

Engineering Policy 163

Infrastructure Procurement Amendments

March 2018

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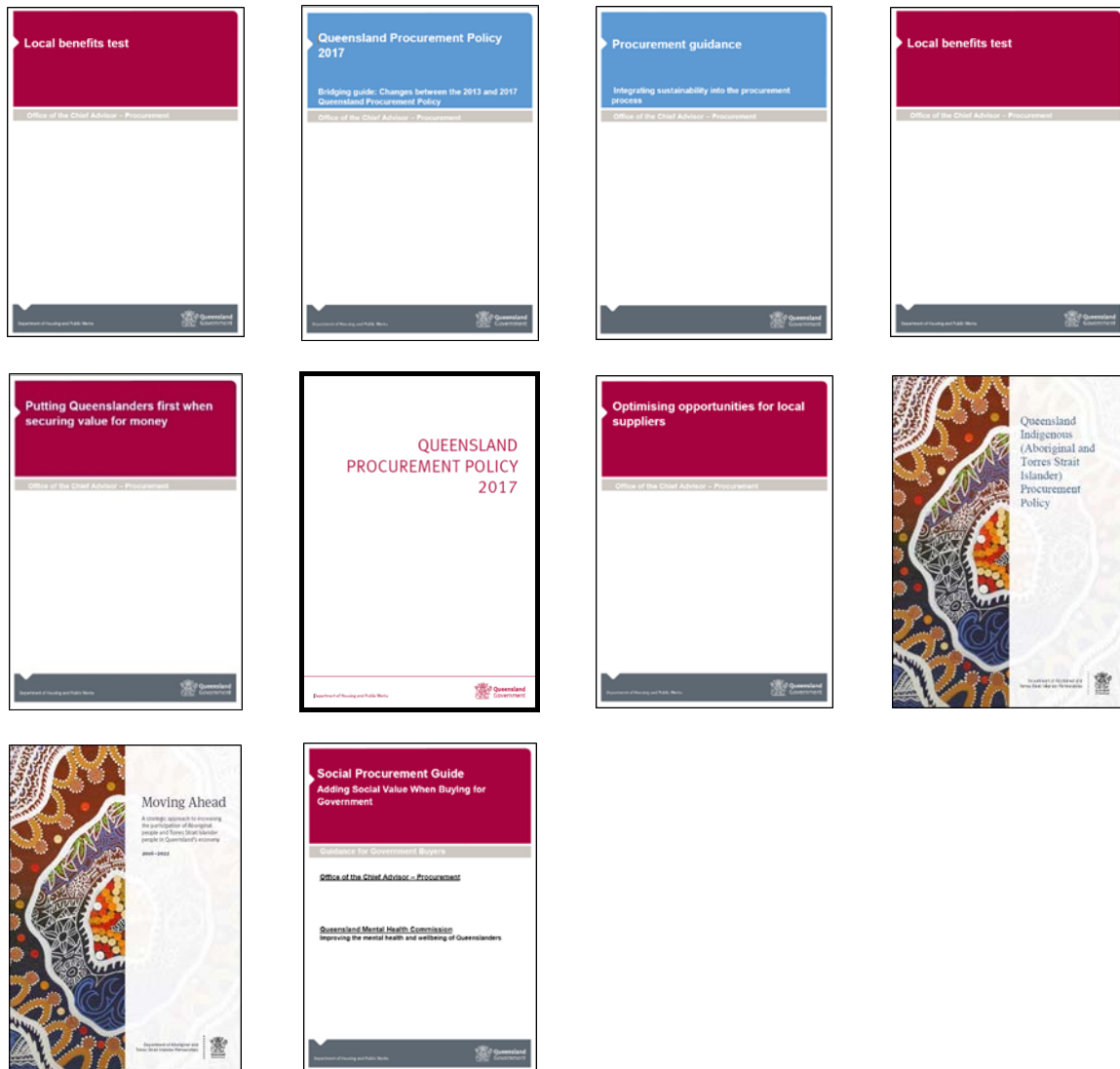
1 Policy statement

Department of Transport and Main Roads undertakes the procurement of transport infrastructure projects utilising a number of procurement methods and contracts (see also EP150 *Procurement of infrastructure project thresholds*). The purpose of this Engineering Policy is to describe the application of the *Queensland Procurement Policy 2017* (QPP) to transport infrastructure procurement. The QPP came into effect on 1 September 2017 and will be fully implemented by 1 March 2018.

2 Guidance Material

New guidance material has been released by a number of Queensland Government agencies to support the *Queensland Procurement Policy* (Figure 2) from the Department of Aboriginal and Torres Strait Islander Partnerships, Department of Education and Training, Department of Housing and Public Works, and Department of State Development.

Figure 2 – Guidance material (see also Section 14)



3 Objectives and benefits

The goal of this document is to provide an overview of the application of the *Queensland Procurement Policy* to the procurement of transport infrastructure projects. Further guidance will be provided in future documentation. In the interim, contact Director (Infrastructure Procurement) for assistance at infrastructureproc@tmr.qld.gov.au

4 Consultation

The Department of Transport and Main Roads has consulted with Queensland Major Contractors Federation, Civil Contractors Federation and Consult Australia in the development of this Engineering Policy.

5 Evaluation

The Executive Director (Program Management and Delivery) will review this Engineering Policy annually. Feedback on this Policy is welcome at any time, by emailing mr.techdocs@tmr.qld.gov.au.

6 Abbreviations

Table 6 – Abbreviations

Abbreviation	Title
D&C	Design and Construct
DATSIP	Department of Aboriginal and Torres Strait Islander Partnerships
DSD	Department of State Development
HPW	Department of Housing and Public Works
MIC	Minor Infrastructure Contract
QCLC	<i>Queensland Charter for Local Content</i>
TIC	Transport Infrastructure Contract

7 Application

This Engineering Policy applies to infrastructure procurement processes for Transport Infrastructure Contract (TIC), Minor Infrastructure Contracts (MIC), Small Scale Minor Works, and Collaborative Project Agreement (CPA) that is, construct only projects and design and construct (D&C) style projects, respectively.

