



## Procurement Management Plan

TRANSPORT ACCESS PROGRAM  
Project Document Number: TAP-DOWIPD-PLN-PM-0002

**This is a subordinate management plan to be used in conjunction with the Project Management Plan**

## Transport Access Program

Contract Number: ISD-15-4742A

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# 1 Purpose

The purpose of the Procurement Management Plan (the Plan) is to set out the approach, processes, procedures and standards for managing procurement for the Transport Access Program (TAP) for Easy Access Station Upgrades (the Program).

This document is intended to provide consistency in terms of structure and delivery of an efficient and effective procurement strategy and process. It encompasses the key principles of NSW government policies including:

- Delivering value for money which includes the benefits achieved compared to whole-life costs;
- Achieving efficiency and effectiveness;
- Ensuring probity, equity and effective competition; and
- Providing accessibility and aligning procurement with business needs; especially in respect of small to medium enterprises (SMEs).

In addition, the Plan aims to modernise procurement and provide:

- Strategic and agile procurement practices;
- Reduced red tape;
- Engagement with industry; and
- Encouragement of innovation.

It is not intended to be a comprehensive manual of all items or methods of procurement and should be treated as a guide.

# 2 Document scope

The scope of the Plan covers all aspects of procurement required for the delivery of Managing Contractor services for the Program for the following stations:

- North Strathfield Station
- Glenbrook Station
- Kingswood Station; and
- Hazelbrook Station

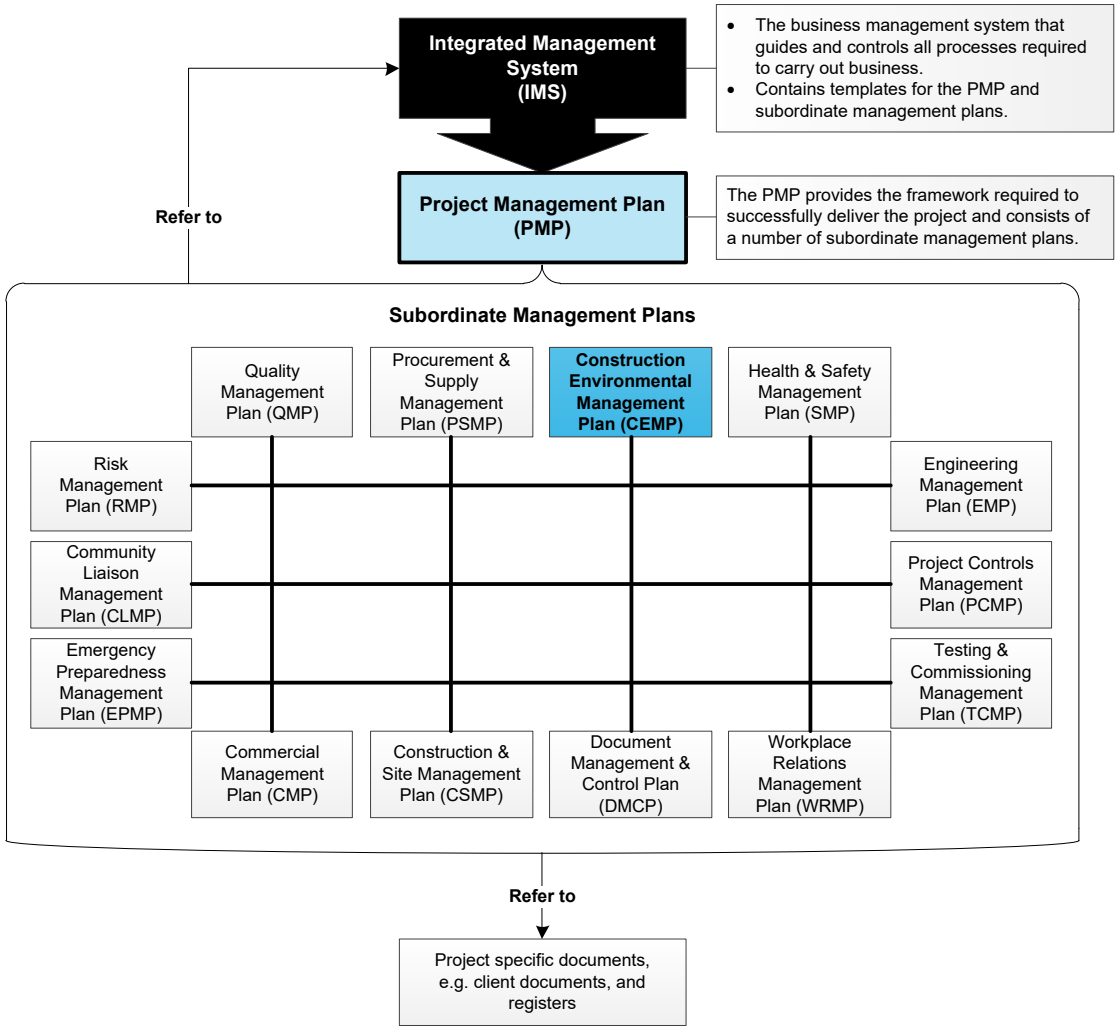
The target audiences for this plan are Construction Managers, Project Procurement Managers, the Project Procurement Team, the Project Team, and any other relevant stakeholders.

# 3 Program management framework

The Downer program management framework aligns and integrates the Program functions which define the Program's delivery methodologies and processes. The Program Management Plan (PMP), as a key element of the program management framework, is the

integration document which identifies and details the standard Downer program management practices, structure, and execution methods, and any Program-specific requirements for the Works.

The PMP incorporates a number of subordinate management plans which provide the specific functional detail required to successfully deliver the Program, as illustrated in the following figure.



Integrated Management System (IMS) is the tool that supports the program management framework including the PMP and all subordinate plans. The plans reference IMS documents (including but not limited to, procedures, work instructions and forms) and any Program-specific documents.

The PMP provides Program-specific details including, but not limited to, the following:

- Program information such as background, Project locations and Project descriptions;
- Scope of work including narrative, basis of design, battery limits and scope of services; and
- Program objectives and values including overarching principles, values and key performance indicators (KPIs) for the Program.

The PMP and subordinate management plans are audited throughout the duration of the Program to maintain compliance, and are updated as required. Updates to the PMP and subordinate management plans are subject to the document review and approval process detailed in the Program's Document Management and Control Plan.

## 4 Reference documents

Relevant reference documents are provided below. The procedures, forms and registers associated with this Plan will be developed on TfNSW approval of this Plan.

### PROCEDURES AND REGISTERS

DI-PM-PR042	Procurement Planning
DI-PM-PR043	Supplier/Subcontractor Pre-Qualification
DI-PM-PR044	Market Engagement (Supplier/Subcontractor Tendering)
DI-PM-PR045	Contract Execution
DI-PM-PR047	Contract Administration
DI-PM-PR048	Materials Management
DI-PM-PR049	Contract Close-Out
DI-PM-RG042.1	Procurement Register

### NSW GOVERNMENT PROCUREMENT POLICY DOCUMENTS

- NSW Government Procurement Policy (Office of Financial Management), July 2004;
- Code of Practice for Procurement, (NSW Procurement Board), November 2013;
- Implementation Guidelines to the NSW Code of Practice for Procurement: Building and Construction, July 2013;
- NSW Procurement Policy Framework (NSW Finance & Services), Version 4, July 2015;
- Market Approaches Guide (NSW Finance & Services), Version 0.20, April 2015;
- Industry Engagement Guide (NSW Procurement Board) Version 1.1, March 2015;
- Small and Medium Enterprises Policy Framework (NSW Government Procurement) Version 1.1;
- NSW Government Policy on Aboriginal Participation in Construction (Finance & Services) May 2015;
- Training Management Guidelines, February 2009; and
- Agency Accreditation Scheme for Construction, December 2012.

In addition, a number of Board Directions (in relation to the procurement of goods and services) as issued by the NSW Government Procurement Board, will be embedded within this Plan.

## 5 Definitions & abbreviations

**Direct Negotiation** A complex market engagement method that involves direct negotiation with a single selected service provider without any prior competitive tender process.

<b>ECI</b>	Early Contractor Involvement (ECI) comprises the engagement of service providers with specific expert understanding during a design process to embed value engineering within the final design and prior to the release of a Request for Tender.
<b>EOI</b>	An Expression of Interest is used to identify potential service providers capable of undertaking specific work if the supply market is not well known.
<b>EOT</b>	Extension of Time.
<b>Integrated Management System (IMS)</b>	The documented management system for agreed operational arrangements for all support functions including finance, Zero Harm, quality, HR and Program management. The IMS is designed to provide consistent process controls, meet the requirements of external standards and link and integrate relevant core business processes.
<b>Operator</b>	Sydney Trains
<b>QA</b>	Quality Assurance
<b>RFA</b>	Recommendation for Award
<b>RFI</b>	A Request for Information is the formal process that a tenderer uses to request information during the tender process.
<b>RFP</b>	A Request for Proposal (RFP) is designed to elicit a detail response on a proposal or idea for a business solution.
<b>RFQ</b>	A Request for Quote is an invitation to potential suppliers to provide a price quote for a specific or well defined good or service.
<b>RFT (Open)</b>	An open Request for Tender requests pricing from the supply market with no limitations or restriction on who can submit pricing and is typically used where there is a mature competitive supply market.
<b>RFT (Multi-Stage)</b>	A Multi-Stage Request for Tender identifies suitable suppliers (through an EOI or pre-qualification process) prior to being selected to participate in a Request for Tender.
<b>RFT (Limited/Selective)</b>	A Limited/Selective Request for Tender is issued to known available service providers previously assessed as the most capable of delivering the work, product or service required.
<b>SME</b>	Small to Medium Enterprises
<b>TAP</b>	Transport Access Program
<b>TfNSW</b>	Transport for NSW
<b>WBS</b>	Work Breakdown Structure

## 6 Procurement overview

Downer recognises that the NSW government wants “its procurement activities to achieve best value for money in the expenditure of public funds while being fair, ethical and transparent”.

The Plan supports this aim and other key policy objectives to improve procurement outcomes through the following core procurement principles:

- Demonstrating value for money;
- Encouraging competition by targeting new entrants to expand the number of prospective suppliers;
- Increasing opportunities for SMEs through targeted communication and prequalification schemes;
- Encouraging open communication and collaboration with supply chain partners;
- Promoting and sustaining a viable industry in NSW that encourages industry investment in skills development;
- Ensuring transparency and probity throughout the procurement process;
- Reducing red tape to encourage involvement in the procurement process;
- Encouraging innovation by maintaining a flexible, agile and adaptive procurement process; and
- Engaging with Aboriginal communities to broaden the opportunities for Aboriginal participation.

### 6.1 Standards of behaviour

The core procurement principles outlined above underpin the processes described within this Plan. They will drive the standards of behaviour across all levels of the Program, as outlined in the Code of Practice for Procurement. This includes

- **Honesty and fairness:** Parties will conduct all procurement and business relationships with honesty and fairness;
- **Accountability and transparency:** The process for awarding work will be open, clear and defensible;
- **No conflict of interest:** A party with a potential conflict of interest will declare and address that interest as soon as the conflict is known to that party;
- **Rule of law:** Parties shall comply with all legal obligations;
- **No anti-competitive practices:** Parties shall not engage in practices that are anti-competitive;
- **No improper advantage:** Parties shall not engage in practices that aim to give a party an improper advantage over another;
- **Intention to Proceed:** Parties shall not seek or submit tenders without a firm intention and capacity to proceed with a contract; and
- **Co-operation:** Parties will maintain business relationships based on open and effective communication, respect and trust, and adopt a non-adversarial approach to dispute resolution.



## 6.2 Probity requirements

Procurement is an activity that is vulnerable to any real or perceived corruption or maladministration when a proper process is not maintained. It is recognised that the NSW government:

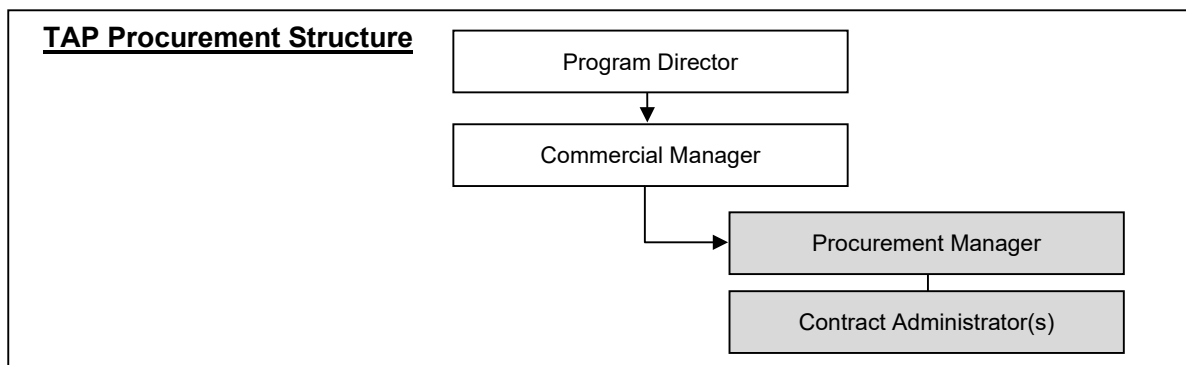
*“has an obligation to ensure its procurement conduct is at all times fair, ethical, transparent and probity rich. Clear, visible and meaningful commitments to fairness encourage suppliers to want to do business with government.”*

Downer will work closely with the Probity Advisor to ensure that any discussion or correspondence with any person with a conflict of interest will be prohibited from any information concerning the sum of money that is being submitted as the tender sum. Downer will ensure that the integrity and competitiveness of the tender process remains in-tact.

## 6.3 Preliminary procurement structure

The Commercial Manager will oversee all procurement matters including providing planning expertise, advice and governance.

A preliminary structure for the Procurement Team is provided below which reflects Downer’s approach to governance and a collaborative approach to service delivery:



An overview of the key responsibilities as they relate to TAP Procurement Team is provided below:

<b>Commercial Manager</b>	Accountable for ensuring the Program probity and equity on all supply chain partner engagement and procurement activities and has a direct line of report to the Program Director.
<b>Procurement Manager</b>	Responsible for developing the procurement strategy across the Program and managing the implementation of identification and market engagement activities.
<b>Contract Administrator</b>	Responsible for administering all subcontracts in accordance with the Plan and subcontract terms and conditions.

## 6.4 Interfacing responsibilities

The Procurement Team works directly with TfNSW and specific disciplines within the Downer team to effectively deliver Program objectives. An overview of specific interfaces is provided below.

