

# Roads Australia Webinar

NSW Procurement Reforms / Camilla Drover / August 2020



# Procurement – Current Environment

- **Public investment** is expected to contribute ½ a percentage point per year to economic growth over the next two years (2019/20 and 2020/21), around **five times its historical average** (*NSW Budget economic outlook 2019/20*).
- Almost **78 per cent of the infrastructure capital budget** (2019/20) has been **dedicated to transport projects** (*AI Budget monitor*).
- The capital allocation for **Transport over the next four years is \$57.5 billion**. The total amount is comprised of **\$32.2 billion for public transport** and **\$23.4 billion for roads** (BP2 2019/20).
- Businesses are directly benefiting from this strong investment in public infrastructure. Almost **60 per cent of the engineering work done in New South Wales** over the past year was **commissioned by the public sector**, with over **75 per cent of that delivered by the private sector** (*NSW Budget economic outlook 2019/20*).

# Transport for NSW projects in procurement or approaching procurement

Project	Procurement in 19/20?	Procurement in 20/21	Cost	Delivery Type	FY 19/20				FY 20/21				FY 21/22				FY 22/23				FY 23/24			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Coffs Harbour Bypass	No	Yes	Over \$500M	TBA	4	4	4	4	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12	12
M6 Stage 1	Yes	Yes	Over \$500M	D&C	4	10	10	10	10	10	8	8	8	8	12	12	12	12	12	12	12	12	12	12
Warringah Freeway Upgrade	Yes	Yes	Over \$500M	TBA	4	4	4	11	11	11	11	11	13	13	13	13	13	13	13	13	13	13	13	13
Western Harbour Tunnel	No	Yes	Over \$500M	TBA	4	4	4	4	11	11	11	11	11	11	13	13	13	13	13	13	13	13	13	13
Sydney Gateway	Yes	No	Over \$500M	D&C	10	10	10	10	8	8	12	12	12	12	12	12	12	12	12	12	12	12		
Nowra Bridge replacement over Shoalhaven River	Yes	No	\$150M - \$500M	D&C	10	10	10	8	8	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
North Moree heavy duty pavement	Yes	Yes	\$150M - \$500M	TBA	8	8	8	11	11	11	13	13	13	13	13	13	13	13	13	13	13			
North Narrabri to Moree heavy duty pavement	Yes	Yes	\$150M - \$500M	TBA	8	8	8	11	11	11	13	13	13	13	13	13	13	13	13	13	13			
M12 Motorway (M7 to The Northern Road) - Package 3 - Eastern Section	No	Yes	\$150M - \$500M	D&C	4	4	4	4	4	10	10	10	10	8	8	12	12	12	12	12	12	12	12	12
Memorial Avenue, Old Windsor Road to Windsor Road	Yes	No	\$150M - \$500M	CO	10	10	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12	12		
Barton Highway improvements	Yes	No	\$150M - \$500M	Alliance	4	10	10	8	8	8	12	12	12	12	12	12	12	12	12	12	12	12		
Parkes Bypass	No	Yes	\$150M - \$500M	CO	8	8	8	8	8	8	10	10	12	12	12	12	12	12	12	12	12	12	12	12

## Key

4	5	Concept design and/or environmental assessment
6	7	Detailed design procurement
8	9	Detailed design
10	11	Construction procurement
12	13	Construction & commissioning

