yes
Clearing and Grubbing	\$30K	Batchelor Construction, Kelly Gerke	60%	Yes
Site sheds	\$30K	TasBulk	30%	yes
Service locations	\$20k	Archer, AJ Leak Detection	70%	Yes
Concrete supply	\$12k	Boral, Hazell Brothers, Hanson	20%	Yes
Concrete pump hire	\$5k	Noble Concrete Pumping, David Gee Concrete Pumping	60%	Yes

VEC aims to source materials from Tasmanian manufacturers and suppliers where available; as a result it is planned that the majority of significant materials required for the works will be supplied directly from Tasmanian sources. These materials include all pavement materials, embankment fill material, sealing aggregate, temporary concrete safety barriers, precast concrete and concrete pipes, timber components for property fencing, plants & seed for landscaping and traffic management signage.

**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:**

VEC is committed to using Tasmanian SME suppliers when these services are required and available. In addition, VEC would prefer to use local suppliers due to their inherent local knowledge and proximity to the worksite compared to interstate suppliers and subcontractors.

More specifically for this project, the permanent staff and long term sub-contractors engaged by VEC for this contract reside locally across the state. This project would require construction staff to work away from home which will support local accommodation businesses close to the project location. Generally, our teams spend approximately 80% of the contract period away from home and rely on local accommodation, food and beverage providers (see table below).

In addition to the core goods and services to be utilised in the Contract as per the above table, we have identified the following areas that will create opportunities for other local SME's throughout the duration of the project:

Identified goods/service	Estimated Value	Service provider/Supplier
Accommodation	\$150,000.00	Brighton Hotel Motel, Riverfront Motel and Villas (Rosetta) and other businesses in the Mangalore area
Café and takeaway food supply	\$50,000.00	Various cafes and restaurants in the Mangalore area including Bennetts Petroleum (Mangalore), Rosie's Chicken (Bagdad), Brighton Bakehouse and Brighton Takeaway Shop
Mechanical supplies and repairs	\$50,000.00	Repcos Car Service (Brighton), Bagdad Automotive, Bennetts Petroleum (Mangalore)
Grocery supply	\$50,000.00	IGA Brighton
Site offices, ablution blocks etc.	\$30,000.00	Tasbulk Brighton
Workwear	\$25,000.00	Get Real Workwear Derwent Park, Totally Workwear Devonport.
Hardware supply	\$20,000.00	Brighton Hardware, Blackwoods Derwent Park, Nubco Derwent Park
First aid training and supplies, and other training	\$10,000.00	St Johns Ambulance Tasmania Moonah and Kings Meadows
Traffic signage	\$10,000.00	Eye Spy Signs Cambridge
Office supplies	\$7,500.00	Bridgewater Newsagency, Officeworks Hobart
IT support	\$7,500.00	Intuit Technologies Battery Point

**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:**

**Identifying subcontractors and supply chain management** The relationships that we have formed with local SME's over the 23 years of operation within Tasmania ensures that our partners have a full comprehension of our business and the high expectations for quality, safety and environmental aspects. VEC maintains records of our compliant suppliers and subcontractors which meet these expectations on a register within our company safety system (VECSafe). These records form the basis of our existing supply chain network.

If a new supplier or subcontractor is to be engaged, suitability is assessed by the HSEQ Manager using a Contractor Application and Requirements assessment process. At the completion of a project or the sub-contract, subcontractor performance can be evaluated using our Subcontractor Supplier Assessment Form. Subcontractor performance is also evaluated periodically during regular Management Operational Meetings. The subcontractor shall operate under their own quality, safety and environmental systems when such systems are approved by VEC or within VEC's accredited systems as required.

**Communication of opportunities** To ensure we communicate effectively and efficiently with all SME's, a procurement plan for the project will be developed. The procurement plan will form the basis for VEC to contact appropriately qualified SME's regarding their availability to undertake each task or work item within the plan. The plan will include the following:

- The availability of tasks/items that can be completed by local SMEs;
- Likely value of each task;
- Timeframe for commencement and completion of each task;
- Engagement type required; and
- Appropriately qualified SME/s from the VEC supply chain network for each task/item.

The plan will also identify items for which there is an SME supply gap. VEC will then review available local SME's and communicate upcoming opportunities to them to ensure available local SME's have the opportunity to work on this project.

**How subcontractors are engaged** VEC will engage subcontractors based on their ability to meet safety, environmental and quality requirements. Subcontractor suitability is assessed by the HSEQ Manager prior to being engaged by VEC using the Contractor Application and Requirements assessment process. VEC maintains records of acceptable suppliers / subcontractors via a register on VECSafe.