8 Queensland Procurement Policy 2017

Compared to the previous *Queensland Procurement Policy* (2013), the *Queensland Procurement Policy 2017* is still based on principles. It carries forward the same six principles but in a different order, and with some modifications to the descriptions and intent of the principles. It can be said that generally these changes are incremental rather than transformational.

The *Queensland Procurement Policy* principles are:

- **Principle 1:** Putting Queenslanders first when securing value for money - recognising that value for money is more than price paid.
- **Principle 2:** Advancement of economic, environmental and social objective.

- **Principle 3:** Integrity, probity and accountability.
- **Principle 4:** Leaders in procurement practice.
- **Principle 5:** Working together to achieve outcomes.
- **Principle 6:** Governance and Planning.

As there is overlap between the principles in the 2013 and 2017 *Queensland Procurement Policy*, this document will describe some of the planned amendments to existing infrastructure procurement processes and documents in order to meet the intent of the new policy.

8.1 Value for Money (Amended)

Value for money was included in the *Queensland Procurement Policy* (2013) and is expanded in the *Queensland Procurement Policy* (2017) in Principle 1. Value for money is more than just the lowest price. At its simplest, value for money involves an assessment of the total benefits and costs provided by procurement. The *Queensland Procurement Policy* includes the application of a local benefits test (refer to Section 13) for all significant procurement where a weighting of up to 30% may be applied.

Value for money includes economic, environmental and social outcomes and price. A local benefits test (Section 13), described in the 2017 *Queensland Procurement Policy* Principle 1.1, may be applied to significant procurements (Section 13), that is, projects with a value greater than \$20M¹ (excluding GST).

9 Queensland Indigenous Procurement Policy (QIPP)

The objective of the QIPP is to increase the value of the Queensland Government procurement spend awarded to Indigenous businesses to be 3% of addressable spend by 2022. Under the QIPP an Indigenous business is at least 50% owned by Aboriginal peoples and Torres Strait Islander peoples. The QIPP came into effect on 1 September 2017. The department's approach to meeting the objectives of the QIPP will be described in a future Engineering Policy.

10 Transport Infrastructure Project Delivery System

The *Transport Infrastructure Project Delivery System* (TIPDS) is the key reference for infrastructure procurement and within the three volumes, describes infrastructure procurement procedures, tendering, contract award, and contractor prequalification. These reference documents will be updated in 2018 once feedback is received on the trial of new procedures. Construction contracts will be amended (Section 18) to incorporate the relevant principles of the *Queensland Procurement Policy* and *Queensland Indigenous Procurement Policy*.

10.1 Summary of Changes to Transport Infrastructure Contracts

- Table 10.1(a) shows a list of *Queensland Procurement Policy* principles mapped against tender and construction topics.
- Table 10.1(b) shows a list of changes in reporting and other project deliverables.

¹ \$20M (excluding GST) threshold has been adopted by the department for significant procurements.

- Table 10.1(c) shows impacts of local supplier, Local Benefits Test and Project Outcome Reports on infrastructure contracts.

Table 10.1(a) – General impacts on infrastructure procurement

QPP Principle	Topic	Impact on Tender Phase?	Impact on Construction Phase?
1	<ul style="list-style-type: none"> (i) Where non-price criteria are used in either one stage or two stage TIC-CO or Early Contractor Involvement (ECI), an evaluation criterion on “local benefit” must be used with a non-price weighting of up to 30%. (ii) The Local Benefit Test may also be applied to the engagement of Engineering Consultants (e.g. via the Engineering Consultancy Scheme (ECS)) where non-price criteria are used. Refer to the <i>Consultant for Engineering Projects</i> manual (CFEP), specifically in relation to evaluation criteria for Quality Based Selection (QBS) and Value Based Selection (VBS). (iii) Invite at least one regional and one Queensland supplier, where possible, to submit a tender or quote for procurement. (iv) Non-cost factors such as fit for purpose, quality, delivery, service and support to be considered when assessing value for money (v) The department’s infrastructure contracts under \$1M do not require prequalified contractors, unless high risk. (vi) Prequalification requirements, Transport and Main Roads approved product and services, capability, and capacity also need to be considered when preparing tender documents. (vii) Increase government procurement with Aboriginal and Torres Strait Islander businesses to 3% of addressable spend by 2022 (viii) Where projects are considered as significant infrastructure projects under the Queensland Procurement Policy there is a requirement to use local subcontractors and manufacturers where the local capability and capacity exists. Notwithstanding this requirement, departmental contracts and Specifications require construction contractors to be prequalified under the National Prequalification System (NPS), utilise the department’s approved products and registered suppliers, and utilise prequalified engineering consultants such as design consultants, where stated in the tender and contract documents. 	Yes	Yes

QPP Principle	Topic	Impact on Tender Phase?	Impact on Construction Phase?
2	<p>(i) Use best endeavours to do business with ethically, environmentally and socially responsible suppliers, and will seek to influence the supply chain in this regard. As part of this commitment, agencies will not procure dumped goods. Dumped goods, and goods that are suspected of being dumped and are under investigation by the Australian Government's Anti-Dumping Commission, can be identified by referring to the Australian Government Anti-Dumping Commission website. Refer to this website prior to the purchase of any goods.</p> <p>An example of dumped goods include A4 copy paper and steel reinforcing bar.</p> <p>(ii) Consideration of social benefits in tendering activity:</p> <ul style="list-style-type: none"> • the creation of training and employment opportunities through clauses and specifications in contracts, particularly for disadvantaged or marginalised jobseekers, such as people with disability • purchase fair trade products • clauses in tenders and contracts should be achievable for suppliers to fulfil their social benefit obligations, and • consider set asides for low risk / low value purchasing. <p>See also the HPW Social Procurement Guide.</p>		Yes
3	<p>(i) The application of probity utilises a risk-based approach. It applies to employees including temporary, permanent, full-time, part-time, casual, volunteers, students, contractors and consultants.</p> <p>(ii) Complete Conflict of Interest forms and Confidentiality Deeds where relevant. Refer also to the <i>Public Service Code of Conduct</i> and <i>Public Sector Ethics Act 1994</i>.</p> <p>(iii) Manage probity relative to the risk of the particular procurement activity. Use a probity checklist, probity plan and probity briefings.</p> <p>(iv) This does not mean a probity advisor or probity auditor is required for all procurements.</p>	Yes	Yes
4	<p>(i) Apply procedures in the Preconstruction Processes manual and <i>Transport Infrastructure Project Delivery System</i> manual.</p>	Yes	Yes