### 6.4.1 Transport for NSW

The Procurement Team has a direct interface with TfNSW to ensure alignment and understanding with the overall procurement strategy including:

- Collaborating as per the general conditions of contract with TfNSW in the development of a proposed packaging approach for how the works will be delivered;
- Ensuring alignment in potential supply chain partners for proposed delivery of work including identification of pre-qualified supply chain partners or (where required) undertaking an EOI; and
- Ensuring that, prior to the release of any supply chain partner packages, there is alignment between TfNSW and Downer on the scope of works, evaluation criteria, proposed delivery model and supply chain partner conditions.

### 6.4.2 Delivery Team

Interface with the Construction and Project Teams is through the Construction Manager to assist with the development and implementation of the procurement strategy. This includes:

- Development of a packaging strategy considering subcontract markets, Program schedule and delivery strategy (including geographic location);
- Assistance in the preparation of supply chain partner packages for market engagement and being part of the evaluation and award of key packages; and
- Collaborating in the administration of subcontracts including managing claims, variations, chargeback and overall performance delivery.

### 6.4.3 Design Team

Interface with the Design Team is through the Design Manager to ensure alignment between supply chain partner packages and Program deliverables. Key interfaces include:

- Preparation of equipment specifications, data sheets, drawings and scope of works inclusive of all Program requirements;
- Assistance with supplier RFIs and technical evaluation of tenders (as required); and
- Establishment of quality assurance and quality control requirements for all procurement packages.

## 7 Initial proposed packaging

The initial proposed packaging approach is provided below. These packages will be released to the market using the procurement processes stipulated within this Plan, the NSW Government Procurement Policy Framework and related documents, as listed in Section 4.

To ensure value for money, these packages will be tendered to the market in two scenarios:

- With each station/Project as a single separable portion; and
- As a combined Program where tenderers can provide pricing for the delivery of all stations/Projects concurrently, in line with the overall delivery schedule.

Where it provides value for money, Downer will free issue materials to supply chain partners. These free-issued materials will be managed in accordance with the processes outlined in Section 8.

Upon approval from TfNSW Downer may self-perform reimbursable work for a given package which provides the best value for money. In the event that Downer carry out the self-performed work for any given package, the self-performed reimbursable work will be undertaken in an efficient manner without disruption to subcontractors working concurrently on site.

Downer will provide thorough details for any self-performed reimbursable work to TfNSW with daily reporting and complete transparency.

Initial supply chain partners have been identified, as provided below. These supply chain partners have been identified through an understanding of the industry and market, and have been used on previous Downer projects. At this stage no contact has been made with any of these potential partners in relation to the Program. This group will be further updated following the processes to be implemented, as detailed in Section 8.

The initial estimates on package values provided in the table below are based on the design completed to approximately 30%.

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Package	Description	Form of Agreement	Tendering Method	Estimated Value (\$'000s)			
				Glenbrook	North Strathfield	Kingswood	Hazelbrook
Buildings	All above platform works (excluding electrical and structural steel) and roofing	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 475	\$ 395	\$ 712	\$ 523
Road and Civil	Ground preparation, foundation work, earthworks, drainage, services, formwork and CSR	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 47	\$ 148	\$ 150	\$ 194
Masonry	Masonry	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 119	\$ 56	\$ 46	\$ 65
Combined Services Routes	Combined Services Routes	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 140	\$ 122	\$ 154	\$ 115
Drainage Works	Drainage Works	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 121	\$ 168	\$ 139	\$ 296
Excavation	Excavation	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 557	\$ 450	\$ 337	\$ 264
Concrete	Above platform FRP including (columns, headstand and stairs). Includes Precast.	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 210	\$ 354	\$ 981	\$ 321
Demolition	Demolition works for building, platform or off-station including ACM management	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 92	\$ 116	\$ 103	\$ 157
Fencing and Barriers	Fencing and Barriers	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 68	\$ 41	\$ 106	\$ 289
Furniture and Fixtures	Furniture and Fixtures	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 44	\$ 44	\$ 17	\$ 46
Glazing Works	Glazing Works	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 190	\$ 505	\$ 65	\$ 167
ASP/HV Works	ASP/HV Works	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 650	\$ 94	\$ 710	\$ 653
Landscaping	Soft and hard scaping including install of road furniture (potentially include fencing)	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 50	\$ 25	\$ 50	\$ 35
LV and Comms Packages	All station electrical works (including cable ladder), CCTV and SPI. Any HV installation and Design and Construct of fire and life systems	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 782	\$ 1,180	\$ 1,227	\$ 1,006
Metalwork	Metalwork	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 104	\$ 212	\$ 410	\$ 118

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Painting	Painting	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 34	\$ 44	\$ 55	\$ 80
Piling Works	Piling Works	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 100	\$ 291	\$ 322	\$ 48
Platform Regrading	Platform Regrading	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 349	\$ 257	\$ 396	\$ 288
Roofing	Roofing	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 18	\$ 69	\$ 101	\$ 18
Balustrades & Screen	Balustrades & Screen	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 125	\$ 84	\$ 317	\$ 160
Wayfinding & Signage	Wayfinding & Signage	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 150	\$ 150	\$ 150	\$ 150
Structural Steel	Structural Steel	Minor Works Subcontract/Subcontract	RFT/RFQ	\$ 164	\$ 539	\$ 183	\$ 613

## 8 Process overview

The Downer procurement process sets out the activities and hold points necessary to effectively manage and control the engagement of supply chain partners, consistent with the TfNSW Program objectives and the Downer Procurement Policy.

The standard Downer procurement activities are outlined below and provided in the flowchart following:

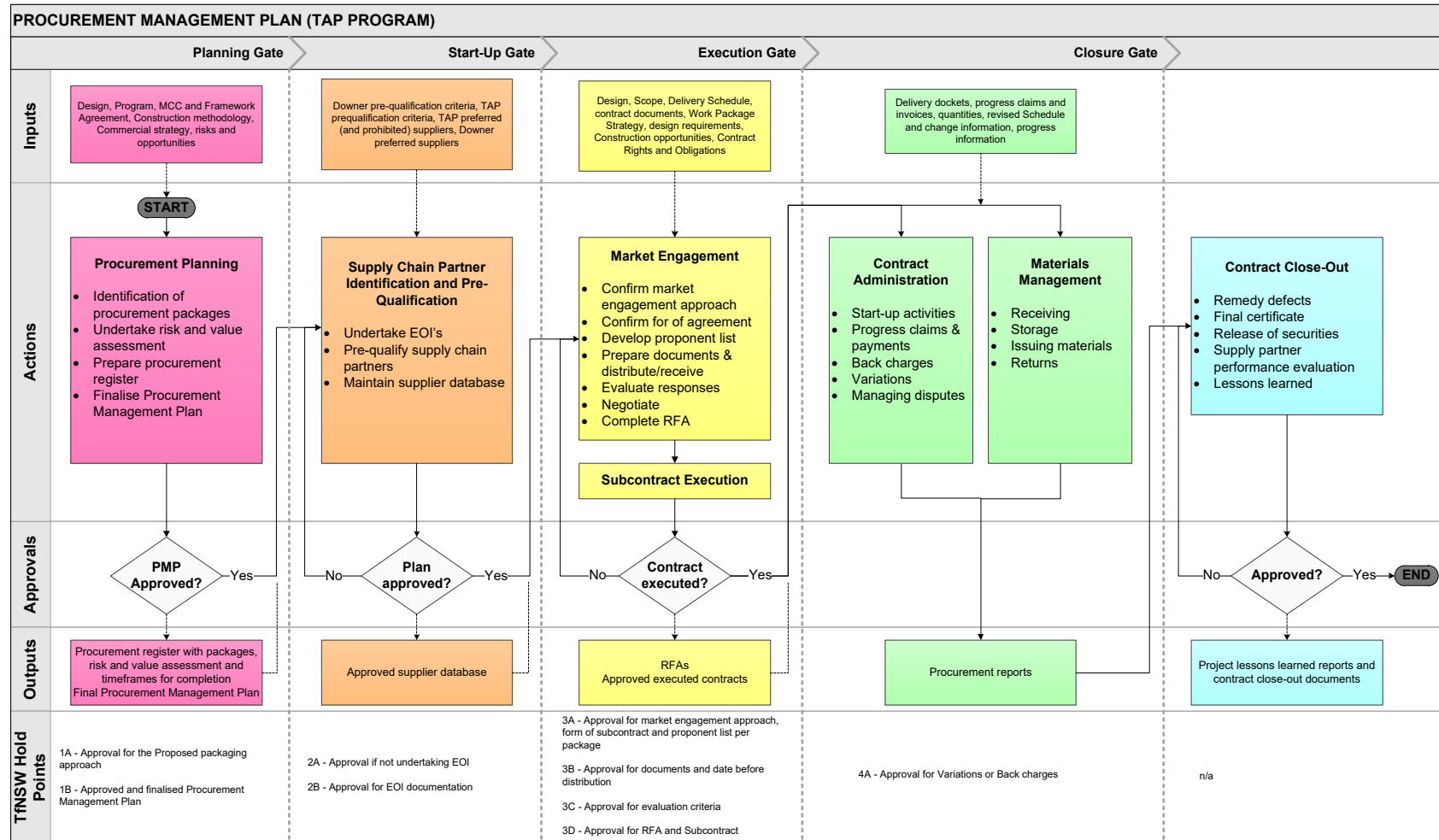
<b>Procurement Planning</b>	Establishing the approach to procurement including the proposed packaging and scheduling of procurement activities.
<b>Supply Chain Partner Identification and Pre-Qualification</b>	Identifying the relevant supply chain partners for work on the Program and initial pre-qualification.
<b>Market Engagement</b>	Competitively tendering the packages to identify the most suitable supply chain partners for the defined requirement/s.
<b>Contract Execution</b>	Executing subcontracts to awarded supply chain partners.
<b>Contract Administration</b>	Managing supply chain partners on-site and administering subcontracts.
<b>Materials Management</b>	Coordinating materials and services in accordance with the Program schedule and managing materials on-site.
<b>Contract Close-Out</b>	Finalising all activities to formally complete procurement.

The flow chart below provides an overview of these processes (including hold points and interfaces with TfNSW). Appendix A provides a prescriptive overview of the process with relevant clauses in the MCC identified.

Hold points are included at key milestones in the process to allow oversight and approval of procurement decisions within Downer and TfNSW. These will be developed further during mobilisation to ensure alignment with TfNSW and Program requirements.

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## 8.1 Procurement planning

Procurement planning establishes the approach for procurement across the entire Program life-cycle. It takes into consideration the delivery schedule, construction approach, Project locations, package interfaces and typical characteristics of the market.

The Procurement Manager consults with key Program personnel to develop:

- An initial view of procurement packages;
- An initial view of approach to market engagement and form of agreement using a risk assessment of each package; and
- A procurement register to plan and monitor progress of procurement across the Program.

### 8.1.1 Identification of procurement packages

Identification of the optimum structure of procurement packages is required to drive value during the delivery of the Program. In addition to the underlying core procurement principles, as outlined in Section 6, the structure of the packages will take into consideration the following:

- Optimising the number of operational interfaces to reduce complexity during delivery;
- Optimise the size of packages to encourage SME involvement and reduce scenarios of margin on margin; and
- Create a sustainable industry in key locations based on existing and potential future work under the Program.
- Prior to tendering any packages, prepare a Subcontract Proposal for TfNSW which includes the following information:
  - The part of the Reimbursable Work to be the subject of the tender (procurement packages)
  - the amount included for this work in the Target Budget Estimate;
  - how Downer will ascertain the tender list for the part of the Reimbursable Work (e.g. EOI process, known tenderers)
  - how Downer will select the preferred Tenderer including details of the criteria (with weightings) for assessment of tenders;
  - the method of delivery for the work;
  - the proposed conditions of Subcontract which Down proposed to use to enter into the Subcontract; and
  - the proposed date for calling of tenders and for tender responses.

#### **HOLD POINT – 1A**

- Submit for approval from the TfNSW's Representative the Subcontract Proposal.

### 8.1.2 Undertake risk and value assessment

The Procurement Manager, in conjunction with the Program Director and Project Manager/s, undertakes a risk assessment on each procurement package to inform the necessary market engagement approach and the Form of Agreement, using the guidance set out in the Downer Risk Framework (refer to Annex B).



The value of the procurement package is the estimated value over the proposed term of the subcontract (i.e. not a per annum value).

In undertaking an assessment of the risk, the Procurement Manager considers the following factors relating to the procurement:

- The nature of the goods or services being procured;
- Downer's experience in procuring goods or services of this nature;
- Estimated subcontract value compared with total Program value;
- Technical complexity of the good or service being procured;
- The annual turnover of the supply chain partner likely to be engaged;
- The capability of the market to respond to any specific requirements of the procurement;
- Overall lead time of the good being delivered and relationship to the critical path; and
- Whether there is an existing framework agreement or panel contract for the supply chain partner.

The risk and value assessment outcome will allocate create three tiers of procurement packages, as per below. The value limits specified within Procurement Board Direction 2013-03 and the NSW Government Procurement Guidelines (Construction to \$1m) have been used to develop the value limits.

Tier	Risk Category	Value
<b>Tier 1*</b>	High risk [B]	>\$1m
	Medium [C] or Low Risk [D]	>\$1m
<b>Tier 2</b>	Medium [C] or Low Risk [D]	\$250k - \$1m
<b>Tier 3</b>	Medium [C] or Low Risk [D]	\$30k - \$250k
		< \$30k

Where an extreme risk [A] is identified as per Annex B, consultation with the TfNSW will be undertaken.

### 8.1.3 Procurement register

The Procurement Manager develops and maintains the Procurement Register to manage and track procurement activities and lead times for each procurement package. The register is aligned to the Program schedule.

This Procurement Register includes, but is not limited to, the following procurement activities:

- Design requirements;
- Supplier identification and pre-qualification;
- Document preparation;
- TfNSW review and approval requirements;
- Required market engagement method;
- Award and subcontracting/negotiations;
- Required on-boarding and inductions; and
- Manufacturing lead times (if any).

The Procurement Team, in consultation with the Planning Manager, identifies and prioritises packages closest to the critical path and long lead packages. The status of the procurement register, including identifying the forecast and planned dates for all packages and any associated records, is maintained by the Procurement Team.

## HOLD POINT – 1B

- Seek approval from the TfNSW's Representative on the Procurement Management Plan.

## 8.2 Supply chain partner identification and pre-qualification

Following the development and TfNSW approval of proposed procurement packages, the Procurement Manager identifies potential supply chain partners relevant for each procurement package.

