

Tasmanian Industry Participation

3012002400 Murchison Dam Spillway Upgrade

Procurement details

Procurement Reference No.	3012002400
Procurement Title	Murchison Dam Spillway Upgrade
Name of Responsible Agency/Entity	Hydro Tasmania

Supplier details

Name of supplier	VEC Civil Engineering Pty Ltd
Contact details for supplier	10b Industrial Drive Ulverstone TAS 7315

Executive Summary

The Tasmanian Government is committed to maximising opportunities for local small and medium size (SME) businesses. VEC has developed a Tasmanian Participation Plan (TIPP) outlining how we operate to ensure alignment with the Government’s objective during the delivery of the Murchison Dam Spillway Project.

VEC was founded in 1994 in Ulverstone on Tasmania’s Northwest Coast. Today, almost three decades in, VEC’s headquarters remain in Ulverstone, and we have grown to have a second satellite office in Hobart, Tasmania, and complementary project and site offices around the state as required to support project delivery. VEC will establish a project Site office at Murchison Dam for the duration of the project.

VEC employs less than 200 Tasmanians across the state.

Given the high youth unemployment rate in Tasmania, we have taken a special interest and have established a number of initiatives to connect young Tasmanians with work. These include Apprenticeships, Traineeships and Cadetships programs that aim to provide an opportunity for on-the-job training and give young people a ‘foot in the door’ to a supportive and stable job.

We have partnered with JCP Youth, supporting their BEAST program for at-risk young Tasmanians. As well, we have worked with Beacon Foundation, the Burnie Industry Training Hub, individual schools in northwest Tasmania, and the Glenorchy Jobs Hub to collaboratively deliver an “introduction to construction” program. These activities provide valuable exposure to the construction sector for young people and potential employment opportunities. Our aim in investing in these activities is also to help develop a pool of skilled Tasmanians to deliver future projects.

For the Murchison Dam Spillway Project, we plan to provide employment opportunities for people living in local communities, for example through local labour hire and cleaning services from Tullah. As well, practically all project inputs (materials, plant & equipment, professional services and general service providers) will be sourced from the Tasmanian based suppliers, with vast majority from the Northern and Northwest regions. This means that local people and local businesses in the Northwest, and in particular the town of Tullah, will benefit from either direct employment or associated activities such as accommodation, food and other amenities required during the project.

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The Tasmanian Government is committed to maximising opportunities for local suppliers to compete for and win Government procurements. Suppliers/proponents are requested to prepare a Tasmanian Industry Participation Plan (TIPP):

- 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 (and including) \$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.

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Guidance information (can be deleted):

- Information provided in the Economic and Social Benefits Statement can be used as a basis for a TIPP.
- Where determined appropriate by the procuring entity, the supplier's obligations under a TIPP are to be captured in the contract and monitored as part of the contract performance.
- This template was specifically developed for procurement. Where a TIPP is required for a private sector project, the template should be adapted to suit the specific circumstances of the project.

Are you a Tasmanian SME*? Do you employ Tasmanians?

Guidance information (can be deleted): Below are some examples you may consider including in response to this question:

- Are you a Tasmanian SME?
- How many Tasmanian jobs will be supported by this procurement activity?
- How many people do you employ in Tasmania?
- Provide an estimate of the number of labour hours worked by Tasmanian-based employees versus other employees.
- Would any new Tasmanian jobs be created by the proposed contract - how many?
- If you are not a Tasmanian SME, will you be setting up a local Tasmanian office and employing local staff?

VEC Civil Engineering was established in Ulverstone on Tasmania's North-West coast in 1994, originally as a bridge construction company and we have since expanded into other complex concrete structures. We have a long and proud local history in the region with our reputation built on delivering excellence across the state and further afield.

Our business is headquartered in Ulverstone, with a second office at Austins Ferry in the state's south. Our permanent presence is complemented by temporary project and site offices around the state as required to support project delivery.

VEC owns and operates a pre-cast concrete manufacturing facility and steel fabrication shop adjacent to our head office in Ulverstone. These facilities provide products that are directly incorporated into our construction projects throughout Tasmania.

VEC became a wholly owned subsidiary of Downer EDI in October 2014. VEC is a registered Propriety Limited Company (Pty Ltd) with a separate ABN to Downer. VEC maintains its own pre-qualifications and certifications.

VEC employs less than 200 people, aligning with the definition of a SME in accordance with the Tasmanian Department of Treasury and Finance *Buy Local Policy (Version 5, July 2019)*.

We provide opportunities for career progression in Tasmania and nationally through our own projects and through our parent company, Downer. VEC's Tasmanian based employees work across the following divisions, including:

- Civil roads infrastructure
- Bridges and structures
- Steel and precast manufacturing

At present, many employees are multi-skilled and work across these divisions when required. These divisions are supported by employees within plant & equipment, manufacturing, and corporate services, all of which operate from Tasmania.