QPP Principle	Topic	Impact on Tender Phase?	Impact on Construction Phase?
5	<p>(i) Common-use supply arrangements are mandated for use to achieve savings and benefits wherever practical. Agencies can depart from common-use supply arrangements where a good or service is to be supplied to regional or remote Queensland locations. An example of a common-use supply arrangement is the Engineering Consultant Scheme (ECS).</p> <p>(ii) Transports and Main Roads approved products and registered suppliers are shown at www.tmr.qld.gov.au/business-industry/Business-with-us/Approved-products-and-suppliers</p>	Yes	Yes
6	(i) Apply procedures in the Preconstruction Processes manual and <i>Transport Infrastructure Project Delivery System</i> manual.	Yes	Yes

Table 10.1(b) – General Impacts on construction

Status	Description
New	Monthly reporting on transport infrastructure projects using the Project Outcome Report. Email reports to projectoutcomereports@tmr.qld.gov.au
Unchanged	The requirement to utilise prequalified construction contractors remains unchanged. Tender Schedule S4 <i>Queensland Charter for Local Content</i> Compliance Outline (Statement of Intent) applies where indicated in the tender. A revised Tender Schedule S4 template will include details of Queensland Indigenous businesses engaged.
New	In relation to the Queensland Government <i>Building and Construction Training Policy</i> . Significant projects with a Contract Sum of \$100M or greater (incl GST) will be required to expend 15% on apprenticeships – up from the current 10%.
Unchanged	Under the <i>Jobs Act 2013</i> , Australian Industry Participation (AIP) plans are required for major projects with capital expenditure of \$500M or more. However, where the <i>Queensland Charter for Local Content</i> Statement of Intent (previously the <i>Local Industry Participation</i> (LIP)) is already applied, an AIP is not required.
Unchanged	Where > \$20M funding is provided by the Commonwealth through the states and territories an AIP is required.
Unchanged	The <i>Queensland Procurement Policy</i> applies to declared emergencies, where practical, notwithstanding the application of the First Response Emergency Works Contract (FREW). FREW is no longer a Standing Offer Arrangement, Districts are responsible for identifying and engaging prequalified construction contractors (at a minimum of Roadworks level R1 and Financial level F10).
Unchanged	For emergent works, to comply with the requirements of TIPDS Volume 1 Appendix H – Sole invitation justification methodology, a FREWV2 Invitation Documentation Endorsement template (FREWV2 Contract, Appendix D) must be completed in order to obtain the necessary approval to proceed with the sole invitation.

Table 10.1(c) – General amendments to infrastructure contracts

Contract	Procurement Method	Regional and Qld Supplier to Quote	Local Benefits Test (Principle 1 QPP)	Project Outcome Report
Small Scale Minor Works	Price only lump sum	Regional and Qld quotes where possible	Not applicable	Not required
MIC (prequalified) \$1M to \$5M	Price only	National Prequalification System	Not applicable	Not required
MIC (non prequalified) < \$1M	Price only	National Prequalification System	Not applicable	Not required
TIC-CO < \$20M	Price only ¹	National Prequalification System	Not applicable	Expenditure in local zones
TIC-CO > \$20M	Single stage, two stage, GTA or ETI	National Prequalification System	Applicable where non price criterion is used	Expenditure in local zones
Design and Construct (e.g. CPA)	Early Contractor Involvement	National Prequalification System	<ul style="list-style-type: none"> Request for Proposal. Key Result Area to include a local benefit (to be developed for each project). 	Expenditure in local zones

Note: ¹ Refer also to TIPDS Volume 2, Appendix G

10.2 Queensland Charter for Local Content (QCLC)

The *Queensland Charter for Local Content* meets the intent of the *Queensland Procurement Policy*. It is administered by the Department of State Development and aims to provide all business with full, fair and reasonable opportunities to tender for Queensland Government procurements.

Table 10.2 summarises the types and values of infrastructure procurement where the charter applies. For more information visit the Department of State Development

www.statedevelopment.qld.gov.au/industry-development/charter-for-local-content.html

Completion of Schedule S4 *Queensland Charter for Local Content* Compliance Outline (Statement of Intent) (by Tenderer) and Project Completion Report (by Contractor) assist the department in understanding how the contractor is engaging with suppliers and subcontractors. The Project Outcome Report (spreadsheet) lists subcontractors and suppliers used, value, type of work and postcode (Figure 10.2).

While the TIC-CO General Conditions of Contract (C7830) (up to April 2016) Clause 14.8 required Project Outcome Report for a Contract Sum over \$100M (including GST) or for federally funded projects over \$20M (including GST), this was updated in October 2016 to Contract Sums over \$5.5M (including GST) for south-east Queensland and \$2.75M (including GST) for regional Queensland.