The initial view of potential supply chain partners, as provided in Section 7, is based on:

- Downer preferred supply chain partners that could be leveraged for the Program (where applicable);
- TfNSW preferred supply chain partners that have proven experience in rail and the Program;
- Exclusion of any TfNSW Prohibited Subcontractors; and
- Local understanding of supply chains with capability/experience on delivering similar project types.

This initial view will be complemented by using the persons nominated in Schedule 28 or an open Expression of Interest (EOI), where potential supply chain partners are invited to seek the status of a pre-qualified supply chain partner to allow fair and equitable access to Program opportunities.

## HOLD POINT – 2A

- Seek approval from the TfNSW's Representative if it is proposed not to undertake an EOI.

### 8.2.1 Expressions of interest

In undertaking an EOI, the Procurement Manager prepares and makes an invitation to the market seeking Expressions of Interest from supply chain partners for inclusion on pre-qualified lists for the provision of works, goods or services for the Program.

The EOI (subject to approval from TfNSW) sets out the key requirements within which Downer expects to be procuring (for example, scope, value) and applicants are given:

- The criteria for supply chain partner pre-qualification;
- Details of the information required to be submitted by applicants; and

Where applicable, details of any agreement that a successful applicant will be required to enter.

## HOLD POINT – 2B

- Seek approval from the TfNSW's Representative where an EOI is proposed on specific details around the advertising, EOI documentation, distribution, response evaluation and recommendation.

## 8.2.2 Supply chain partner pre-qualification

The Procurement Manager manages the process of pre-qualifying supply chain partners which incorporates standard Downer requirements and any Program-specific requirements. A supply chain partner must be included on the Downer pre-qualified list prior to undertaking any works on the Program and preferably prior to being part of any market engagement process (excluding Open Request for Tender circumstances where pre-qualification is undertaken as part of the market engagement process).

The Procurement Manager ensures that each pre-qualification submission received (via EOI, standing offer or other means) is assessed against the standard approval criteria. The assessment is undertaken in a reasonable period and the supply chain partner is informed in writing, with appropriate records maintained.

The outcome of the assessment will be:

- Accepted (meeting the criteria for approval);
- Not Accepted (not meeting the criteria for approval); and
- Prohibited (not to be used or assessed until agreed with TfNSW).

If the potential supply chain partner is found to be 'Accepted', then the details will be included in the supplier database, discussed below, and be eligible to be involved in relevant market engagement activities.

If the potential supply chain partner is found to be 'Not Accepted', then feedback will be provided on why they were not successful. Ideas are provided to assist them to meet the criteria for approval in subsequent processes.

If the potential supply chain partner is found to be 'Prohibited', then feedback will be provided on why the supply partner is deemed to be prohibited and a record of the details for the decision will be maintained within the supplier database. Downer will not enter into a subcontract with a supply chain partner deemed to be 'Prohibited'.

## 8.2.3 Downer supplier database

The Procurement Manager maintains a Downer Program database and records of pre-qualified supply chain partners necessary to fulfil the wider requirements of the Program. The data contained within the supplier database is treated as commercially sensitive and access to it is restricted to persons properly engaged in the administration and implementation of this Plan.

## 8.3 Market engagement

The Procurement Manager manages the market engagement activities with supply chain partners. This includes developing the approach for how the market will be engaged, identifying the relevant proponents, preparing the tender documents (including form of agreement) and managing the distribution, receipt and evaluation of tender responses.

### 8.3.1 Market engagement approach

The Procurement Manager, in consultation with the Commercial Manager and Program Director, develops a market engagement approach for each procurement package based on

the risk and value assessment undertaken in Section 8.1 and the core procurement principles in Section 6.

Key market engagement guidelines developed for the Program are provided in Appendix C.

Key market engagement methods, as identified within the NSW Finance and Services Market Approaches Guide, include:

- Expression of Interest (EOI);
- Request for Quote (RFQ);
- Request for Tender (RFT) – Open/Multi-stage/Limited (Selective);
- Request for Proposal (RFP);
- Request for Information (RFI);
- Direct negotiation; and
- Early Contractor Involvement (ECI).

### 8.3.2 Form of agreement

The Procurement Manager, in consultation with the Commercial Manager, selects a form of agreement for each procurement package based on the risk and value assessment undertaken, as outlined in Section 8.1 and the Program commercial strategy. It is noted that an initial view of the form of agreement for each procurement package (including the pricing mechanism) is included in Section 7, and will be updated through discussions with TfNSW.

The agreements provided below are standard Downer legal precedents and a brief description of their intended use is provided. These agreements will be modified to accommodate back-to-back conditions from the Managing Contractor Contract (MCC), where appropriate.

Appendix C provides the guidelines for determining how these forms of agreement will be used across the different supply tiers.

Agreement Type	Description of Intended Use	Legend
<b>Purchase Order</b>	To purchase a fixed volume of any type of goods that are of low value and low risk (for example, they are basic 'off the shelf' goods).	PO
<b>Supply Agreement</b>	To purchase a fixed volume of any type of goods (together with related services) from a supply chain partner that are of a medium to higher risk/complexity.	SP
<b>Consultancy Agreement</b>	To engage a consultant to provide professional services (for example, design or professional advice).	CA
<b>Hire Agreement (Wet/Dry)</b>	To hire construction plant or equipment, both with or without operators (i.e. both dry hire and wet hire).	PH
<b>Minor Works Subcontract</b>	For low value, low risk on-site work where the supply chain partner's work is not critical to Downer's obligations under its head contract.	MW
<b>Subcontract Agreement – Short form</b>	For complex and higher value/risk work where Downer needs to include provisions dealing with the administration of time (EOTs), completion, variations, latent conditions, DLP, subcontracting,	SUBS

Agreement Type	Description of Intended Use	Legend
	warranties, security, claims and IP.	
<b>Subcontract Agreement</b>	For more complex, higher value, higher risk work or where prescriptive obligations under the MCC need to be passed through to the supply chain partner.	SUB
<b>Labour Hire Service Agreement</b>	For skilled/unskilled labour hire (for example construction labour, concreter etc)	LH

### 8.3.3 Proponent list

For all procurement packages, the Procurement Manager (or Package Owner) develops a proponent list of supply chain partners for market engagement. In order to prevent any bias or un-competitive practices, the proponent list will be prepared based on:

- Pre-qualified supply chain partners on the supplier database for each procurement package and tier;
- Other known supply chain partners with known capability;
- Any EOs undertaken; and
- Feedback from past assessment of performance in delivery.

The proponent list for each package is recorded within the procurement register, including those who were invited but declined.

#### **HOLD POINT – 3A**

- Seek approval from the TfNSW's Representative on the proposed market engagement approach, form of subcontract and proponent list per package.

### 8.3.4 Document preparation

The Procurement Manager (or Package Owner) is responsible for coordinating the preparation of documents for each procurement package in-line with the approved market engagement approach. Generally RFT documents comprise:

- Conditions of tendering;
- Tender form and pricing schedules;
- Returnable schedules of information;
- Design drawings and technical specifications (where required);
- Any management system requirements (for example, safety, quality);
- Standard form of agreement;
- Pre-qualification assessment form (where an open tender being used); and
- Description of the work and/or services required, which may include a brief, performance requirements, design information, technical specifications and drawings.

The Procurement Manager ensures that all tender documents are prepared by persons with sufficient expertise and manages the process of obtaining approval for any tender documents from TfNSW.

The Procurement Manager will also ensure that all Subcontractor Tender Documentation prepared and all associated tender processes for Reimbursable Work is carried out with the

intention to maximise value for money for TfNSW whilst maintaining the highest standard of probity, fairness and equal opportunity. The Subcontract Tender Documentation pack to TfNSW is to include:

- The Design Documentation relevant to the part of the Reimbursable Work to be subcontracted;
- The conditions of the Subcontract, which must, unless otherwise expressly directed in writing by the Principal's Representative, be on terms approved by the Principal's Representative;
- If the Principal's Representative so directs, a request for tender; and
- Any other documentation necessary for that part of the Reimbursable Work to be subcontracted

#### **HOLD POINT – 3B**

- Seek approval from the TfNSW's Representative on the Subcontract Tender Documentation before distribution to the market.  
(Note: documents must be submitted to TfNSW's representative 21 days before tenders are invited.)

### 8.3.5 Document distribution/receipt

On receipt of the approved tender package, the Procurement Manager issues the documents using TeamBinder (or an alternate electronic tendering system as agreed with TfNSW) to prospective tenderers, ensuring confidentiality. A record of correspondence with tenderers is maintained.

Documents are also distributed and received so as not to advantage or disadvantage any particular tenderer.

On receipt of a new or re-negotiated tender response, the Procurement Manager ensures each response is date-stamped and then undertakes an elemental review for the completeness of the response, prior to distribution for evaluation.

### 8.3.6 Request for information

The Procurement Manager (or Package Owner) manages all RFIs from tenderers, by ensuring:

- All clarifications to and from tenderers are in writing;
- Any amendments to the tender prior to the close are issued to all tenderers in writing, as formal addenda;
- Any questions asked by tenderers prior to the tender close are clarified; and
- A record of all correspondence is kept.

### 8.3.7 Tender period

The Procurement Manager (or Package Owner) establishes the tender response period ensuring:

- Tender periods allow sufficient time for prospective suppliers to price and prepare their submissions/bids for the work; and
- Wherever possible, tenders are published electronically and allow for tenderers to lodge submissions electronically.

The Procurement Manager (or Package Owner) will nominate the tender period for the specific package as part of submitting the documents to TfNSW for approval (refer section 8.3.4).

A tender period will only be extended under special circumstances. Extensions of time for tender submissions must apply to all prospective tenderers.

### 8.3.8 Response evaluation

The Procurement Manager is responsible for ensuring probity of the evaluation process. Where required, an evaluation team will be created to ensure relevant sections are evaluated by those with the necessary skills and knowledge and who are free of any conflict of interest.

The Procurement Manager (or Package Owner) ensures the evaluation criteria and weighting for each procurement package proposed below meets the key package requirements. The aim is to identify the tenderer offering the best value for money. Any changes to the proposed weighting of the evaluation criteria will be discussed and agreed with TfNSW prior to any evaluations being undertaken. The evaluation criteria includes:

Evaluation Criteria	Weighting	Description
<b>E1 Company Background</b>	10%	<p>A general assessment of the tenderers financial health and operational experience in delivering, including but not limited to:</p> <ul style="list-style-type: none"> <li>▪ Value of scope of works relative to annual turnover of tenderer;</li> <li>▪ Financial health of tenderer;</li> <li>▪ Key health and safety and environment key performance indicators;</li> <li>▪ Proven experience of tenderer and its personnel in similar projects; and</li> <li>▪ Past performance assessments/ratings on similar projects.</li> <li>▪ Key personnel – CVs and Organisational charts.</li> </ul>
<b>E2 Operational/ Technical</b>	20%	<p>Conformity to all technical and design requirements and conformity to all operational requirements, including but not limited to:</p> <ul style="list-style-type: none"> <li>▪ Delivery times offered;</li> <li>▪ Quality of products/services offered;</li> <li>▪ Conformance to TfNSW warranty periods;</li> <li>▪ Any innovation in products or service delivery;</li> <li>▪ Ability to meet Program schedule; and</li> <li>▪ Any innovation offered that meets or exceeds technical requirements;</li> <li>▪ Any exclusions listed in tenderer's tender proposal;</li> <li>▪ Where applicable, conformance to any licensing and</li> </ul>

Evaluation Criteria	Weighting	Description
		registration to undertake works.
<b>E3 Zero Harm</b>	20%	Conformity to Downer's and TfNSW health and safety, environment and community relations objectives and supply chain partner's historical performance in these areas.
<b>E4 Workplace Relations</b>	20%	Conformity to the industrial environment and compliance with the Implementation Guidelines to the NSW Code of Practice for Procurement: Building and Construction.
<b>E5 Financial</b>	20%	A comparison of pricing, ensuring all prices are adjusted so that a like for like comparison can be made. The comparison must ensure that it is an assessment of whole-of-life costs (including costs or disposal).
<b>E6 Commercial</b>	10%	Conformity to all terms and conditions (including any performance specifications and ASA requirements), Code requirements and insurances.

Where an alternative tender is provided, confidentiality will not be breached by using information contained in alternative tenders as the basis for calling for subsequent tenders. The alternative response will be evaluated in accordance with the conditions of tendering.

#### **HOLD POINT – 3C**

- Seek approval from the TfNSW's Representative on the evaluation criteria for each package.

### 8.3.9 Negotiations

The Procurement Manager (or Package Owner) will ensure all negotiations are carried out in line with this Plan where the market engagement process does not deliver either the desired solution from a scope or financial perspective. These negotiations are undertaken in good faith and in line with Procurement Principles and Standards of Behaviour as per Section 6 and the NSW government reference documents (specifically Section 5.2 of the NSW Code of Practice for Procurement).

Upon request of TfNSW's representative, post-tender negotiations with tenderers will be conducted and if required, held in the presence of the TfNSW representative.

### 8.3.10 Recommendation for award

The Procurement Manager (or Package Owner) manages the award of a subcontract by preparing a Recommendation for Award (RFA). The RFA summarises the details of the offers received and the evaluations performed.

The RFA is circulated to the Downer representative in accordance with the delegated authorities (refer Appendix D) for the Program. TfNSW also receives a copy of the RFA for approval.

The Procurement Manager is responsible for ensuring approval of the RFA from TfNSW. A subcontract is only awarded after approval of the RFA is obtained.



## HOLD POINT – 3D

- Seek approval from the TfNSW's Representative on the RFA.

### 8.3.11 Letters of Regret

Letters of regret are issued to unsuccessful suppliers and subcontractors. At the request of the supplier/subcontractor, and subject to approval from TfNSW, a de-brief session is undertaken to provide feedback on why the supplier/subcontractor was unsuccessful.

## 8.4 Contract execution

Following approval of the RFA, the Contract Administrator is responsible for executing the subcontract, raising the purchase order to initiate commencement of work and managing securities and insurances prior to any work being undertaken.

### 8.4.1 Awarding a subcontract

The Procurement Manager (or Package Owner) prepares and updates the final form of subcontract for the supply chain partner by:

- Ensuring the final form of subcontract (including all supporting schedules) does not deviate from the negotiated subcontract;
- Ensuring all functional leads (where required) have reviewed the documents issued or referenced in the final form of subcontract, and updates, where required;
- Obtaining approvals for the final form of subcontract from the appropriate financial delegate;
- Issuing the full set of subcontract documents to the supply chain partner to sign and return (including confidentiality agreements and agreed sub contract price);
- Obtaining the Downer delegated authority signature on the subcontract; and
- Sending the subcontract to the Contract Administrator for filing.