Subcontractors and suppliers are formally engaged by one of two methods. For larger or more complex subcontracts, subcontractors are contracted using a standard form contract. Smaller subcontracts and supply requirements (e.g. for one-off supply of materials) are 'contracted' via a detailed purchase order with standard conditions of engagement included within the purchase order.

At the completion of a project or the sub-contract, subcontractor performance is evaluated using our Subcontractor Supplier Assessment Form. Subcontractor performance is also evaluated periodically during regular Operational Management Meetings. The inability of a subcontractor to meet specification and/or quality requirements may result in suspension or retraction of approved status for that subcontractor.

**Liaison with Industry Groups** VEC is actively involved in relevant industry groups across the engineering spectrum, including having a representative on the Civil Contractors' Federation board. In addition, VEC regularly participate in Engineers Australia events, including a recent forum presenting approaches to project evaluation with young engineering graduates. VEC also has a number of engineers working through the PDP program to achieve chartered status through Engineers Australia.

**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:**

To ensure that local SMEs are not disadvantaged when competing with other suppliers in the provision of goods or services that are incorporated into the works, we will ensure that all aspects are reasonably sized and remain within the scope of all local SME's. An example of this is commencing dialog with VicRoads compliant concrete barrier companies to share manufacturing rights of barriers between local SME's to ensure an appropriate number of barriers can be manufactured within Tasmania to meet project timeframes.

We expect that the difference we can make to the industry is one not only of a short-term duration. Being a respected Tasmanian company, we form a proud history of integration with the communities in which we live and work. The relationships we form with local SMEs are one of a long-term nature, and we will continue to establish and develop these relationships on future projects.

### **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:***

Throughout this project, VEC will have a positive impact upon local communities though:

- Increased local employment via labour hire;
- Increased local skillset through accreditation and licencing (traffic management, machinery operational tickets, etc.);
- Utilisation of local civil business and equipment hire;
- Utilisation of local accommodation businesses;
- Utilisation of local food, beverage and supermarket businesses to support the workforce;
- Support of local community organisations through sponsorships and community grants; and
- Provision of fuel through local providers where possible.

**Graduate Engineer** Due to the size of this project and the duration of the program of works, we expect to employ a Graduate Engineer, whom will gain the benefit of mentoring on this project from the Project Manager and other key staff. The project will enable the graduate to obtain valuable project experience which will assist them on their path to achieving their Chartered status, which will ultimately result in a positive long-term outcome in building local knowledge and expertise in Tasmania.

**Upskilling and Cross-skilling Engineers** It is our intent to ensure our Graduate Engineer is closely involved in each step of the project, fast-tracking their experience in this multi-discipline Contract. The project involves a wide range of work disciplines including service relocations with service authority involvement, stakeholder management, civil and structural construction including traffic management, client liaison and safety, environmental and quality management. The Graduate Engineer will be involved across these different disciplines which will assist developing a wide skillset.

**Increased skills** The project will create additional demand for precast concrete products in the local economy (temporary concrete safety barrier manufacture and box culverts). The additional demand is likely to require expansion and development of existing precast facilities creating new skills and employment.

**New skills being developed locally** We have identified that approximately five labour hire employees will be required to deliver the works. We would expect that these labour hire employees would be upskilled in the following areas:

- Traffic management;
- Plant competencies;
- First aid;
- Risk management;
- Roads and structure construction knowledge; and
- Industry Green Cards.

During the project, VEC will encourage Science Technology Engineering Mathematics (STEM) school visits to site to inspire students to become actively involved in the construction industry and increase their level of understanding for construction works.

**Cross transfer skills to a local SME partner/sub-contractor** Due to the long-term nature of our relationships with local SME partners and sub-contractors, a high priority is to ensure new skills are gained by local SMEs. We are dedicated to taking the time and providing the opportunities to up-skill those local SMEs with whom we or others in the industry may work again with in the future. These skills will also enable the local SMEs to grow and develop within their community based on the skills learnt through working with VEC on contracts such as the Mangalore to Bagdad Stage 2 Safety Upgrade.

**Local community sponsorship** VEC believes that a company's Corporate Social Responsibility (CSR) 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.

Our commitment to sponsor local activities to support the community is reflected during our recent sponsorship of the Bagdad Golf Club charity day; this event raised money for the 'Give Me 5 For Kids' charity. Our sponsorship was undertaken during our construction of Contract No. 2303 Mangalore to Bagdad Stage 1 Safety Improvements.

**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)**

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



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(Signature)

20 October 2017  
(Date)