Figure 10.2 – Project Outcome Report

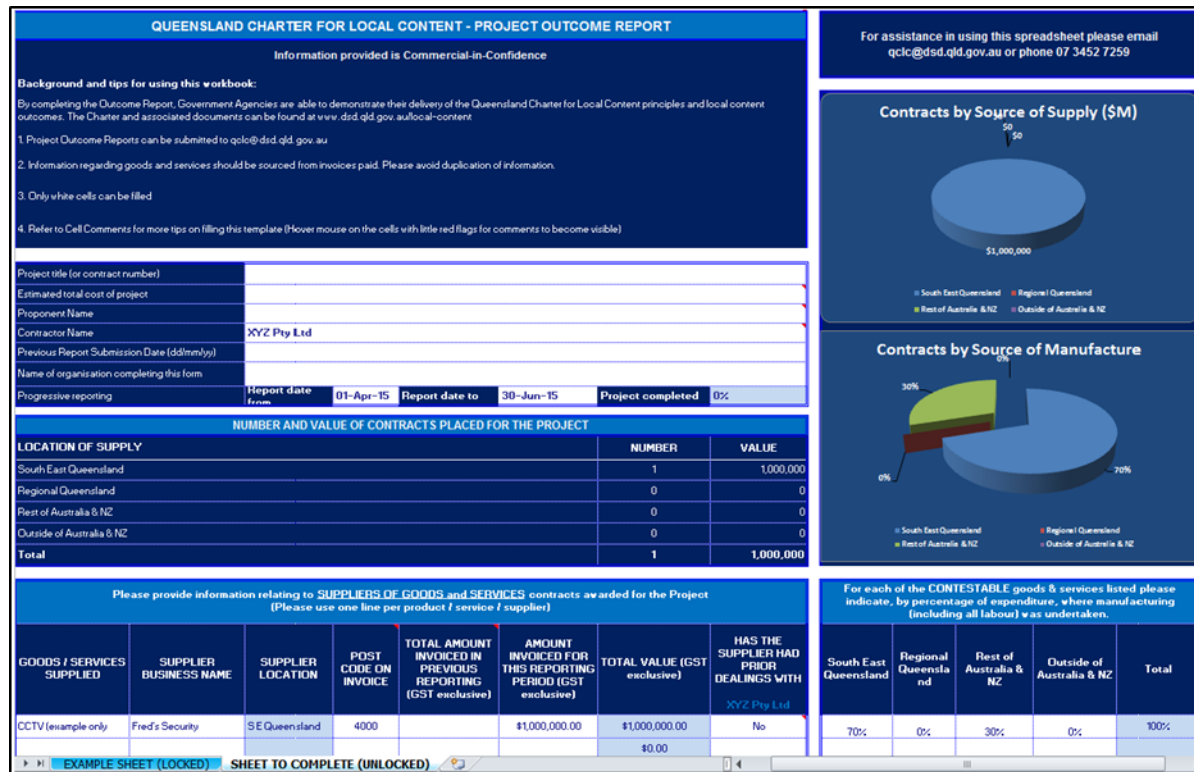


Table 10.2 – Application of Queensland Charter for Local Content

No.	Description
1	Total Queensland Government contribution ² of greater than \$5.5M (inclusive of GST) in South-East Queensland
2	Total Queensland Government contribution of greater than \$2.75M (inclusive of GST) in regional Queensland (excludes ICT)
3	Any Public Private Partnerships (PPP) for projects and capital asset acquisitions with a Queensland Government capital value contribution of \$5M (exclusive of GST) or greater
4	Standing offer arrangements (SOAs) where expenditure of each engagement is projected to exceed \$5M (exclusive of GST) over the life of the arrangement
5	Large infrastructure projects where funding of over \$20M is provided by the Commonwealth through the Queensland Government
6	Strategically significant projects regardless of value e.g. infrastructure projects such as a road

² This is the total Queensland Government contribution to a project and therefore differs from the Contract Sum.

11 Queensland Government Building and Construction Training Policy

The *Queensland Building and Construction Training Policy* meets the intent of *Queensland Procurement Policy*.

The *Queensland Building and Construction Training Policy* applies to civil construction projects with a contract sum of \$3M or greater (including GST). On civil construction projects with a contract sum of \$100M or greater (including GST) it is a core requirement that a minimum of 15% of the total labour hours on eligible projects is to be undertaken by apprentices and / or trainees and through other workforce training.

On the Training Policy Administration System (TPAS) website Contractors enter the deemed training hours required under the contract and every month reports the number of deemed hours achieved. Department of Education and Training, in conjunction with Construction Skills Queensland (administrators of the policy) and Transport and Main Roads review the report each month.

12 Summary of Proposed Amendments

The tender processes for Transport Infrastructure Contracts (TIC), Minor Infrastructure Contract (MIC), Small Scale Minor Works, and the Collaborative Project Agreement already meet a number of the requirements in the *Queensland Procurement Policy*. That is, cost-related factors and non-cost related factors are considered in the following:

- the selection of the project delivery model
- the detailed design phase, and
- the construction phase.

Table 12 lists the proposed amendments to infrastructure procurement tender and contract procedures.

Table 12 – Amendments

Queensland Procurement Policy Principles	Current State	Proposed amendments to tender and contract documents by March 2018
1. Putting Queenslanders first when securing value for money - recognising that value for money is more than price paid.	<ul style="list-style-type: none"> • <i>Queensland Charter for Local Content</i> and Schedule S4 <i>Queensland Charter for Local Content</i> Compliance Outline (Statement of Intent) (by Tenderer). • <i>Queensland Building and Construction Training Policy</i> which includes reporting of new entrant and upskilling training hours using the Training Policy Administration System (TPAS). • Local benefits evaluation criterion used in some tenders. • QTenders website for publishing open tender opportunities. 	<ul style="list-style-type: none"> • Include local benefits as an evaluation criterion where non-price evaluation is used. • Use of local contractors and manufacturers on significant projects (already covered by the <i>Queensland Charter for Local Content</i>). • <i>Queensland Indigenous Procurement Policy</i> (addressable spend). • Consider set asides and social benefit in construction.
2. Advancement of economic, environmental and social objective.	<ul style="list-style-type: none"> • Procurement decision-making and delegations 	<ul style="list-style-type: none"> • See above