### 8.4.2 Raising a purchase order

Upon execution of the subcontract, the Contract Administrator completes a purchase order and includes the relevant information of the package (for example, description, quantity, price, and delivery/completion date), and the necessary cost codes for commitment.

The Contract Administrator raises purchase orders in accordance with Downer's purchasing process and the procurement register is updated and documentation sent to Project Controls.

### 8.4.3 Managing securities and insurances

On subcontract award, the Contract Administrator manages the receipt and storage of securities and insurance certificates in accordance with the subcontract.

Failure by the supply chain partner to submit condition precedent documents within the timeframe specified may constitute a fundamental breach of the subcontract.

## 8.4.4 Subcontractor Warranties

Upon executing a contract with a subcontractor, the Procurement Manager will work alongside the Commercial Manager to procure and provide warranties from the subcontractor undertaking or supplying the work or item.

A well-defined warranty period will be embedded into the subcontractor agreement which will maintain the integrity, performance and compliance of works carried out by an approved subcontractor/supply chain partner.

## 8.5 Contract administration

The Contract Administrator is responsible for the administration of the subcontracts for the Program. This includes the following activities, which may be completed concurrently:

- Start-up activities;
- Contract administration (progress claims and payments and back charges);
- Variations (including extensions of time); and
- Managing disputes.

As per the co-ordination of subcontracts, the Procurement Manager will work closely with the Project Manager and delivery team to administer, supervise, inspect, co-ordinate and control the work of all subcontractors engaged on-site.

### 8.5.1 Start-up activities

The Contract Administrator schedules a kick-off meeting between the Program's Management Team and the supply chain partner's Management Team, after subcontract award and before the supply chain partner commences work on-site or a supplier receives an order. The purpose of the kick-off meeting is to achieve a mutual understanding between Downer and the supply chain partner regarding the way in which the requirements of the subcontract are to be executed.

The Contract Administrator is responsible for establishing and maintaining a file for each supply chain partner and ensuring an appropriate mechanism is established for correspondence control. This ensures the tracking and storing of all correspondence with supply chain partners is registered, actioned and maintained for later access, if required.

### 8.5.2 Progress claims and payments

Progress claims and payments are coordinated by the Contract Administrator for each package, in consultation with the Commercial Manager. Subject to the terms and conditions within the subcontract, the Contract Administrator:

- Receives a payment claim from the supply chain partner and validates the claim with the Project Manager, referring to documented evidence provided, for example, timesheets, invoices and/or delivery dockets;
- Prepares a payment certificate for the supply chain partner and obtains approval for the claim by the Program Director and relevant financial delegate;
- Forwards the supply chain partner payment claim to Project Controls for input into the Program's cost system;

- Receives a valid tax invoice from the supply chain partner for the same amount as the supply/subcontract payment certificate;
- Forwards documents for processing; and
- Updates that the payment was made in the procurement register.

### 8.5.3 Back charges

The Project Manager issues back charge notices to the Contract Administrator for any back charge work.

Prior to the commencement of back charge work, the Contract Administrator and the supply chain partner agree on the back charge notice issued which defines the scope, schedule, cost code and estimated costs of the work.

The Contract Administrator forwards the approved back charge notice to the supply chain partner for acceptance/approval.

### 8.5.4 Variations (including extension of time)

The Contract Administrator is responsible for managing variations across the Program in accordance with the Approved Subcontract Agreement. A variation is used in all instances where a change is made to a subcontract, including any change in scope, value or time.

The Contract Administrator raises a formal variation notice where the supply chain partner has been requested to perform works outside the original scope of supply, or if the supply chain partner submits a claim for change. This variation notice must include a request for the supply chain partner to provide an estimate of the effect the variation will have on the subcontract cost, schedule and the affected work breakdown structure (WBS).

All variations notices must be approved in accordance with the delegated authorities (refer Appendix D) for the Program prior to the supply chain partner undertaking any works in relation to the variation.

Once a variation is approved, Project Controls prepares a variation order and sends a formal notice of approval to the supply chain partner. Project Controls increases the subcontract order's committed value in the project controls system to reflect the approved variation order.

#### **HOLD POINT – 4A**

- Seek approval from the TfNSW's Representative on the value (in accordance with the Subcontract) of a variation or back charge through Payment Claim.

### 8.5.5 Managing disputes

The Contract Administrator and Commercial Manager are responsible for managing any dispute raised (either by Downer or the supply chain partner) in accordance with the terms and conditions within the subcontract. The Contract Administrator and Commercial Manager will ensure that the representative from TfNSW is kept fully informed of all aspects of a potential dispute. The Project Manager will also inspect any Contemporaneous Work as required to ensure that works completed are not proven to be unsuitable, unsatisfactory or detrimental.

All payments and disputes are managed in accordance with the prescriptive timeframes specified within Building and Construction Industry Security of Payment Act 1999.

## 8.6 Quality Management

The Systems Engineer is responsible for managing of the Quality documentation and registers across the program in accordance of the Quality Management Plan. Quality management is a continual process which addresses the following:

- Control of project documents;
- Managing variation;
- Project meetings and reports;
- Control of drawings and specifications;
- Non-conformances;
- Corrective and preventative actions.

### 8.6.1 Inspection and test plans/reports

The System Engineer is responsible to coordinate with the Project Manager and Project Engineers to ensure that the subcontractor has:

- Completed and submitted all the Inspection and Test Plans (ITPs), relevant to the subcontractor's work with the progress claim;
- Completed and submitted all the Inspection and Test Reports (ITRs) and other verifying documents related to each of the ITPs with the progress claim;
- The ITPs have been reviewed and approved by the Project Manager or his/her delegate, who pre-determined the requirements for the ITPs;
- The ITPs and ITRs are signed and dated by a competent person in accordance with the works program.

## 8.7 Expediting

The Project Manager is responsible to undertake or assign an individual to the Expeditor role. The Expeditor is responsible to ensure that materials and services delivered according to the Project Schedule. Expediting is a continual process, and involves:

- Anticipating and solving problems with the supply;
- Ensuring receipt, approval and progress of the manufacturer's schedule and other supplier / subcontractor documents;
- Continually reviewing the delivery status of all contracts and purchase orders;
- Providing material progress reports and keeping management advised of any changes or deviations from the approved schedule.

### 8.7.1 Expediting procedure details

The Expeditor is responsible to follow the expediting process. The expediting procedure consists of the following sequence of steps:

- Determining the expediting level required for each work package;

- Setting up the expediting file for each supplier/ subcontractor/ work package and register;
- Contacting the supplied/subcontractor to inform them of their requirements;
- Monitoring of the progress in accordance of the Procurement Register through a series of reports;
- Managing of the supplier/subcontractor site visits;
- Managing of the supplier/subcontractor deliverables;
- Managing of defects and non-conformances;
- Managing of vendor data requirements and ensure that all required documentation is received from the supplier/subcontractor.

## 8.8 Materials management

As discussed in Section 7, Downer may free issue materials to supply chain partners. In these circumstances, it will be the responsibility of the Procurement Manager (in consultation with the Project Managers) to ensure materials are effectively received, stored, issued and returned (where required).

### 8.8.1 Goods receiving

The relevant Project Manager ensures that all goods received are verified against the original subcontract or purchase order requirements.

On receipt of the materials, the Project Manager verifies quantities and undertakes an inspection for damage or defect. Each item is allocated a storage location and regularly checked for security and condition.

### 8.8.2 Goods storage

Project Managers ensure that all materials stored on-site have a storage location allocated and recorded in the procurement register.

### 8.8.3 Issuing materials

The Project Manager liaises with the Procurement Manager on a regular basis to ensure materials are issued to supply chain partners when required. The Project Managers will provide feedback to the Procurement Manager regarding any future planned material requirements to meet Program requirements.

### 8.8.4 Goods return

Project Managers ensure the return of unwanted, damaged or surplus items are tracked to ensure the safe, timely and commercially responsible return of items. Returns are generally due to quality assurance inspection, oversupply and damage/defect rectification.

## 8.9 Contract close-out

The Contract Administrator closes out all subcontracts. Close-out begins when all work under the subcontract has been completed and the Contract Administrator, with the relevant Project Manager, will:

- Undertake a final inspection with the supply chain partner and remedy any defects identified;
- Issue a notice of practical completion in accordance with the relevant clause of the subcontract;
- Evaluate the supply chain partner performance and feedback any issues to TfNSW;
- Engage the supply chain partners to conduct a lessons learnt and identify areas for improvement;
- Establish a process to monitor supply chain partner defects during the defects liability period; and
- Ensure securities are maintained in accordance with the relevant clause in the subcontract;
- Ensure that on completion of any test, all activities and works conducted by Downer and relevant subcontractors are fully compliant with the managing contractor contract.

## 8.9.1 Final certificate and release of securities

On expiration of the defects liability period, the Contract Administrator issues (or receives from the supply chain partner) a final payment certificate (or claim) in accordance with the subcontract. On approval of the final payment claim (certificate), securities are released to the supply chain partner in accordance with the relevant clause in the subcontract.

# 9 Process review/continuous improvement

The Procurement Manager undertakes an annual review of Downer's Program procurement process and prepares a summary report for the Program Director. With TfNSW input, the procurement approach/plan for the following year is improved, where possible.

## 9.1 Scope of annual procurement review

Before commencing the review, the Procurement Manager agrees to the scope of the annual procurement review with the Program Director. The annual procurement review considers (as a minimum) the following:

- Probity of the procurement process;
- The status of the approved supply chain partner list;
- Changes to the approved supply chain partner list during the year;
- Local target outcomes;
- Supply chain partner utilisation;
- Supply chain partner performance;
- Supplier market health; and
- The effectiveness of the process including recommendations for change.

## 9.1.1 Review and audit

The Program Director is accountable for the implementation of this Procurement Plan and will review the Plan and associated procedures quarterly during the first 12 months and annually thereafter using our continuous improvement mechanisms in a manner that:

- Achieves contract compliance and continually improves the Procurement Plan; and
- Optimises value-adding activities, minimises non-value adding activities and eliminates waste in order to deliver continual improvement and reduce cost to TfNSW.



# Procurement Management Plan

TRANSPORT ACCESS PROGRAM  
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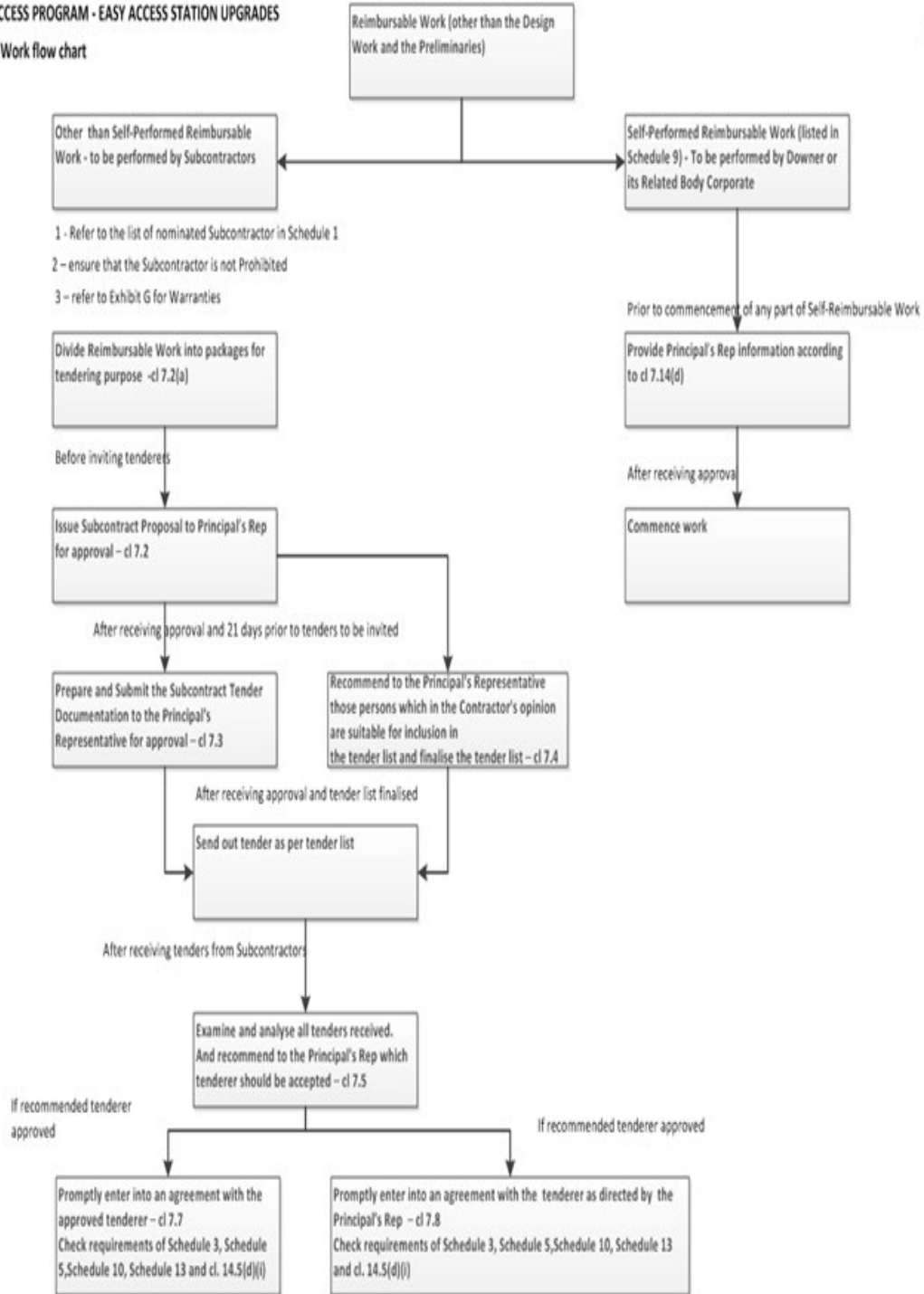
## 10 List of appendices

<b>Appendix A:</b>	<b>Reimbursable work flow chart</b>	<b>33</b>
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## Appendix A: Reimbursable work flow chart

TRANSPORT ACCESS PROGRAM - EASY ACCESS STATION UPGRADES  
Reimbursable Work flow chart





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## Appendix B: Downer risk assessment framework