Award of this contract will allow VEC to continue to develop and increase our workforce through recruiting and training, as well as further developing our high level of service to Hydro Tasmania, with a focus on zero harm and quality results.

VEC will recruit a new Project Engineer for the works, who will be dedicated fulltime to the project and will be based onsite. While we don't anticipate further new site-based roles being created from these works, it will allow us to maintain current resource level which has been built up and trained over the last few years. We will, as required, utilise local labour hire from Tullah.

Where are the goods or services to be used in the contract sourced from?

Guidance information (can be deleted): Below are some examples you may consider including in response to this question:

- Does your business provide all the goods and services identified in your submission?
- If not, will the goods or services identified in your submission be provided by or sourced from Tasmanian SMEs? If possible, provide a list.
- Provide an estimate of the value of locally sourced goods and services versus imported.
- Outline how your submission will incorporate local products, services and capabilities.

VEC undertakes an analysis of the scope of work for any given project, to determine the benefits of self-delivery versus the benefits of subcontracting the same works. This analysis ensures both VEC and our client receive the best possible value for money option, while considering opportunities through existing projects and future planning of pipeline projects to upskill VEC’s workforce in consideration of sustainable market growth.

VEC will self-perform the following works:

- Site establishment
- Fabrication of temporary works, including staircase, formwork shutters
- Form, reinforcement and pour of the monoliths, including offsite tying off steel

The table below identifies the goods and services to be procured during the delivery of the Murchison Dam Spillway project.

Table 1: Local SME Contribution

Identified goods and / or services	Total estimated value* to nearest \$5k	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)
Materials				
Reinforcement supply and site	\$240k	ARC	Launceston	Not applicable
Ground anchors	\$53k	Buildtech	Devonport	Not applicable
Concrete supply to site	\$1M	Hazell Bros	On site batch plant	Not applicable
Steel Supply	\$350k	Onesteel / Bluescope	Launceston	Not applicable
Steel fabrication	\$300k	Self-Perform	Ulverstone	Not applicable
Decking / grating	\$75k	Industrial Galvanisers	Launceston	Not applicable
Quarry materials to site including placement and removal	\$460k	Gradco	Ridgley	Not applicable
Rope Access	\$100k	Ropeworx	Midway point	Not applicable
Construction Consumables	\$150k	Buildtech / Rapid supply	Devonport	Not applicable

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(Water Stop, Grout, Coatings, Fasteners, Epoxy)				
Formwork	\$200k	UBC Trade	Ulverstone	Not applicable
Anchor Drilling	\$135k	Spaulding	Stony Rise	Not applicable
Anchor Drilling	\$80k	Mancala	Launceston	Not applicable
Plant and equipment				
Crane hire	\$2.25M	Billing	Round Hill	Not applicable
Misc. Plant Hire	\$150k	Clennett Hire / Coates Hire	Statewide	Not applicable
Delivery	\$40k	Tasmanian Heavy Haulage	Spreyton	Not applicable
Professional Services				
Design	\$270k	Rare Innovation	Ulverstone / Launceston	Not applicable
Design Proof Check	\$25k	CSE	Leith	Not applicable
Geotechnical	\$50k	Scherzic	Goodwood	Not applicable
Survey	\$160k	PDA	Burnie	Not applicable
Material testing	\$95k	Qualtech	Burnie	Not applicable
General service providers				
Accommodation	\$650k	Various	Within Tullah and Northwest region	Not applicable
Waste management	\$10k	Veolia	Spreyton	Not applicable
Site amenities, incl cleaning	\$235k	Clennett Hire	Statewide	Not applicable
Office Consumables	\$10k	Various	Northwest region	Not applicable
Fuel	\$170k	Various	Within Tullah and Northwest region	Not applicable

Opportunity for Tasmanian SME* involvement

Guidance information (can be deleted): Below are some examples you may consider including in response to this question:

- *Will you source components of your offer from other Tasmanian SMEs or sub-contractors? If possible, provide details.*
- *How will you identify and engage with sub-contractors or other Tasmanian SMEs to deliver the contract? Will you use existing supply chains or advertise sub-contracting or supply opportunities? Will you liaise with local industry groups?*
- *How will you ensure that Tasmanian SMEs are not disadvantaged when competing with other suppliers to provide goods or services to be used as part of this contract?*
- *Are there opportunities to transfer skills to a Tasmanian SME or sub-contractor?*

VEC undertakes an analysis of the scope of work for any given project to determine the benefits of self-delivery versus the benefits of subcontracting the same works. This analysis ensures VEC and our client receive the best possible value for money option, while considering opportunities through existing projects and future planning of pipeline projects to upskill VEC's workforce in consideration of sustainable market growth.