*Shaded fill indicates funding not confirmed for stage*

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The Horsley Drive, M7 Motorway to Cowpasture Road	No	Yes	\$150M - \$500M	CO	6	8	8	8	8	8	10	10	10	10	12	12	12	12	12	12	12	12	12	12
M4 Motorway, Hill Road Westbound off ramp	No	Yes	\$50M - \$150M	CO	6	8	8	8	8	8	8	10	10	12	12	12	12	12	12	12	12	12	12	12
Heathcote Road, Infantry Parade, Hammondville to The Avenue, Voyager Point	Yes	No	\$50M - \$150M	CO	8	8	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Spring Farm Parkway - Stage 1	No	Yes	\$50M - \$150M	CO	6	6	8	8	8	8	11	11	11	11	12	12	12	12	12	12	12	12	12	12
Mulgoa Road, Jeanette Street to Blaikie Road - Stage 1	Yes	Yes	\$50M - \$150M	CO	10	10	10	10	10	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12
Belford to Golden Highway upgrade	No	Yes	\$50M - \$150M	CO	8	8	8	8	10	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12
King Georges Road - Stage 1, Stoney Creek Road to Forest Road	No	Yes	\$50M - \$150M	CO	8	8	8	8	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Great Western Highway between Katoomba and Lithgow - Medlow Bath upgrade	No	Yes	Up to \$50M	Various	4	4	4	6	8	8	8	11	11	12	12	12	12	12	12	12	12	12	12	12
Hume Highway heavy duty pavement upgrade, Marulan	Yes	No	Up to \$50M	CO	8	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Alexandria to Moore Park Stage 1 works	No	Yes	Up to \$50M	TBA	8	8	8	8	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Scenic Hill upgrade near Lithgow	No	Yes	Up to \$50M	CO	8	8	8	8	11	11	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Newell and Mitchell Highway intersection upgrade, Dubbo	Yes	No	Up to \$50M	TBA	10	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Cessnock Road flood immunity at Testers Hollow	Yes	No	Up to \$50M	CO	8	8	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Golden Highway, flood immunity at Mudies Creek	Yes	Yes	Up to \$50M	CO	8	8	8	10	10	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12
Pacific Highway (City Road) intersection upgrades at Northcott Drive and Kahibah Road Highfields	No	Yes	Up to \$50M	TBA	6	8	8	8	8	10	10	12	12	12	12	12	12	12	12	12	12	12	12	12
Epping Road Bridge widening	Yes	No	TBA	D&C	4	4	4	10	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12

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# Transport projects - procurement

Regardless of the challenges of Covid 19, since the March 2020 we have awarded:

- More Trains More Services – 2 packages, North and South (Incentivised Delivery Agreements)
- Digital Systems contracts awarded for the Trackside Delivery Agreement and Traffic Mgt Systems Delivery Agreement (May 2020)

Progressing the procurement (in virtual environments) for:

- Sydney Gateway Stages 1 and 3
- M6 Stage 1
- Warringah Freeway Upgrade (Incentivised Target Cost Contract) – follows extensive industry engagement
- MIP for WHT (feedback being sought on a Development Partner model)

Coming soon...

- Market engagement for Coffs Harbour Bypass and other regional projects

# NSW Reform initiatives

- New minimum mandatory Infrastructure Skills Legacy Program (ISLP) requirements for construction contracts greater than \$100M (came into effect in July 2020)
- Working with NSW Government Checks requirements - a revised process will be coming out shortly

- Part of the **Evolving Transport major restructure and reform programme** with Infrastructure and Place :
  - New **Commercial Services** team focused on the procurement, management and admin of **construction contracts** across all modes – roads, rail, light rail, car parks, ferry wharves, and place making developing projects.
  - New **Procurement Services** team dedicated to **professional services procurement** and contract management – across all modes
  - New **Industry Engagement and Development team** who will deliver our pipeline event, ensure often and early industry engagement, support inter-governmental and cross jurisdictional engagement.
- **Project Streamline** - to harmonise and where possible standard forms of contract, confidentiality deeds, tender evaluation processes and tender returnable schedules etc.
- Consistent approach to **financial assessments** (in concert with the CLG, TSY and other agencies)
- Consistent approach to **contractor performance assessment** across I&P (again in concert with CLG, and other delivery agencies (assessing ability to provide comparative reporting to contractors)
- Developing and maintaining the **integrated TfNSW project pipeline** (I&P and Metro) (Note is complemented by each delivery agency publishing their forward pipeline of \$10-50M projects by end of October 2020).
- **New Technical Services Registration Scheme for roads** (launched October 2019)
- **Early MIPs, Interactive tendering; Snr Exec Health Checks; Mid Tender Submissions** – the ‘new norm’ for tendering



# Warringah Freeway Upgrade Project – Case Study

- **June 2017 – WHTBL – market engagement** held with 27 investors, contractors and operators.
- **Nov-Dec 2019** – as part of a wider WHTBL Market Interaction Process (MIP), **MIP Stream 2** was on the WFU Project and was held with contractors.
- **17 June 2020** – WHT and WFU industry briefing – **announced ITC contract for WFU**, and procurement timetable announced.
- **19 June** – **EOI Pre-registration** live on e-tender – access to a data room, including technical information, access to a GIS portal and **high-level commercial principles**.
- **Early-mid July 2020** –Held **one-on-one meetings with each pre-registered contractor** - opportunity for contractors to raise comments or questions on the high-level commercial principles
- **23 July 2020** – **EOI released**, including a **detailed commercial Term Sheet** rather than a traditional risk allocation tick box table