<b>What is being evaluated:</b>		<b>Person/s conducting evaluation:</b>		<b>Date:</b>	
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Risk Assessment Matrix		Likelihood				
		Rare	Unlikely	Possible	Likely	Almost Certain
<b>Consequence</b>	<b>6 – Catastrophic</b>	B	B	A	A	A
	<b>5 – Extreme</b>	C	B	B	A	A
	<b>4 – Severe</b>	C	C	B	B	A
	<b>3 – High</b>	D	C	C	B	B
	<b>2 – Medium</b>	D	D	C	C	B
<b>1 – Low</b>	D	D	D	C	C	
<b>Risk Assessment Ratings</b>						
<b>Consequence Rating</b>		<b>Likelihood Rating</b>			<b>Risk Rating</b>	

Likelihood	Criteria
<b>Almost Certain</b>	<ul style="list-style-type: none"> <li>Over 90% probability</li> <li>Expected to occur in most circumstances</li> <li>Likely to occur multiple times throughout a project</li> </ul>
<b>Likely</b>	<ul style="list-style-type: none"> <li>Between 50% to 90% probability</li> <li>Probable that is occurred in most circumstances</li> <li>Possible to occur in a project</li> </ul>
<b>Possible</b>	<ul style="list-style-type: none"> <li>Between 10% to 49% probability, or</li> <li>Might occur, has occurred before", or</li> <li>Has occurred in a minority of similar projects</li> </ul>
<b>Unlikely</b>	<ul style="list-style-type: none"> <li>Between 1% to 9% probability</li> <li>Could occur</li> <li>Has not occurred in similar projects, but could</li> </ul>
<b>Rare</b>	<ul style="list-style-type: none"> <li>Less than 1% probability</li> <li>Exceptionally unlikely, even in the longer term</li> <li>A "100 year event"</li> </ul>
Risk Level	
<b>A - Extreme</b>	<ul style="list-style-type: none"> <li>Threat to business</li> <li>Immediate action required</li> </ul>
<b>B – High</b>	<ul style="list-style-type: none"> <li>Unacceptable level of risk in procuring</li> <li>Senior Management decision/action required to use and a high level of monitoring required</li> </ul>
<b>C - Medium</b>	<ul style="list-style-type: none"> <li>Additional monitoring required for work</li> <li>Review for improvement opportunities</li> </ul>
<b>D - Low</b>	<ul style="list-style-type: none"> <li>Monitor risk and reduce if practical</li> </ul>

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Rating	Financial	Time	Client/Reputation	Zero Harm	Stakeholder & Community
<b>6</b>	>100% of Gross Margin	>20% Schedule over-run unrecoverable	<ul style="list-style-type: none"> <li>Total loss of shareholder and client support</li> <li>Prolonged impact to share price</li> <li>Departure of Group MD and/or Board Members</li> <li>International press</li> <li>Loss of sector presence/relevance</li> </ul>	<ul style="list-style-type: none"> <li>Fatalities or significant irreversible effects to more than one person</li> <li>Catastrophic widespread impact on the environment resulting in irreversible damage</li> </ul>	<ul style="list-style-type: none"> <li>Complete loss of trust by affected community leading to long term social unrest and outrage.</li> </ul>
<b>5</b>	70 – 100% of Gross Margin	10-20% Schedule over-run unrecoverable	<ul style="list-style-type: none"> <li>Departure of Divisional Executives</li> <li>Short term impact on share-price</li> <li>Client terminates contract</li> <li>Australia wide press</li> <li>Erosion of relevance/significance in the sector</li> <li>Significant opportunity jeopardised</li> </ul>	<ul style="list-style-type: none"> <li>Single fatality or severe irreversible disability to one or more persons</li> <li>Significant impact or serious environmental harm</li> </ul>	<ul style="list-style-type: none"> <li>Prolonged community outrage.</li> </ul>
<b>4</b>	40 -70% of Gross Margin	5-10% Schedule over-run unrecoverable	<ul style="list-style-type: none"> <li>Client registers strong concern and threatens contract termination</li> <li>State-based media reporting</li> <li>Potential future opportunities opened up to competitors</li> </ul>	<ul style="list-style-type: none"> <li>Moderate irreversible disability or impairment to one or more persons</li> <li>Lost Time Injury &gt; 28 days</li> <li>Significant impact or material harm on the environment</li> <li>An environmental notifiable incident</li> </ul>	<ul style="list-style-type: none"> <li>Long term community irritant leading to disruptive actions and requiring continual Management attention.</li> </ul>
<b>3</b>	20 – 40% of Gross Margin	< 5% Schedule over-run	<ul style="list-style-type: none"> <li>Client complains strongly</li> <li>Local media reporting</li> </ul>	<ul style="list-style-type: none"> <li>Lost Time Injury;</li> <li>Moderate or material environmental harm; and</li> <li>An environmental notifiable incident.</li> </ul>	<ul style="list-style-type: none"> <li>Short term community outrage or longer term unrest and dissent.</li> </ul>
<b>2</b>	5 – 20% of Gross Margin	Schedule slippage without impact to critical path (some operational costs)	<ul style="list-style-type: none"> <li>Client aware and affected</li> </ul>	<ul style="list-style-type: none"> <li>Medical Treatment Injury; and</li> <li>Minor impact on the environment</li> </ul>	<ul style="list-style-type: none"> <li>One off community protest requiring intervention and management attention.</li> </ul>
<b>1</b>	<5% of Gross Margin	Short term schedule slippage without impact to critical path	<ul style="list-style-type: none"> <li>No visible impact on the client or our reputation</li> </ul>	<ul style="list-style-type: none"> <li>Fatalities or significant irreversible effects to more than one person;</li> <li>Catastrophic widespread impact on the environment resulting in irreversible damage.</li> </ul>	<ul style="list-style-type: none"> <li>No complaint.</li> </ul>

# Procurement Management Plan

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## Market engagement guidelines

The Procurement Manager will utilise the guidelines provided overleaf in determining the appropriate approach to engaging the market.

Tier	Risk	Value	Market Engagement Approach	Form of Agreement				
				Subcontract	Consultancy	Goods	Plant	labour
Tier 1*	High risk [B]	>\$1m	<i>Approach to be discussed and agreed on a case by case basis</i>	Subcontract Agreement	Consultancy Agreement	Supply Agreement	Hire Agreement (Wet/Dry)	Labour Hire Service Agreement
	Medium [C] or Low Risk [D]	>\$1m		Subcontract Agreement – Short form				
Tier 2	Medium [C] or Low Risk [D]	\$250k - \$1m	RFT – 3 tender responses	Subcontract Agreement – Short form		Purchase Order		
Tier 3	Medium [C] or Low Risk [D]	\$30k - \$250k	RFQ – 3 quotes	Minor Works subcontract				
		< \$30k	1 quote	Minor works or Purchase Order	Purchase Order			

\* Where an extreme risk is identified consultation with the Principals Representative will be undertaken



# Procurement Management Plan

TRANSPORT ACCESS PROGRAM  
Project Document Number: TAP-DOWIPD-PLN-PM-0002

## Appendix C: Delegations of authority


The delegations of authority provided below will be used for all approval of RFAs and execution of subcontracts included in this Plan and must comply with the necessary TfNSW hold points and approvals as detailed in Section 8.

Expense / Approval Categories	Divisional CEO ('\$000's)	EGM ('\$000's)	GM ('\$000's)	Program Director ('\$000's)	Construction Manager ('\$000's)	Commercial Manager ('\$000's)	Project Manager ('\$000's)	Project Engineer ('\$000's)

**This is a subordinate management plan to be used in  
conjunction with the Project Management Plan**

## Transport Access Program

Contract Number: ISD-15-4742-A

Document Preparation and Control	Document Review
Vitor Reis – Project Engineer	Amit Patel – Commercial Manager
Document Approval	Signature
Andrew Bedwani – Project Director	

Document Version	Date
154742-PLA-A-0007	08/12/2019

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## 1 PURPOSE

The purpose of the Procurement Management Plan (the Plan) is to set out the approach, processes, procedures and standards for managing procurement for the Transport Access Program (TAP) for Easy Access Station Upgrades (the Program).

This document is intended to provide consistency in terms of structure and delivery of an efficient and effective procurement strategy and process. It encompasses the key principles of NSW government policies including:

- Delivering value for money which includes the benefits achieved compared to whole-life costs;
- Achieving efficiency and effectiveness;
- Ensuring probity, equity and effective competition; and
- Providing accessibility and aligning procurement with business needs; especially in respect of small to medium enterprises (SMEs).

In addition, the Plan aims to modernise procurement and provide:

- Strategic and agile procurement practices;
- Reduced red tape;
- Engagement with industry; and
- Encouragement of innovation.

It is not intended to be a comprehensive manual of all items or methods of procurement and should be treated as a guide.

## 2 DOCUMENT SCOPE

The scope of the Plan covers all aspects of procurement required for the delivery of Managing Contractor services for the Program for the following stations:

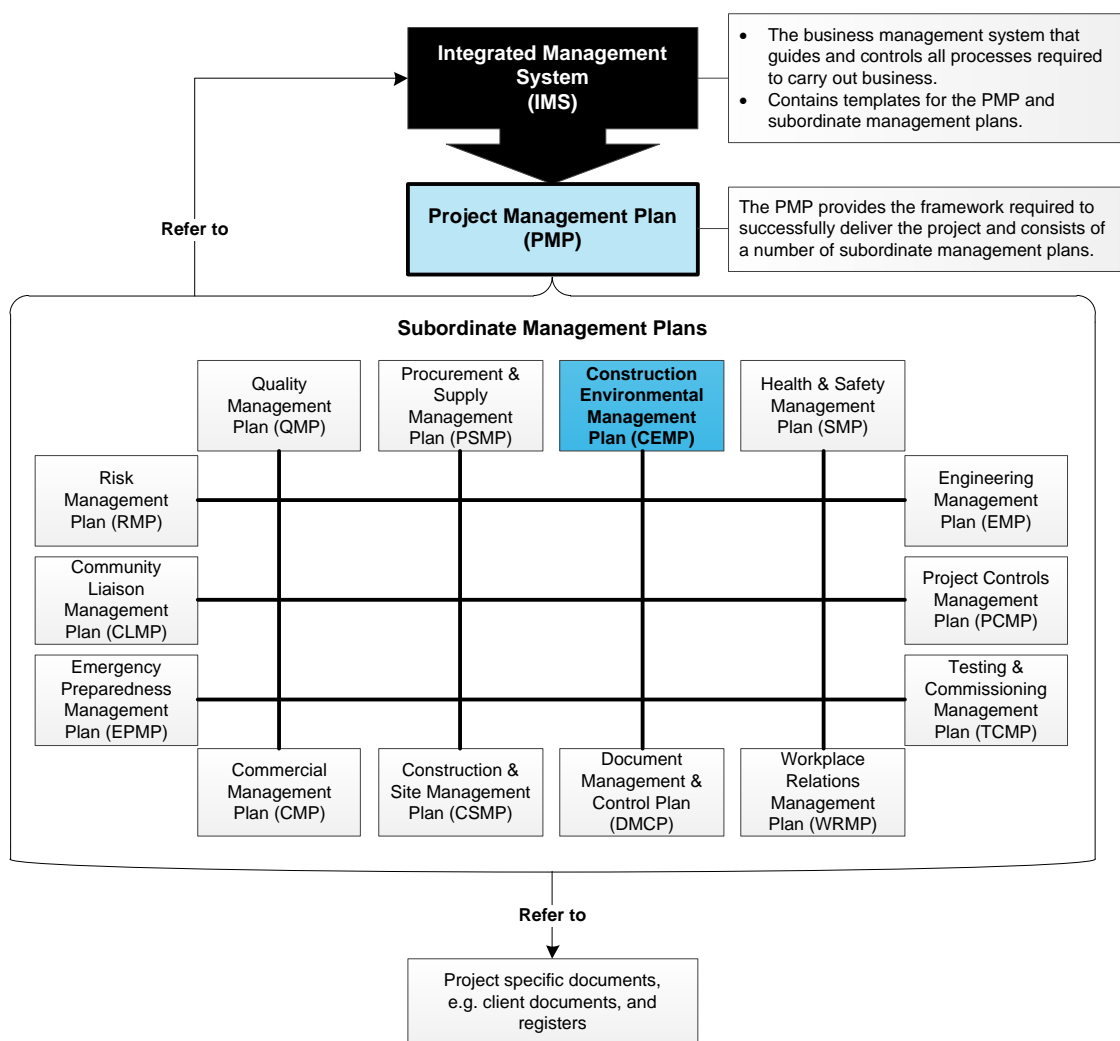
- Birrong station;
- Banksia station;
- Roseville station;
- Wollstonecraft station.

The target audiences for this plan are Construction Managers, Project Procurement Managers, the Project Procurement Team, the Project Team, and any other relevant stakeholders.

## 3 PROGRAM MANAGEMENT FRAMEWORK

The Downer program management framework aligns and integrates the Program functions which define the Program's delivery methodologies and processes. The Program Management Plan (PMP), as a key element of the program management framework, is the integration document which identifies and details the standard Downer program management practices, structure, and execution methods, and any Program-specific requirements for the Works.

The PMP incorporates a number of subordinate management plans which provide the specific functional detail required to successfully deliver the Program, as illustrated in the following figure.



Integrated Management System (IMS) is the tool that supports the program management framework including the PMP and all subordinate plans. The plans reference IMS documents (including but not limited to, procedures, work instructions and forms) and any Program-specific documents.

The PMP provides Program-specific details including, but not limited to, the following:

- Program information such as background, Project locations and Project descriptions;
- Scope of work including narrative, basis of design, battery limits and scope of services; and
- Program objectives and values including overarching principles, values and key performance indicators (KPIs) for the Program.

The PMP and subordinate management plans are audited throughout the duration of the Program to maintain compliance and are updated as required. Updates to the PMP and subordinate management plans are subject to the document review and approval process detailed in the Program’s Document Management and Control Plan.

## 4 REFERENCE DOCUMENTS

Relevant reference documents are provided below. The procedures, forms and registers associated with this Plan will be developed on TfNSW approval of this Plan.

## PROCEDURES AND REGISTERS

- DI-PM-PR042 Procurement Planning
- DI-PM-PR043 Supplier/Subcontractor Pre-Qualification
- DI-PM-PR044 Market Engagement (Supplier/Subcontractor Tendering)
- DI-PM-PR045 Contract Execution
- DI-PM-PR047 Contract Administration
- DI-PM-PR048 Materials Management
- DI-PM-PR049 Contract Close-Out
- DI-PM-RG042.1 Procurement Register

## NSW GOVERNMENT PROCUREMENT POLICY DOCUMENTS

- NSW Government Procurement Policy (Office of Financial Management), July 2004;
- Code of Practice for Procurement, (NSW Procurement Board), November 2013;
- Implementation Guidelines to the NSW Code of Practice for Procurement: Building and Construction, July 2013;
- NSW Procurement Policy Framework (NSW Finance & Services), Version 4, July 2015;
- Market Approaches Guide (NSW Finance & Services), Version 0.20, April 2015;
- Industry Engagement Guide (NSW Procurement Board) Version 1.1, March 2015;
- Small and Medium Enterprises Policy Framework (NSW Government Procurement) Version 1.1;
- NSW Government Policy on Aboriginal Participation in Construction (Finance & Services) May 2015;
- Training Management Guidelines, February 2009; and
- Agency Accreditation Scheme for Construction, December 2012.