VEC is committed to procuring goods and services from local sources where possible. In fact, this approach often ensures cost-effective project delivery.

We look for early opportunities for local industry participation in projects. To maximise opportunities for local SME involvement we will use the following strategies:

Proven Relationships: VEC maintains an extensive list of local suppliers and subcontractors across the state, which allows us to rapidly identify regional providers of goods and services to support project delivery. This has also allowed us to build and maintain trusted relationships with local SMEs, and we invest in upskilling suppliers to ensure our requirements for quality, safety and environmental aspects are met.

Advertising Tender Opportunities: On occasion, although not for this particular project, we advertise tender opportunities, using media appropriate to the nature and scale of a project. This includes newspapers, websites and tender portals to reach the broadest possible audience of SMEs.

Industry Groups: We use our association with industry groups, to promote current and upcoming projects as well as identifying new SME suppliers and subcontractors. Through our ongoing connection with industry bodies, we continue to champion SME industry engagement.

VEC and our employees are active members of industry bodies and local groups that support local SME development including:

- Masters Builders Association of Tasmania
- Civil Contractors Federation
- National Association of Women in Construction
- Institute of Public Works Engineering Australasia
- Engineers Australia

VEC has a record of creating opportunities for SME involvement in the projects that we deliver. In addition to securing them as subcontractors and suppliers, we invest in them by providing training opportunities and access to mature systems and processes that they can adapt to grow their own business. This means they are well positioned to continue as valued supply chain partners, not just for VEC but for the wider industry.

For this project:

- Table 1 above demonstrates our commitment to procure goods and services through local SMEs
- 100% of the goods and services for this contract will be performed by / supplied by Tasmanians
- VEC will self-perform all steel fabrication of the drilling platforms and stairway in our Ulverstone manufacturing facility
- VEC will self-perform all insitu work – stairway installation and FRP concrete, with all onsite construction site-based workers being drawn from our existing Ulverstone workforce, utilising living away from home provisions to manage travel fatigue
- VEC will contribute to the local economy through accommodation, meals, fuel, incidental supplies and the like.

Broader social and economic opportunities

Guidance information (can be deleted): Below are some examples you may consider including in response to this question:

- *Are there any other benefits that your organisation or this specific contract will provide to the Tasmanian economy?*
- *Will this contract lead to new skills or expertise being developed within Tasmania?*
- *Will trainees or apprentices be appointed? If yes, how many and in which profession?*
- *Does your organisation provide opportunities for pathways to employment for disadvantaged Tasmanians?*
- *Do you support the Tasmanian community, for example through formal support, sponsorship, volunteering, or in-kind support?*

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

- Increased local employment via labour hire and/or direct hire
- Increased local skillset through training
- Utilisation of local civil businesses and equipment hire
- Utilisation of local accommodation, food, beverages and supermarket businesses to support the local workforce
- Provision of fuel through local providers where possible

Any VEC employee living away on the Murchison project site will be accommodated locally in Tullah and purchase meals locally. Most sundry items and consumables will be purchased locally from trade supply or similar type stores. These regional areas will benefit from local employment, use of accommodation, and spending in the local hospitality industry.

We hold long-term relationships with local SME partners and subcontractors, and we are dedicated to taking the time and providing the opportunities to up-skill those local SMEs with whom we work. Growing the skill and capacity of local SMEs may enable them to offer new employment opportunities to other local people.

Our parent company Downer is committed to creating pathways to work for Tasmanians, including non-traditional pathways. In a state that has traditionally had high youth unemployment, high underemployment and low participation, Downer together with VEC continue to look for ways to give young Tasmanians a foot in the door to training and a career.

- We actively seek to employ apprentices. We currently employ 11 apprentices across 2 trades, carpentry and fabrication (welding), and aim to recruit and support 5 new apprentices each year.
- We offer a traineeship program for people seeking entry level roles and currently have one formal traineeships in place through TasTAFE (Certificate III in Civil Construction Plant Operations).
- We offer a cadetship every year for first-year engineering students, to provide them with real world work experience while they study, as part of a national program. VEC currently has 2 cadets, with one allocated to work on the Murchison Dam spillway project.
- We have established a school-based cadetship in Tasmania that provides on-the-job training for young people but requires that they stay connected to their formal education. It's a pathway to an apprenticeship, based on the young person completing Year 10 with sound academic outcomes. While still completing their formal education, this gives young people a structured workplace learning opportunity that positions them well to permanently enter the workforce. So far, we have supported two young people through this program.

We make a significant investment in the growth and development of our people, to help ensure career development for individuals, business success and a sustainable Tasmanian construction workforce.