Queensland Procurement Policy Principles	Current State	Proposed amendments to tender and contract documents by March 2018
3. Integrity, probity and accountability	<ul style="list-style-type: none"> • Probity utilises a risk-based approach • Evaluation Plans • Evaluation Reports • Probity Plans • Probity Advisors engaged on a risk assessment basis in TIC-CO and D&C tendering processes • Procurement delegations • Publish awarded contracts valued at \$10,000 and over 	<ul style="list-style-type: none"> • No change
4. Leaders in procurement practice	<ul style="list-style-type: none"> • Procurement procedures in the <i>Preconstruction Processes manual</i> and <i>Transport Infrastructure Project Delivery System manual</i>. • Utilise Standing Offer Arrangements. • Innovation in infrastructure procurement for example, Early Contractor Involvement, modular TIC contracts. • Deliver contract management and infrastructure procurement training. 	<ul style="list-style-type: none"> • Clause on the use of local contractors and manufacturers on significant projects (is already covered by the <i>Queensland Charter for Local Content</i>)
5. Working together to achieve outcomes	<ul style="list-style-type: none"> • Utilises a number of common-use supply arrangements for example, Engineering Consultant Scheme. • Liaises and shares knowledge with HPW, Queensland Treasury, Building Queensland, Sunwater, Local Governments, Queensland Rail, and Transurban. 	<ul style="list-style-type: none"> • Update user guides and deeds
6. Governance and planning	<ul style="list-style-type: none"> • Governance procedures in the <i>Preconstruction Processes manual</i> and <i>Transport Infrastructure Project Delivery System manual</i>. • Deliver contract management and infrastructure procurement training. • Prepare Procurement Plans. 	<ul style="list-style-type: none"> • No change

13 Consequences of Non Performance

13.1 TIC-CO projects

Compliance with the *Queensland Procurement Policy* will be reported in the monthly Contractor Performance Report. Failure to comply with the QIP may affect a Contractor's prequalification level.

13.2 Design and construct projects

Compliance with the Queensland Procurement Policy will be reported in the monthly Contractor Performance Report. Failure to comply with the Queensland Procurement Policy may affect a Contractor's prequalification level.

Key Result Areas (KRA) linked to a KRA (monetary) pool are typically designed to motivate the contractor to provide additional benefit to the project (which may include social benefit or local benefit). In the event that a KRA is not met, the amount paid to the contractor from the KRA pool is reduced.

14 Definitions

Table 14 – Definitions

Term	Definition
Indigenous business	This term has the meaning defined in the <i>Queensland Indigenous Procurement Policy (Aboriginal and Torres Strait Islander)</i> (section 6.1) as one that is at least 50% owned by an Aboriginal person/s and or a Torres Strait Islander person/s.
common-use supply arrangements	This term has the meaning defined in the 2017 <i>Queensland Procurement Policy</i> . Common-use supply arrangements mean an arrangement intended for whole-of-government use established between the principal and the successful offeror (including without limitation a standing offer arrangement, a register of prequalified suppliers, panel arrangement or preferred supplier arrangement).
Contestable goods and services	This term has the meaning defined in the <i>Queensland Charter for Local Content</i> (June 2016), as the goods and / or services included in, or may potentially be included in, contracts for a project that can be potentially supplied from any of the following locations: <ul style="list-style-type: none"> • geographically close to the project • Queensland • other locations within Australia or New Zealand • outside Australia and New Zealand (ANZ). It excludes goods and / or services which are, in normal circumstances, highly likely to be supplied from sources geographically close to the project, or goods and / or services that are, in normal circumstances, highly likely to be supplied from locations outside ANZ because they are not currently manufactured or provided by ANZ suppliers.
Contingent workforce	Contingent workers are people employed on a non-permanent basis to provide services to an organisation. They include independent professionals, temporary contract workers, temporary consultants, temporary staff and advisers.
Dumped goods	Are goods from overseas that are imported into Australia at less than their normal value and that may cause injury to an Australian industry producing similar goods, or hinder the establishment of an Australian industry.

Term	Definition
Full, fair and reasonable opportunity	<p>This term has the meaning defined in the <i>Queensland Charter for Local Content</i>. The provision of equitable opportunity for capable local industry to participate in the procurement activity by ensuring:</p> <ul style="list-style-type: none"> • Full: Local industry has the same opportunity as other potential suppliers to participate in all aspects of a project from design through to completion, in all supply and ongoing maintenance. • Fair: Local industry is provided the same opportunity as other potential suppliers to compete for investment projects and other market-based contracts on an equal and transparent basis. • Reasonable: Tenders are free from any unreasonable specifications or requirements that could rule out local industry and are structured in such a way as to provide local industry the opportunity to participate. <p>This definition is consistent with the Australian Industry Participation National Framework. (www.industry.gov.au/industry/IndustryInitiatives/AustralianIndustryParticipation)</p>
Local	See local Supplier
Local benefit	<p>A local benefit should be one that can be readily identified, evaluated, measured and reported on by the supplier. In assessing local benefit, agencies are not expected to undertake detailed financial modelling or economic analysis.</p> <p>A local benefit may include:</p> <ul style="list-style-type: none"> • Engagement of suppliers who employ a local workforce. • Training and upskilling of a local workforce and increasing opportunities for local apprentices. • Using local businesses such as subcontractors and manufacturers, along with other local suppliers within the supply chain who use a local workforce. • Engaging with particular types of suppliers such as small and medium sized enterprises (SMEs), Aboriginal businesses or Torres Strait Islander businesses, or social enterprises who use a local workforce. <p>Note:</p> <p>Local benefit is not “local supplier” benefit. That is, there is no less favourable treatment for non-local supplier bids that deliver a local benefit. The origin of a supplier is not relevant; what is important is the benefit that a supplier can bring locally. For example, a supplier who is located outside the local area could still provide a benefit by using a local workforce or by using local businesses in the supply chain.</p>
Local Benefits Test	<p>The Department of Housing and Public Works (HPW) publication “Local benefits test” (1 September 2017) describes the local benefits test as a weighted evaluation criterion used to determine the benefit a supplier will bring to the local area. It defines “local area” as being within a 125 km radius (Section 16) of where procured good and / or service is be supplied. If required, application of the test can be extended to the local region or Queensland.</p> <p>Appendix 1 of the HPW Local Benefits Test guide (Table 12) shows a guide for the application of local benefit weightings by category and location.</p>
Local content	<p>This term has the meaning defined in the <i>Queensland Charter for Local Content</i> (June 2016), as comprising components, materials and services that are procured from a local source for a given project.</p>