In addition, a number of Board Directions (in relation to the procurement of goods and services) as issued by the NSW Government Procurement Board, will be embedded within this Plan.

## 5 DEFINITIONS & ABBREVIATIONS

<b>Direct Negotiation</b>	A complex market engagement method that involves direct negotiation with a single selected service provider without any prior competitive tender process.
<b>ECI</b>	Early Contractor Involvement (ECI) comprises the engagement of service providers with specific expert understanding during a design process to embed value engineering within the final design and prior to the release of a Request for Tender.
<b>EOI</b>	An Expression of Interest is used to identify potential service providers capable of undertaking specific work if the supply market is not well known.
<b>EOT</b>	Extension of Time.
<b>Integrated Management System (IMS)</b>	The documented management system for agreed operational arrangements for all support functions including finance, Zero Harm, quality, HR and Program management. The IMS is designed to provide consistent process controls, meet the requirements of external standards and link and integrate relevant core business processes.
<b>Operator</b>	Sydney Trains
<b>QA</b>	Quality Assurance
<b>RFA</b>	Recommendation for Award

<b>RFI</b>	A Request for Information is the formal process that a tenderer uses to request information during the tender process.
<b>RFP</b>	A Request for Proposal (RFP) is designed to elicit a detail response on a proposal or idea for a business solution.
<b>RFQ</b>	A Request for Quote is an invitation to potential suppliers to provide a price quote for a specific or well defined good or service.
<b>RFT (Open)</b>	An open Request for Tender requests pricing from the supply market with no limitations or restriction on who can submit pricing and is typically used where there is a mature competitive supply market.
<b>RFT (Multi-Stage)</b>	A Multi-Stage Request for Tender identifies suitable suppliers (through an EOI or pre-qualification process) prior to being selected to participate in a Request for Tender.
<b>RFT (Limited/Selective)</b>	A Limited/Selective Request for Tender is issued to known available service providers previously assessed as the most capable of delivering the work, product or service required.
<b>SME</b>	Small to Medium Enterprises
<b>TAP</b>	Transport Access Program
<b>TfNSW</b>	Transport for NSW
<b>WBS</b>	Work Breakdown Structure

## 6 PROCUREMENT OVERVIEW

Downer recognises that the NSW government wants “its procurement activities to achieve best value for money in the expenditure of public funds while being fair, ethical and transparent”.

The Plan supports this aim and other key policy objectives to improve procurement outcomes through the following core procurement principles:

- Demonstrating value for money;
- Encouraging competition by targeting new entrants to expand the number of prospective suppliers;
- Increasing opportunities for SMEs through targeted communication and prequalification schemes;
- Encouraging open communication and collaboration with supply chain partners;
- Promoting and sustaining a viable industry in NSW that encourages industry investment in skills development;
- Ensuring transparency and probity throughout the procurement process;
- Reducing red tape to encourage involvement in the procurement process;
- Encouraging innovation by maintaining a flexible, agile and adaptive procurement process; and
- Engaging with Aboriginal communities to broaden the opportunities for Aboriginal participation.

### 6.1 Standards of behaviour

The core procurement principles outlined above underpin the processes described within this Plan. They will drive the standards of behaviour across all levels of the Program, as outlined in the Code of Practice for Procurement. This includes

- **Honesty and fairness:** Parties will conduct all procurement and business relationships with honesty and fairness;
- **Accountability and transparency:** The process for awarding work will be open, clear and defensible;
- **No conflict of interest:** A party with a potential conflict of interest will declare and address that interest as soon as the conflict is known to that party;
- **Rule of law:** Parties shall comply with all legal obligations;
- **No anti-competitive practices:** Parties shall not engage in practices that are anti-competitive;
- **No improper advantage:** Parties shall not engage in practices that aim to give a party an improper advantage over another;
- **Intention to Proceed:** Parties shall not seek or submit tenders without a firm intention and capacity to proceed with a contract; and
- **Co-operation:** Parties will maintain business relationships based on open and effective communication, respect and trust, and adopt a non-adversarial approach to dispute resolution.

### 6.2 Probity requirements

Procurement is an activity that is vulnerable to any real or perceived corruption or maladministration when a proper process is not maintained. It is recognised that the NSW government:

“has an obligation to ensure its procurement conduct is at all times fair, ethical, transparent and probity rich. Clear, visible and meaningful commitments to fairness encourage suppliers to want to do business with government.”

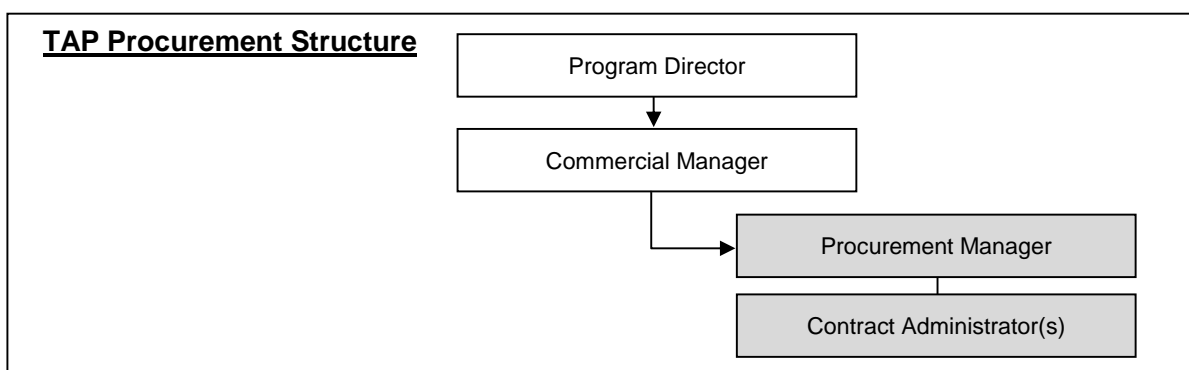
Downer will work closely with the Probity Advisor to ensure that any discussion or correspondence with any person with a conflict of interest will be prohibited from any information concerning the sum of

money that is being submitted as the tender sum. Downer will ensure that the integrity and competitiveness of the tender process remains in-tact.

## 6.3 Preliminary procurement structure

The Commercial Manager will oversee all procurement matters including providing planning expertise, advice and governance.

A preliminary structure for the Procurement Team is provided below which reflects Downer's approach to governance and a collaborative approach to service delivery:



An overview of the key responsibilities as they relate to TAP Procurement Team is provided below:

<b>Commercial Manager</b>	Accountable for ensuring the Program probity and equity on all supply chain partner engagement and procurement activities and has a direct line of report to the Program Director.
<b>Procurement Manager</b>	Responsible for developing the procurement strategy across the Program and managing the implementation of identification and market engagement activities.
<b>Contract Administrator</b>	Responsible for administering all subcontracts in accordance with the Plan and subcontract terms and conditions.

## 6.4 Interfacing responsibilities

The Procurement Team works directly with TfNSW and specific disciplines within the Downer team to effectively deliver Program objectives. An overview of specific interfaces is provided below.

### 6.4.1 Transport for NSW

The Procurement Team has a direct interface with TfNSW to ensure alignment and understanding with the overall procurement strategy including:

- Collaborating as per the general conditions of contract with TfNSW in the development of a proposed packaging approach for how the works will be delivered;
- Ensuring alignment in potential supply chain partners for proposed delivery of work including identification of pre-qualified supply chain partners or (where required) undertaking an EOI; and
- Ensuring that, prior to the release of any supply chain partner packages, there is alignment between TfNSW and Downer on the scope of works, evaluation criteria, proposed delivery model and supply chain partner conditions.

## 6.4.2 Delivery Team

Interface with the Construction and Project Teams is through the Construction Manager to assist with the development and implementation of the procurement strategy. This includes:

- Development of a packaging strategy considering subcontract markets, Program schedule and delivery strategy (including geographic location);
- Assistance in the preparation of supply chain partner packages for market engagement and being part of the evaluation and award of key packages; and
- Collaborating in the administration of subcontracts including managing claims, variations, chargeback and overall performance delivery.

## 6.4.3 Design Team

Interface with the Design Team is through the Design Manager to ensure alignment between supply chain partner packages and Program deliverables. Key interfaces include:

- Preparation of equipment specifications, data sheets, drawings and scope of works inclusive of all Program requirements;
- Assistance with supplier RFIs and technical evaluation of tenders (as required); and
- Establishment of quality assurance and quality control requirements for all procurement packages.

# 7 INITIAL PROPOSED PACKAGING

The initial proposed packaging approach is provided below. These packages will be released to the market using the procurement processes stipulated within this Plan, the NSW Government Procurement Policy Framework and related documents, as listed in Section 4.

To ensure value for money, these packages will be tendered to the market in two scenarios:

- With each station/Project as a single separable portion; and
- As a combined Program where tenderers can provide pricing for the delivery of all stations/Projects concurrently, in line with the overall delivery schedule.

Where it provides value for money, Downer will free issue materials to supply chain partners. These free-issued materials will be managed in accordance with the processes outlined in Section 8.

Upon approval from TfNSW Downer may self-perform reimbursable work for a given package which provides the best value for money. In the event that Downer carry out the self-performed work for any given package, the self-performed reimbursable work will be undertaken in an efficient manner without disruption to subcontractors working concurrently on site.

Downer will provide thorough details for any self-performed reimbursable work to TfNSW with daily reporting and complete transparency.

Initial supply chain partners have been identified, as provided below. These supply chain partners have been identified through an understanding of the industry and market, and have been used on previous Downer projects. At this stage no contact has been made with any of these potential partners in relation to the Program. This group will be further updated following the processes to be implemented, as detailed in Section 8.

The initial estimates on package values provided in the table below are based on the design completed to approximately 30%.



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<b>Package</b>	<b>Description</b>	<b>Form of Agreement</b>	<b>Tendering Method</b>
Buildings	All above platform works (excluding electrical and structural steel) and roofing	Subcontract Agreement Subcontract Agreement – Short form	RFT
Road and Civil	Ground preparation, foundation work, earthworks, drainage, services, formwork and CSR		
Masonry	Masonry		
Combined Services Routes	Combined Services Routes		
Drainage Works	Drainage Works		
Excavation	Excavation		
Concrete	Above platform FRP including (columns, headstand and stairs). Includes Precast.		
Demolition	Demolition works for building, platform or off-station including ACM management		
Fencing and Barriers	Fencing and Barriers		
Furniture and Fixtures	Furniture and Fixtures		
Glazing Works	Glazing Works		
ASP/HV Works	ASP/HV Works		
Landscaping	Soft and hard scaping including install of road furniture (potentially include fencing)		
LV and Comms Packages	All station electrical works (including cable ladder), CCTV and SPI. Any HV installation and Design and Construct of fire and life systems		
Metalwork	Metalwork		



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Painting	Painting		
Piling Works	Piling Works		
Platform Regrading	Platform Regrading		
Roofing	Roofing		
Balustrades & Screen	Balustrades & Screen		
Wayfinding & Signage	Wayfinding & Signage		
Structural Steel	Structural Steel		

## 8 PROCESS OVERVIEW

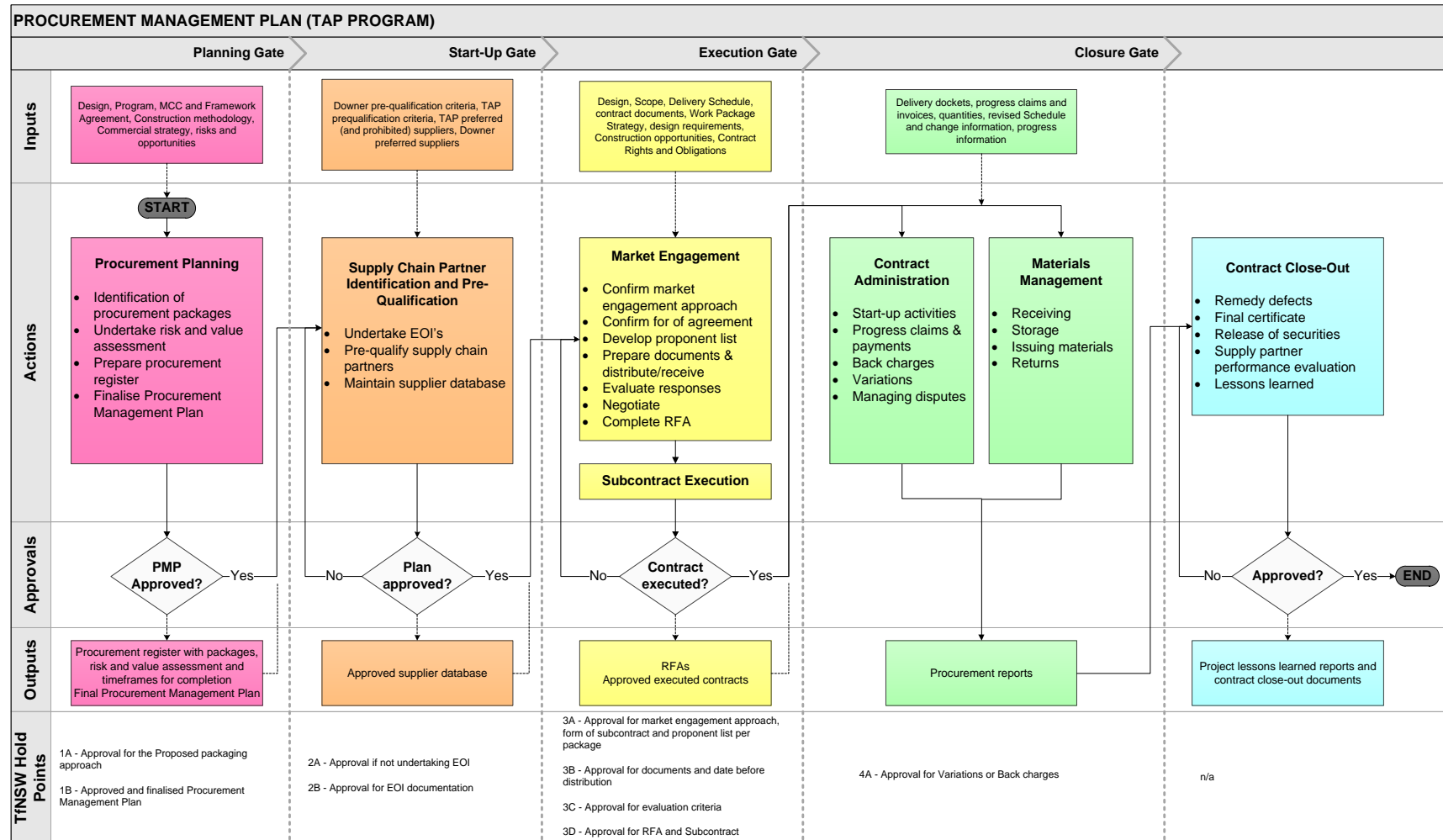
The Downer procurement process sets out the activities and hold points necessary to effectively manage and control the engagement of supply chain partners, consistent with the TfNSW Program objectives and the Downer Procurement Policy.