Award of this contract will allow VEC to continue to develop and increase our workforce through recruiting and training, further developing our high level of service to Hydro Tasmania, with a focus on zero harm and quality results. VEC will recruit a new Project Engineer for the works. While we don't anticipate new site-based roles will be created from these works, it will allow us to maintain current resource level which has been built up and trained over the last few years.

Training at a glance



Commitment to new trainees and apprentices

VEC and our parent company Downer are foundation industry partners of the Glenorchy Jobs Hub. The role of the Hub is to connect local job seekers with local employers. Our Austins Ferry office sits within the Glenorchy municipality and we are keen to help job seekers 'in our own backyard'. VEC, and our parent company Downer, have made a series of pledges to the Glenorchy Jobs Hub to help ensure the service thrives and to provide real opportunities for job seekers. The Hub officially opened in September 2021 and we have already hosted our first referral in a placement that is providing a young woman with workplace experience to complement her qualifications. A member of our Tasmanian management team has been appointed to the Hub's Steering Committee. We are investigating additional partnership opportunities with emerging Jobs Hubs in other parts of Tasmania.



Photo 1: Downer General Manager – Tasmania, Marcus Stephens, signing the Jobs Hub pledge with the mayor of Glenorchy Bec Thomas, Liberal member for Clark Elise Archer and the Deputy CEO of STEPS, Bryan McCormick.

Professional development and industry bodies

We know our people are our greatest asset, and that’s why we invest in their development. VEC and our parent company Downer were awarded the 2022 and 2021 Commitment to Training and Skills Development Award as part of the Civil Contractors Federation’s annual awards program. Whether it’s working at heights or supporting colleagues who are struggling, we provide the training our people need to stay safe, well and successful.

VEC is a proud Professional Development Program Partner with Engineers Australia, and we support many of our Project Engineers and Project Managers through this program. Our management team are highly committed to upskilling young talent and are passionate about developing the next generation of Tasmanian industry experts.

VEC supports Project Engineers and Project Managers in their professional development by allowing time and resources for them to engage with industry networks.

Through a business partnership with Opportune Professional Development, we support many of our Supervisors, Project Engineers and Project Managers to gain Certificate IV in Project Management Practice and Diploma in Project Management.

Commitment to health and wellbeing

VEC is committed to the health and wellbeing of our people. We provide an Employee Assistance Program not only for staff but extended to include contractors and families.

In association with Mental Health First Aid Australia, we provide training for Mental Health awareness and Mental Health First Aid. This training gives our people the knowledge and tools to offer initial support to others who may be developing a mental health problem, experiencing worsening of an existing mental health condition, or in a mental health crisis.



Giving back to the communities in which we work and live

Nationally, Downer supports many community and not-for-profit organisations. In Tasmania, Downer and VEC support organisations that contribute to community wellbeing, and that provide support and pathways to training and work for young Tasmanians.

We believe a company's Corporate Social Responsibility extends beyond financial sponsorship. Our approach is based on building partnerships with community organisations to improve the lives and livelihoods of people in the communities where we deliver projects.

We have partnered with JCP Youth to grow a youth leadership program (BEAST) for at-risk young Tasmanians. This includes outreach and support to young people on Tasmania's Northwest Coast.

We were a major sponsor of Cancer Council Tasmania's Relay for Life in 2022, and we have again signed up as a major sponsor for the 2023 event. This includes entering a corporate team in the Penguin Relay for Life event, as well as a team in the Hobart Relay for Life event.

We are supporting programs in the Northwest that provide pathways to training and work for young people. We partnered with Beacon Foundation to deliver an 'introduction to construction' program for students from Ulverstone Secondary College, and we worked with the Burnie Industry Training Hub to deliver a similar program for students from Smithton High School. We have also hosted site visits for students in partnership with Beacon Foundation.

Also, in Northwest Tasmania, staff hold regular 'donation runs' to collect contributions for local charities of their choice. In recent years this has included a local women's shelter.


Local innovative solutions

Guidance information (can be deleted): Below are some examples you may consider including in response to this question:

- *Does your submission involve adding value to imported goods or services through local development or innovation?*
- *Is your organisation developing strategies to provide goods or services to the Tasmanian economy that have historically been imported from interstate or overseas?*
- *Does your organisation offer any innovative solutions that might benefit the broader Tasmanian community and economy? Provide details.*

For the Murchison Dam Spillway project, VEC focus on zero harm led to the innovative access solution, being a dedicated walkway and work platforms for safe access to the work front positioned outside on the far side of the spillway, away from rock fall zones.

Portions of this walkway will be repurposed and fabricated into a public viewing platform in line with Hydro Tasmania's circular economy initiative.

Name and position	Johanna Gregg Pre Contract Manager
Signature	
Date	6 March 2023