Term	Definition
Local industries	This term has the meaning defined in the <i>Queensland Charter for Local Content</i> (June 2016), as Australian or New Zealand small and medium-sized enterprises (SMEs).
local region	The term is not defined in the 2017 <i>Queensland Procurement Policy</i> or <i>Queensland Procurement Strategy 2017</i> .
local supplier	This term (which can also be interpreted as “local area”) is defined in the 2017 <i>Queensland Procurement Policy</i> as a supplier of goods or services that maintains a workforce whose usual place of residency (i.e. where they normally live, sleep and eat) is located within a 125 km radius (Section 16) of where the good or service is to be supplied. If a capable local supplier does not exist within the 125 km radius, the radius should be extended progressively to the local region, then Queensland, then Australia, until a suitable supplier is identified.
local zones	<p>The term is only mentioned in the <i>Queensland Procurement Strategy 2017</i> and not the 2017 <i>Queensland Procurement Policy</i>. Four local zones are described:</p> <ul style="list-style-type: none"> • Local zone 1 – within a 125 km radius of where the goods or services are to be supplied • Local zone 2 – suppliers within a region (The department has adopted its Regional boundaries to this zone) • Local zone 3 – suppliers within Queensland • Local zone 4 – suppliers within Australia
Regional Queensland	This term has the meaning defined in the <i>Queensland Charter for Local Content</i> (June 2016), and it encompasses those areas within the state of Queensland outside the Brisbane, Gold Coast and Sunshine Coast statistical divisions with the postcodes 4306 - 4499, 4522 - 4550 and 4576 - 4999.
set asides	<p>This term has the meaning defined in the HPW <i>Social Procurement Guide</i> as a practice whereby a specific procurement initiative or portion of a procurement spend is ‘quarantined’ and offered, in the first instance, to a particular grouping or type of business, such as social enterprises. In these situations, the buyer would only provide tender documentation to eligible businesses, or make it clear that tenders are only being accepted from a particular type of business.</p> <p>The use of set asides still needs to comply with legislation and policy, it must also be defensible and justified. Agencies are not required to use set asides where no suitable business can be identified in the market analysis stage. In addition, agencies are not required to award a procurement as a result of set aside process when no business is evaluated as representing either value for money, or as having the necessary capability or capacity to supply.</p> <p>Examples of situations which may suit a set aside process include where:</p> <ul style="list-style-type: none"> • analysis shows there is a competitive social benefit supplier market for a particular good / service • the procurement is low value and low risk, or • the good / service is to be delivered to, or target the specific needs of, a particular group, such as people with disability or Aboriginal people or Torres Strait Islander people. Refer also to QIPP.

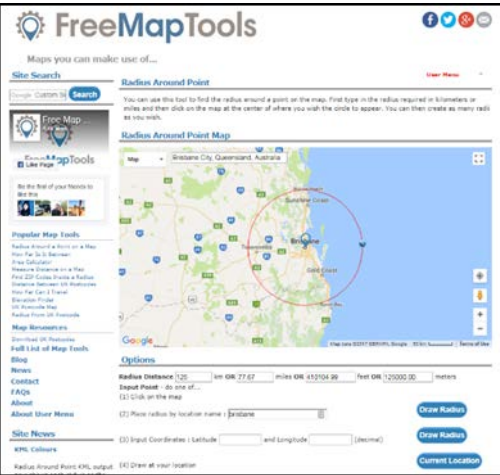
Term	Definition
Significant projects	This term is described under the “Government targets and commitments” (Principle 1, 2017 <i>Queensland Procurement Policy</i>) as infrastructure projects worth \$100M and above (Including GST). ³ For the purposes of implementing the <i>Queensland Procurement Policy</i> , the department has adopted a figure of \$20M and above (excluding GST) for the definition of significant projects.
Significant procurement	This term has the meaning defined in the 2017 <i>Queensland Procurement Policy</i> as including goods and services identified by the agency as being high expenditure and / or for which there is a high degree of business risk.
social benefit	This term has the meaning defined in the HPW <i>Social Procurement Guide</i> as the intended social impact. Where appropriate, social clauses should be treated as specified requirements of a tender and drafted in such a way as to allow them to be ‘weighted’ in the evaluation process. Alternately, social requirements can be included in tenders as an unweighted criterion. The department has previously applied social benefit in its \$1.9 billion Ipswich Motorway Upgrade (Dinmore to Goodna) project whereby pre-release prisoners undertook both classroom and on the job training, and completion of Certificates in Building and Construction as part of their reintegration process.
social benefit supplier	This term has the meaning described in the HPW <i>Social Procurement Guide</i> as organisations that have a social purpose or mission, they are often owned or managed by disadvantages groups e.g. Aboriginal and Torres Strait Islander businesses or social enterprises
Social enterprises	This term has the meaning described in the HPW <i>Social Procurement Guide</i> as organisations led by an economic, social, cultural, or environmental purpose consistent with a public or community benefit, social enterprises reinvest the majority of any profit or surplus into the fulfilment of their purpose.
South East Queensland	This term has the meaning defined in the <i>Queensland Charter for Local Content</i> (June 2016), as encompassing those areas in the Brisbane, Gold Coast and Sunshine Coast statistical divisions with the postcodes 4000 - 4305, 4500 - 4521 and 4551 - 4575.
Value for money	This term has the meaning described in the 2017 <i>Queensland Procurement Policy</i> Principle 1. The policy requires that the following factors be considered when assessing value for money: <ul style="list-style-type: none"> • Conducting a Local Benefits Test for all significant procurement where a weighting of up to 30% may be applied. • Advancing relevant government objectives and the outcome being sought. • Cost-related factors including up-front price, whole-of-life costs and transaction costs. • Associated with acquisition, use, holding, maintenance and disposal. • Non-cost factors such as fit for purpose, quality, delivery, service, and support. <p>Note: for short-life, low-cost and low-risk items, there is generally little benefit in undertaking a detailed formal assessment of whole-of-life costs.</p>

³ \$20M (excluding GST) threshold has been adopted by the department for significant procurements.

15 Drawing a 125 km radius

There are a number of mapping tools available to assist in identifying a 125 km radius from a point on a map. Three tools are shown in Table 15.