The standard Downer procurement activities are outlined below and provided in the flowchart following:

<b>Procurement Planning</b>	Establishing the approach to procurement including the proposed packaging and scheduling of procurement activities.
<b>Supply Chain Partner Identification and Pre-Qualification</b>	Identifying the relevant supply chain partners for work on the Program and initial pre-qualification.
<b>Market Engagement</b>	Competitively tendering the packages to identify the most suitable supply chain partners for the defined requirement/s.
<b>Contract Execution</b>	Executing subcontracts to awarded supply chain partners.
<b>Contract Administration</b>	Managing supply chain partners on-site and administering subcontracts.
<b>Materials Management</b>	Coordinating materials and services in accordance with the Program schedule and managing materials on-site.
<b>Contract Close-Out</b>	Finalising all activities to formally complete procurement.

The flow chart below provides an overview of these processes (including hold points and interfaces with TfNSW). Appendix A provides a prescriptive overview of the process with relevant clauses in the MCC identified.

Hold points are included at key milestones in the process to allow oversight and approval of procurement decisions within Downer and TfNSW. These will be developed further during mobilisation to ensure alignment with TfNSW and Program requirements.



## 8.1 Procurement planning

Procurement planning establishes the approach for procurement across the entire Program life-cycle. It takes into consideration the delivery schedule, construction approach, Project locations, package interfaces and typical characteristics of the market.

The Procurement Manager consults with key Program personnel to develop:

- An initial view of procurement packages;
- An initial view of approach to market engagement and form of agreement using a risk assessment of each package; and
- A procurement register to plan and monitor progress of procurement across the Program.

### 8.1.1 Identification of procurement packages

Identification of the optimum structure of procurement packages is required to drive value during the delivery of the Program. In addition to the underlying core procurement principles, as outlined in Section 6, the structure of the packages will take into consideration the following:

- Optimising the number of operational interfaces to reduce complexity during delivery;
- Optimise the size of packages to encourage SME involvement and reduce scenarios of margin on margin; and
- Create a sustainable industry in key locations based on existing and potential future work under the Program.
- Prior to tendering any packages, prepare a Subcontract Proposal for TfNSW which includes the following information:
  - The part of the Reimbursable Work to be the subject of the tender (procurement packages)
  - the amount included for this work in the Target Budget Estimate;
  - how Downer will ascertain the tender list for the part of the Reimbursable Work (e.g. EOI process, known tenderers)
  - how Downer will select the preferred Tenderer including details of the criteria (with weightings) for assessment of tenders;
  - the method of delivery for the work;
  - the proposed conditions of Subcontract which Down proposed to use to enter into the Subcontract; and
  - the proposed date for calling of tenders and for tender responses.

#### **HOLD POINT – 1A**

- Submit for approval from the TfNSW's Representative the Subcontract Proposal.

### 8.1.2 Undertake risk and value assessment

The Procurement Manager, in conjunction with the Program Director and Project Manager/s, undertakes a risk assessment on each procurement package to inform the necessary market engagement approach and the Form of Agreement, using the guidance set out in the Downer Risk Framework (refer to Annex B).

The value of the procurement package is the estimated value over the proposed term of the subcontract (i.e. not a per annum value).

In undertaking an assessment of the risk, the Procurement Manager considers the following factors relating to the procurement:

- The nature of the goods or services being procured;
- Downer's experience in procuring goods or services of this nature;
- Estimated subcontract value compared with total Program value;
- Technical complexity of the good or service being procured;
- The annual turnover of the supply chain partner likely to be engaged;
- The capability of the market to respond to any specific requirements of the procurement;
- Overall lead time of the good being delivered and relationship to the critical path; and
- Whether there is an existing framework agreement or panel contract for the supply chain partner.

The risk and value assessment outcome will allocate create three tiers of procurement packages, as per below. The value limits specified within Procurement Board Direction 2013-03 and the NSW Government Procurement Guidelines (Construction to \$1m) have been used to develop the value limits.

Tier	Risk Category	Value
<b>Tier 1*</b>	High risk [B]	>\$1m
	Medium [C] or Low Risk [D]	>\$1m
<b>Tier 2</b>	Medium [C] or Low Risk [D]	\$250k - \$1m
<b>Tier 3</b>	Medium [C] or Low Risk [D]	\$30k - \$250k
		< \$30k

Where an extreme risk [A] is identified as per Annex B, consultation with the TfNSW will be undertaken.

### 8.1.3 Procurement register

The Procurement Manager develops and maintains the Procurement Register to manage and track procurement activities and lead times for each procurement package. The register is aligned to the Program schedule.

This Procurement Register includes, but is not limited to, the following procurement activities:

- Design requirements;
- Supplier identification and pre-qualification;
- Document preparation;
- TfNSW review and approval requirements;
- Required market engagement method;
- Award and subcontracting/negotiations;
- Required on-boarding and inductions; and
- Manufacturing lead times (if any).

The Procurement Team, in consultation with the Planning Manager, identifies and prioritises packages closest to the critical path and long lead packages. The status of the procurement register, including identifying the forecast and planned dates for all packages and any associated records, is maintained by the Procurement Team.

#### **HOLD POINT – 1B**

- Seek approval from the TfNSW's Representative on the Procurement Management Plan.

## 8.2 Supply chain partner identification and pre-qualification

Following the development and TfNSW approval of proposed procurement packages, the Procurement Manager identifies potential supply chain partners relevant for each procurement package.

The initial view of potential supply chain partners, as provided in Section 7, is based on:

- Downer preferred supply chain partners that could be leveraged for the Program (where applicable);
- TfNSW preferred supply chain partners that have proven experience in rail and the Program;
- Exclusion of any TfNSW Prohibited Subcontractors; and
- Local understanding of supply chains with capability/experience on delivering similar project types.

This initial view will be complemented by using the persons nominated in Schedule 28 or an open Expression of Interest (EOI), where potential supply chain partners are invited to seek the status of a pre-qualified supply chain partner to allow fair and equitable access to Program opportunities.

### HOLD POINT – 2A

- Seek approval from the TfNSW's Representative if it is proposed not to undertake an EOI.

### 8.2.1 Expressions of interest

In undertaking an EOI, the Procurement Manager prepares and makes an invitation to the market seeking Expressions of Interest from supply chain partners for inclusion on pre-qualified lists for the provision of works, goods or services for the Program.

The EOI (subject to approval from TfNSW) sets out the key requirements within which Downer expects to be procuring (for example, scope, value) and applicants are given:

- The criteria for supply chain partner pre-qualification;
- Details of the information required to be submitted by applicants; and

Where applicable, details of any agreement that a successful applicant will be required to enter.

### HOLD POINT – 2B

- Seek approval from the TfNSW's Representative where an EOI is proposed on specific details around the advertising, EOI documentation, distribution, response evaluation and recommendation.

### 8.2.2 Supply chain partner pre-qualification

The Procurement Manager manages the process of pre-qualifying supply chain partners which incorporates standard Downer requirements and any Program-specific requirements. A supply chain partner must be included on the Downer pre-qualified list prior to undertaking any works on the Program and preferably prior to being part of any market engagement process (excluding Open Request for Tender circumstances where pre-qualification is undertaken as part of the market engagement process).

The Procurement Manager ensures that each pre-qualification submission received (via EOI, standing offer or other means) is assessed against the standard approval criteria. The assessment is

undertaken in a reasonable period and the supply chain partner is informed in writing, with appropriate records maintained.

The outcome of the assessment will be:

- Accepted (meeting the criteria for approval);
- Not Accepted (not meeting the criteria for approval); and
- Prohibited (not to be used or assessed until agreed with TfNSW).

If the potential supply chain partner is found to be 'Accepted', then the details will be included in the supplier database, discussed below, and be eligible to be involved in relevant market engagement activities.

If the potential supply chain partner is found to be 'Not Accepted', then feedback will be provided on why they were not successful. Ideas are provided to assist them to meet the criteria for approval in subsequent processes.

If the potential supply chain partner is found to be 'Prohibited', then feedback will be provided on why the supply partner is deemed to be prohibited and a record of the details for the decision will be maintained within the supplier database. Downer will not enter into a subcontract with a supply chain partner deemed to be 'Prohibited'.

## 8.2.3 Downer supplier database

The Procurement Manager maintains a Downer Program database and records of pre-qualified supply chain partners necessary to fulfil the wider requirements of the Program. The data contained within the supplier database is treated as commercially sensitive and access to it is restricted to persons properly engaged in the administration and implementation of this Plan.

## 8.3 Market engagement

The Procurement Manager manages the market engagement activities with supply chain partners. This includes developing the approach for how the market will be engaged, identifying the relevant proponents, preparing the tender documents (including form of agreement) and managing the distribution, receipt and evaluation of tender responses.

### 8.3.1 Market engagement approach

The Procurement Manager, in consultation with the Commercial Manager and Program Director, develops a market engagement approach for each procurement package based on the risk and value assessment undertaken in Section 8.1 and the core procurement principles in Section 6.

Key market engagement guidelines developed for the Program are provided in Appendix C.

Key market engagement methods, as identified within the NSW Finance and Services Market Approaches Guide, include:

- Expression of Interest (EOI);
- Request for Quote (RFQ);
- Request for Tender (RFT) – Open/Multi-stage/Limited (Selective);
- Request for Proposal (RFP);
- Request for Information (RFI);
- Direct negotiation; and
- Early Contractor Involvement (ECI).



### 8.3.2 Form of agreement

The Procurement Manager, in consultation with the Commercial Manager, selects a form of agreement for each procurement package based on the risk and value assessment undertaken, as outlined in Section 8.1 and the Program commercial strategy. It is noted that an initial view of the form of agreement for each procurement package (including the pricing mechanism) is included in Section 7, and will be updated through discussions with TfNSW.

The agreements provided below are standard Downer legal precedents and a brief description of their intended use is provided. These agreements will be modified to accommodate back-to-back conditions from the Managing Contractor Contract (MCC), where appropriate.

Appendix C provides the guidelines for determining how these forms of agreement will be used across the different supply tiers.

Agreement Type	Description of Intended Use	Legend
<b>Purchase Order</b>	To purchase a fixed volume of any type of goods that are of low value and low risk (for example, they are basic 'off the shelf' goods).	PO
<b>Supply Agreement</b>	To purchase a fixed volume of any type of goods (together with related services) from a supply chain partner that are of a medium to higher risk/complexity.	SP
<b>Consultancy Agreement</b>	To engage a consultant to provide professional services (for example, design or professional advice).	CA
<b>Hire Agreement (Wet/Dry)</b>	To hire construction plant or equipment, both with or without operators (i.e. both dry hire and wet hire).	PH
<b>Minor Works Subcontract</b>	For low value, low risk on-site work where the supply chain partner's work is not critical to Downer's obligations under its head contract.	MW
<b>Subcontract Agreement – Short form</b>	For complex and higher value/risk work where Downer needs to include provisions dealing with the administration of time (EOTs), completion, variations, latent conditions, DLP, subcontracting, warranties, security, claims and IP.	SUBS
<b>Subcontract Agreement</b>	For more complex, higher value, higher risk work or where prescriptive obligations under the MCC need to be passed through to the supply chain partner.	SUB
<b>Labour Hire Service Agreement</b>	For skilled/unskilled labour hire (for example construction labour, concreter etc)	LH

### 8.3.3 Proponent list

For all procurement packages, the Procurement Manager (or Package Owner) develops a proponent list of supply chain partners for market engagement. In order to prevent any bias or un-competitive practices, the proponent list will be prepared based on:

- Pre-qualified supply chain partners on the supplier database for each procurement package and tier;
- Other known supply chain partners with known capability;
- Any EOIs undertaken; and
- Feedback from past assessment of performance in delivery.

The proponent list for each package is recorded within the procurement register, including those who were invited but declined.

### HOLD POINT – 3A

- Seek approval from the TfNSW's Representative on the proposed market engagement approach, form of subcontract and proponent list per package.

## 8.3.4 Document preparation

The Procurement Manager (or Package Owner) is responsible for coordinating the preparation of documents for each procurement package in-line with the approved market engagement approach. Generally RFT documents comprise:

- Conditions of tendering;
- Tender form and pricing schedules;
- Returnable schedules of information;
- Design drawings and technical specifications (where required);
- Any management system requirements (for example, safety, quality);
- Standard form of agreement;
- Pre-qualification assessment form (where an open tender being used); and
- Description of the work and/or services required, which may include a brief, performance requirements, design information, technical specifications and drawings.

The Procurement Manager ensures that all tender documents are prepared by persons with sufficient expertise and manages the process of obtaining approval for any tender documents from TfNSW.

The Procurement Manager will also ensure that all Subcontractor Tender Documentation prepared and all associated tender processes for Reimbursable Work is carried out with the intention to maximise value for money for TfNSW whilst maintaining the highest standard of probity, fairness and equal opportunity. The Subcontract Tender Documentation pack to TfNSW is to include:

- The Design Documentation relevant to the part of the Reimbursable Work to be subcontracted;
- The conditions of the Subcontract, which must, unless otherwise expressly directed in writing by the Principal's Representative, be on terms approved by the Principal's Representative;
- If the Principal's Representative so directs, a request for tender; and
- Any other documentation necessary for that part of the Reimbursable Work to be subcontracted

### HOLD POINT – 3B

- Seek approval from the TfNSW's Representative on the Subcontract Tender Documentation before distribution to the market.  
(Note: documents must be submitted to TfNSW's representative 21 days before tenders are invited.)

## 8.3.5 Document distribution/receipt

On receipt of the approved tender package, the Procurement Manager issues the documents using TeamBinder (or an alternate electronic tendering system as agreed with TfNSW) to prospective tenderers, ensuring confidentiality. A record of correspondence with tenderers is maintained.