Table 15 – Drawing radius around a point

No	Web Sites
1	<p>http://obeattie.github.io/gmaps-radius/</p> <p>Tutorial at https://youtu.be/F85YgVXCK3Y</p> 
2	<p>Free Map Tools - https://www.freemaptools.com/radius-around-point.htm</p> 
3	<p>Map Developers - https://www.mapdevelopers.com/draw-circle-tool.php</p> 

16 References

2017 Queensland Procurement Policy (QPP)

www.forgov.qld.gov.au/procurement-policy

Queensland Government Procurement Strategy 2017

www.hpw.qld.gov.au/Procurement/ProcurementStrategy/Pages/default.aspx

Queensland Government Procurement Strategy 2017 – Resources

www.hpw.qld.gov.au/Procurement/ProcurementStrategy/Resources/Pages/default.aspx

DATSIP Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy (QIPP)

www.datsip.qld.gov.au/publications-governance-resources/policy-governance/queensland-indigenous-procurement-policy

DATSIP Moving Ahead Strategy

<https://www.datsip.qld.gov.au/publications-governance-resources/policy-governance/moving-ahead-strategy>

Ending Domestic and Family Violence

Local Benefits Test guide

Optimising Opportunities for Local Suppliers

Social Procurement Guide

Integrating Sustainability into Procurement

The list of documents above can be found at: www.forgov.qld.gov.au/procurement-guides

DSD Queensland Charter for Local Content

<http://statedevelopment.qld.gov.au/industry-development/charter-for-local-content.html>

Queensland Government Building and Construction Training Policy. The Department of Education and Training (DET) and Construction Skills Queensland (CSQ) - Training Policy Administration System (TPAS)

www.training.qld.gov.au/trainingpolicy

TPAS - Principal Contractor User Manual, Sept 2017

<http://csq.org.au/for-employers-stakeholders/queensland-government-building-and-construction-in>

TPAS - Government Agency User Manual, Sept 2017

<http://csq.org.au/for-employers-stakeholders/queensland-government-building-and-construction-in>

TMR Code of Conduct

www.tmr.qld.gov.au/About-us/Our-organisation/Code-of-Conduct.aspx

Australian Government's Anti-Dumping Commission

www.adcommission.gov.au

Appendix 1 – New Clauses

A1.1 TIC-CO Conditions of Tendering Annexure Clause 99.1 – Monthly Reporting

Clause 99.1 Queensland Charter for Local Content (QCLC) and the Queensland Procurement Policy 2017 (QPP)

Further to Clause 31.4 of these Conditions of Tendering, the Tenderer shall provide with its Tender, on or attached to Tender Schedule S4, an outline of its proposed method of compliance with the QCLC and QPP, particularly around local business participation. This requirement will apply regardless of the QCLC Contract Sum threshold summarised in Clause 14.8 of the General Conditions of Contract and the QCLC website.

The Tenderer shall nominate which supplier and subcontractor works (by supplier and dollar value) are to be delivered locally. Refer to Part 2 of Tender Schedule S4.

Please refer to additional Clause 99.1 of the Clause Bank for additional monthly reporting on progress with achieving local business participation.

A1.2 TIC-CO Clause Bank Clause 99.1 – Monthly Reporting

Clause 99.1 Compliance with the Queensland Charter for Local Content (QCLC) and the Queensland Procurement Policy 2017 (QPP)

Local Business Participation

The department expects the Contractor to support local businesses by sourcing equipment, materials and services from suppliers based locally to the Project. The Contractor shall give, and shall ensure that its subcontractors give, local subcontractors, vendors and suppliers a full, fair and reasonable opportunity to supply labour, services, materials, plant, machinery, equipment and other items for the Works. "Local supplier" is defined in the *Queensland Procurement Policy 2017 (QPP)*.

Further to Clause 14.8 of the General Conditions of contract, within 20 Business Days after the Date of Acceptance of Tender, the Contractor shall prepare and submit to the Administrator for a direction as to its suitability, in accordance with Clause 8.5 of the General Conditions of Contract, its Local Industry Participation Plan (supplemented by businesses identified in Tender Schedule S4) that identifies the local businesses to achieve QCLC and QPP requirements.

In addition to the reporting requirements stipulated in Clause 14.8, the Contractor shall compile and submit a report monthly, to the Principal, via the Administrator, using the Project Outcome Reporting template. This report shall contain data relevant to the work completed up to and including the month (cumulative) to which the Contractor's progress claim relates.

A1.3 Non-Price Evaluation Criteria Utilising the Local Benefits Test

Where a single stage TIC-CO procurement with an estimated contract value > \$20M (excluding GST) (Table 17.3(a))

- 80% price
- 20% non-price
 - 10% Local benefit (example weighting)
 - 10% Traffic management (example weighting and evaluation criteria)

Where a two stage TIC-CO procurement is undertaken (including shortlisting, Early Tenderer Involvement, or Guided Tender Alternative).

- Phase 1 – 100% non-price evaluation criteria is applied to shortlist prequalified tenderers, and
- Phase 2 – 100% price evaluation

The evaluation criteria and default weightings for Phase 1 of a two stage TIC-CO procurement is shown in Table A1.3(b). These weightings may be changed to reflect the risk profile and related construction methodologies for each project.

Table A1.3(a) – Evaluation criteria for TIC-CO single stage example

No.	Evaluation Criteria	Default Weightings	Comments
1	Price	80%	Price is converted to a rating using a formula. Typically a rating scale of 1 to 10 is used.
2	Non-Price - Local benefit	up to 20% ⁴	<p>The company is to demonstrate past experience referencing two projects in relation to:</p> <ul style="list-style-type: none"> • Local participation e.g. sub-contractors or workforce, local suppliers, and • Benefit brought to the local area or region (e.g. Local zone 1 or Local zone 2). <p>Demonstration may include:</p> <ul style="list-style-type: none"> • quantitative measures such as dollars spent, hours of training, numbers of resources trained, and / or • qualitative measures such as descriptions of: local engagement, creation of local opportunities, skills and knowledge transferred to local personnel, local stakeholder satisfaction outcomes, and utilisation of social benefit suppliers.
3	Non-Price - Project-specific	x%	Districts to develop project-specific questions.
Total Weighting		100%	

⁴ The upper limit weighting for local benefits and non-price criteria has been established for the department's construction projects. Other weightings in the table may be changed to suit individual projects.

Table A1.3(b) – Phase 1 evaluation criteria for TIC-CO two stage example

No.	Evaluation Criteria	Default Weightings	Comments	Printed Page limit
1	Company experience and capability	20%	The company is evaluated on their overall experience and capability in delivering similar past projects. Districts to develop project-specific questions	District to specify
2	Individual experience and capability	20%	The individual team members are evaluated on their overall experience and capability in delivering similar past projects. Districts to develop project-specific questions	District to specify
3	Local benefits	up to 20% ⁵	<p>The company is to demonstrate past experience referencing two projects in relation to:</p> <ul style="list-style-type: none"> • Local participation e.g. sub-contractors or workforce, local suppliers • Benefit brought to the local area or region (e.g. Local zone 1 or Local zone 2) <p>Demonstration may include:</p> <ul style="list-style-type: none"> • quantitative measures such as dollars spent, hours of training, numbers of resources trained, and / or • qualitative measures such as descriptions of: local engagement, creation of local opportunities, skills and knowledge transferred to local personnel, local stakeholder satisfaction outcomes, and utilisation of social benefit suppliers 	4
4	Project-specific	20%	Districts to develop project-specific questions	District to specify
Phase 1 Total Weighting		100%		

⁵ An upper limit of 20% local benefit in an evaluation criteria has been established for the department's construction projects. Other weightings in the Table 9 may be changed to suit individual projects.

A1.4 Consultants for Engineering Projects Manual

The *Consultant for Engineering Project Manual* (CFEP) describes the specific requirements for consultants engaged on transport infrastructure engineering projects. Two types of assessments are used, Qualification Based Selection (QBS) and Value Based Selection (VBS). Table A1.4(a) and Table A1.4(b) show the revised default assessment criteria, which now reflects inclusion of the local benefits criteria.

Table A1.4(a) – QBS default weightings (CFEP Table 23)

Price / Non-Price Criteria	Assessment Criteria	QBS Default Weightings (%)
Non-Price	Technical skills of key team members	40%
	Delivering the service	30%
	Relationship management	10%
	Local benefits	10%
	Quality of deliverables	10%
	Total Weighting	100%

Table A1.4(b) – VBS default weightings (CFEP Table 24)

Price / Non-Price Criteria	Assessment Criteria	VBS Default Weightings (%)
Non-Price	Technical skills of key team members	40%
	Delivering the service	13%
	Relationship management	9%
	Local benefits	9%
	Quality of deliverables	9%
Price	Tender price	20%
	Total Weighting	100%

Appendix 2 – Application of local benefits weightings

The Queensland Government coordinates procurement through forward planning and grouping procurement activities into six categories of spend (“category management”). The HPW Local Benefits Test guide provides suggested local benefit weightings for each of the categories (Table A2(a)).

1. [Building construction and maintenance](#) includes building contractors, specialists (including consultants), trade contractors, building operations, materials and equipment, and property and real estate (managed by the Department of Housing and Public Works).
2. [General goods and services](#) includes professional services, employee services, contingent labour, business equipment and services, marketing, travel, logistics and utilities, clothing and personal protective equipment, schools, and food and catering services (managed by the Department of Housing and Public Works).
3. [Information and communication technology \(ICT\)](#) includes ICT services hardware, software and telecommunications (managed by the Department of Science, Information Technology and Innovation).
4. [Medical goods and services](#) includes medical consumables, medical equipment and maintenance, medical services, and pharmaceuticals and prosthetics (managed by Queensland Health).
5. [Social services](#) includes social and community services that support our most vulnerable groups such as child protection, domestic violence prevention and disability and youth services. It also includes human services, such as support for education and training, employment, sport and recreation, and culture and the arts (managed by the Department of Communities, Child Safety and Disability Services).
6. [Transport infrastructure and services \(TIS\)](#) includes construction materials, construction delivery and transport delivery services (managed by the Department of Transport and Main Roads).

Table A2(a) – From HPW Local Benefits Test Guide, Appendix 1

Region	Building Construction and Maintenance		General Goods and Services						Information and Communication Technology (ICT) ²				Medical	Social Services	Transport Infrastructure and Services (TIS)
	Building	Maintenance	Travel ¹	Utilities	Professional Services	Contingent workforce	Marketing and print services	Employee services	Telecoms	Software	Hardware	ICT services			
Far North Qld	20 – 30	20 – 30	0	We procure Qld based energy	20 – 30	20 – 30	Agencies can and do procure local print services. Marketing mainly based in SEQ	We procure Qld based providers	0	5 – 10	5 – 10	5 – 10	To be determined by Health Services QLD on a sub-category basis	20 – 30	To be determined by TIS (managed by Department of Transport and Main Roads)
North Qld	20 – 30	20 – 30	0		20 – 30	20 – 30			0	5 – 10	5 – 10	5 – 10		20 – 30	
Central Qld	20 – 30	20 – 30	0		20 – 30	20 – 30			0	5 – 10	5 – 10	5 – 10		20 – 30	
South West Qld	20 – 30	20 – 30	0		20 – 30	20 – 30			0	5 – 10	5 – 10	5 – 10		20 – 30	
South East Qld	0 – 20	0 – 20	0		0 – 20	0 – 20			0	5 – 10	5 – 10	5 – 10		0 – 20	

1. Accommodation already is local
2. ICT category already applies a 10% weighting as part of the ICT SME Participation Scheme

Table A2(b) – Example of application of the local benefits test (from the HPW Local Benefits Test guide)

Evaluation Criteria	Weighting	Comments
Supplier experience and capability	20%	The supplier will be evaluated on their overall experience and capability in delivering similar past projects.
Project management	10%	The supplier will be evaluated on their processes related to project management and service delivery.
Local benefits	30%	The supplier will be evaluated on their: <ul style="list-style-type: none"> • Use of local sub-contractors • Use of local manufacturers and other local businesses in the supply chain • Engagement of a local workforce during the construction phase.
Price	40%	The supplier will be evaluated on their offered price

Note: An upper limit of 20% local benefit in an evaluation criteria has been established for the department's construction projects.