Documents are also distributed and received so as not to advantage or disadvantage any particular tenderer.

On receipt of a new or re-negotiated tender response, the Procurement Manager ensures each response is date-stamped and then undertakes an elemental review for the completeness of the response, prior to distribution for evaluation.

### 8.3.6 Request for information

The Procurement Manager (or Package Owner) manages all RFIs from tenderers, by ensuring:

- All clarifications to and from tenderers are in writing;
- Any amendments to the tender prior to the close are issued to all tenderers in writing, as formal addenda;
- Any questions asked by tenderers prior to the tender close are clarified; and
- A record of all correspondence is kept.

### 8.3.7 Tender period

The Procurement Manager (or Package Owner) establishes the tender response period ensuring:

- Tender periods allow sufficient time for prospective suppliers to price and prepare their submissions/bids for the work; and
- Wherever possible, tenders are published electronically and allow for tenderers to lodge submissions electronically.

The Procurement Manager (or Package Owner) will nominate the tender period for the specific package as part of submitting the documents to TfNSW for approval (refer section 8.3.4).

A tender period will only be extended under special circumstances. Extensions of time for tender submissions must apply to all prospective tenderers.

### 8.3.8 Response evaluation

The Procurement Manager is responsible for ensuring probity of the evaluation process. Where required, an evaluation team will be created to ensure relevant sections are evaluated by those with the necessary skills and knowledge and who are free of any conflict of interest.

The Procurement Manager (or Package Owner) ensures the evaluation criteria and weighting for each procurement package proposed below meets the key package requirements. The aim is to identify the tenderer offering the best value for money. Any changes to the proposed weighting of the evaluation criteria will be discussed and agreed with TfNSW prior to any evaluations being undertaken. The evaluation criteria includes:

Evaluation Criteria	Weighting	Description
<b>E1 Company Background</b>	10%	<p>A general assessment of the tenderers financial health and operational experience in delivering, including but not limited to:</p> <ul style="list-style-type: none"> <li>▪ Value of scope of works relative to annual turnover of tenderer;</li> <li>▪ Financial health of tenderer;</li> <li>▪ Key health and safety and environment key performance indicators;</li> <li>▪ Proven experience of tenderer and its personnel in similar projects; and</li> <li>▪ Past performance assessments/ratings on similar projects.</li> <li>▪ Key personnel – CVs and Organisational charts.</li> </ul>
<b>E2</b>	20%	Conformity to all technical and design requirements and conformity to all operational requirements, including but not

Evaluation Criteria	Weighting	Description
<b>Operational/ Technical</b>		<p>limited to:</p> <ul style="list-style-type: none"> <li>▪ Delivery times offered;</li> <li>▪ Quality of products/services offered;</li> <li>▪ Conformance to TfNSW warranty periods;</li> <li>▪ Any innovation in products or service delivery;</li> <li>▪ Ability to meet Program schedule; and</li> <li>▪ Any innovation offered that meets or exceeds technical requirements;</li> <li>▪ Any exclusions listed in tenderer's tender proposal;</li> <li>▪ Where applicable, conformance to any licensing and registration to undertake works.</li> </ul>
<b>E3 Zero Harm</b>	20%	Conformity to Downer's and TfNSW health and safety, environment and community relations objectives and supply chain partner's historical performance in these areas.
<b>E4 Workplace Relations</b>	20%	Conformity to the industrial environment and compliance with the Implementation Guidelines to the NSW Code of Practice for Procurement: Building and Construction.
<b>E5 Financial</b>	20%	A comparison of pricing, ensuring all prices are adjusted so that a like for like comparison can be made. The comparison must ensure that it is an assessment of whole-of-life costs (including costs or disposal).
<b>E6 Commercial</b>	10%	Conformity to all terms and conditions (including any performance specifications and ASA requirements), Code requirements and insurances.

Where an alternative tender is provided, confidentiality will not be breached by using information contained in alternative tenders as the basis for calling for subsequent tenders. The alternative response will be evaluated in accordance with the conditions of tendering.

### **HOLD POINT – 3C**

- Seek approval from the TfNSW's Representative on the evaluation criteria for each package.

### 8.3.9 Negotiations

The Procurement Manager (or Package Owner) will ensure all negotiations are carried out in line with this Plan where the market engagement process does not deliver either the desired solution from a scope or financial perspective. These negotiations are undertaken in good faith and in line with Procurement Principles and Standards of Behaviour as per Section 6 and the NSW government reference documents (specifically Section 5.2 of the NSW Code of Practice for Procurement).

Upon request of TfNSW's representative, post-tender negotiations with tenderers will be conducted and if required, held in the presence of the TfNSW representative.

### 8.3.10 Recommendation for award

The Procurement Manager (or Package Owner) manages the award of a subcontract by preparing a Recommendation for Award (RFA). The RFA summarises the details of the offers received and the evaluations performed.

The RFA is circulated to the Downer representative in accordance with the delegated authorities (refer Appendix D) for the Program. TfNSW also receives a copy of the RFA for approval.

The Procurement Manager is responsible for ensuring approval of the RFA from TfNSW. A subcontract is only awarded after approval of the RFA is obtained.

#### **HOLD POINT – 3D**

- Seek approval from the TfNSW's Representative on the RFA.

### **8.3.11 Letters of Regret**

Letters of regret are issued to unsuccessful suppliers and subcontractors. At the request of the supplier/subcontractor, and subject to approval from TfNSW, a de-brief session is undertaken to provide feedback on why the supplier/subcontractor was unsuccessful.

## **8.4 Contract execution**

Following approval of the RFA, the Contract Administrator is responsible for executing the subcontract, raising the purchase order to initiate commencement of work and managing securities and insurances prior to any work being undertaken.

### **8.4.1 Awarding a subcontract**

The Procurement Manager (or Package Owner) prepares and updates the final form of subcontract for the supply chain partner by:

- Ensuring the final form of subcontract (including all supporting schedules) does not deviate from the negotiated subcontract;
- Ensuring all functional leads (where required) have reviewed the documents issued or referenced in the final form of subcontract, and updates, where required;
- Obtaining approvals for the final form of subcontract from the appropriate financial delegate;
- Issuing the full set of subcontract documents to the supply chain partner to sign and return (including confidentiality agreements and agreed sub contract price);
- Obtaining the Downer delegated authority signature on the subcontract; and
- Sending the subcontract to the Contract Administrator for filing.

### **8.4.2 Raising a purchase order**

Upon execution of the subcontract, the Contract Administrator completes a purchase order and includes the relevant information of the package (for example, description, quantity, price, and delivery/completion date), and the necessary cost codes for commitment.

The Contract Administrator raises purchase orders in accordance with Downer's purchasing process and the procurement register is updated and documentation sent to Project Controls.

### **8.4.3 Managing securities and insurances**

On subcontract award, the Contract Administrator manages the receipt and storage of securities and insurance certificates in accordance with the subcontract.

Failure by the supply chain partner to submit condition precedent documents within the timeframe specified may constitute a fundamental breach of the subcontract.

## 8.4.4 Subcontractor Warranties

Upon executing a contract with a subcontractor, the Procurement Manager will work alongside the Commercial Manager to procure and provide warranties from the subcontractor undertaking or supplying the work or item.

A well-defined warranty period will be embedded into the subcontractor agreement which will maintain the integrity, performance and compliance of works carried out by an approved subcontractor/supply chain partner.

## 8.5 Contract administration

The Contract Administrator is responsible for the administration of the subcontracts for the Program. This includes the following activities, which may be completed concurrently:

- Start-up activities;
- Contract administration (progress claims and payments and back charges);
- Variations (including extensions of time); and
- Managing disputes.

As per the co-ordination of subcontracts, the Procurement Manager will work closely with the Project Manager and delivery team to administer, supervise, inspect, co-ordinate and control the work of all subcontractors engaged on-site.

### 8.5.1 Start-up activities

The Contract Administrator schedules a kick-off meeting between the Program's Management Team and the supply chain partner's Management Team, after subcontract award and before the supply chain partner commences work on-site or a supplier receives an order. The purpose of the kick-off meeting is to achieve a mutual understanding between Downer and the supply chain partner regarding the way in which the requirements of the subcontract are to be executed.

The Contract Administrator is responsible for establishing and maintaining a file for each supply chain partner and ensuring an appropriate mechanism is established for correspondence control. This ensures the tracking and storing of all correspondence with supply chain partners is registered, actioned and maintained for later access, if required.

### 8.5.2 Progress claims and payments

Progress claims and payments are coordinated by the Contract Administrator for each package, in consultation with the Commercial Manager. Subject to the terms and conditions within the subcontract, the Contract Administrator:

- Receives a payment claim from the supply chain partner and validates the claim with the Project Manager, referring to documented evidence provided, for example, timesheets, invoices and/or delivery docket;
- Prepares a payment certificate for the supply chain partner and obtains approval for the claim by

the Program Director and relevant financial delegate;

- Forwards the supply chain partner payment claim to Project Controls for input into the Program's cost system;
- Receives a valid tax invoice from the supply chain partner for the same amount as the supply/subcontract payment certificate;
- Forwards documents for processing; and
- Updates that the payment was made in the procurement register.

### 8.5.3 Back charges

The Project Manager issues back charge notices to the Contract Administrator for any back charge work.

Prior to the commencement of back charge work, the Contract Administrator and the supply chain partner agree on the back charge notice issued which defines the scope, schedule, cost code and estimated costs of the work.

The Contract Administrator forwards the approved back charge notice to the supply chain partner for acceptance/approval.

### 8.5.4 Variations (including extension of time)

The Contract Administrator is responsible for managing variations across the Program in accordance with the Approved Subcontract Agreement. A variation is used in all instances where a change is made to a subcontract, including any change in scope, value or time.

The Contract Administrator raises a formal variation notice where the supply chain partner has been requested to perform works outside the original scope of supply, or if the supply chain partner submits a claim for change. This variation notice must include a request for the supply chain partner to provide an estimate of the effect the variation will have on the subcontract cost, schedule and the affected work breakdown structure (WBS).

All variations notices must be approved in accordance with the delegated authorities (refer Appendix D) for the Program prior to the supply chain partner undertaking any works in relation to the variation.

Once a variation is approved, Project Controls prepares a variation order and sends a formal notice of approval to the supply chain partner. Project Controls increases the subcontract order's committed value in the project controls system to reflect the approved variation order.

#### **HOLD POINT – 4A**

- Seek approval from the TfNSW's Representative on the value (in accordance with the Subcontract) of a variation or back charge through Payment Claim.

### 8.5.5 Managing disputes

The Contract Administrator and Commercial Manager are responsible for managing any dispute raised (either by Downer or the supply chain partner) in accordance with the terms and conditions within the subcontract. The Contract Administrator and Commercial Manager will ensure that the representative from TfNSW is kept fully informed of all aspects of a potential dispute. The Project Manager will also inspect any Contemporaneous Work as required to ensure that works completed are not proven to be unsuitable, unsatisfactory or detrimental.

All payments and disputes are managed in accordance with the prescriptive timeframes specified within Building and Construction Industry Security of Payment Act 1999.

## 8.6 Quality Management

The Systems Engineer is responsible for managing of the Quality documentation and registers across the program in accordance of the Quality Management Plan. Quality management is a continual process which addresses the following:

- Control of project documents;
- Managing variation;
- Project meetings and reports;
- Control of drawings and specifications;
- Non-conformances;
- Corrective and preventative actions.

### 8.6.1 Inspection and test plans/reports

The System Engineer is responsible to coordinate with the Project Manager and Project Engineers to ensure that the subcontractor has:

- Completed and submitted all the Inspection and Test Plans (ITPs), relevant to the subcontractor's work with the progress claim;
- Completed and submitted all the Inspection and Test Reports (ITRs) and other verifying documents related to each of the ITPs with the progress claim;
- The ITPs have been reviewed and approved by the Project Manager or his/her delegate, who pre-determined the requirements for the ITPs;
- The ITPs and ITRs are signed and dated by a competent person in accordance with the works program.

## 8.7 Expediting

The Project Manager is responsible to undertake or assign an individual to the Expeditor role. The Expeditor is responsible to ensure that materials and services delivered according to the Project Schedule. Expediting is a continual process, and involves:

- Anticipating and solving problems with the supply;
- Ensuring receipt, approval and progress of the manufacturer's schedule and other supplier / subcontractor documents;
- Continually reviewing the delivery status of all contracts and purchase orders;
- Providing material progress reports and keeping management advised of any changes or deviations from the approved schedule.

### 8.7.1 Expediting procedure details

The Expeditor is responsible to follow the expediting process. The expediting procedure consists of the following sequence of steps:

- Determining the expediting level required for each work package;
- Setting up the expediting file for each supplier/ subcontractor/ work package and register;
- Contacting the supplied/subcontractor to inform them of their requirements;
- Monitoring of the progress in accordance of the Procurement Register through a series of reports;
- Managing of the supplier/subcontractor site visits;
- Managing of the supplier/subcontractor deliverables;



- Managing of defects and non-conformances;
- Managing of vendor data requirements and ensure that all required documentation is received from the supplier/subcontractor.

## 8.8 Materials management

As discussed in Section 7, Downer may free issue materials to supply chain partners. In these circumstances, it will be the responsibility of the Procurement Manager (in consultation with the Project Managers) to ensure materials are effectively received, stored, issued and returned (where required).

### 8.8.1 Goods receiving

The relevant Project Manager ensures that all goods received are verified against the original subcontract or purchase order requirements.

On receipt of the materials, the Project Manager verifies quantities and undertakes an inspection for damage or defect. Each item is allocated a storage location and regularly checked for security and condition.

### 8.8.2 Goods storage

Project Managers ensure that all materials stored on-site have a storage location allocated and recorded in the procurement register.

### 8.8.3 Issuing materials

The Project Manager liaises with the Procurement Manager on a regular basis to ensure materials are issued to supply chain partners when required. The Project Managers will provide feedback to the Procurement Manager regarding any future planned material requirements to meet Program requirements.

### 8.8.4 Goods return

Project Managers ensure the return of unwanted, damaged or surplus items are tracked to ensure the safe, timely and commercially responsible return of items. Returns are generally due to quality assurance inspection, oversupply and damage/defect rectification.

## 8.9 Contract close-out

The Contract Administrator closes out all subcontracts. Close-out begins when all work under the subcontract has been completed and the Contract Administrator, with the relevant Project Manager, will:

- Undertake a final inspection with the supply chain partner and remedy any defects identified;
- Issue a notice of practical completion in accordance with the relevant clause of the subcontract;
- Evaluate the supply chain partner performance and feedback any issues to TfNSW;
- Engage the supply chain partners to conduct a lessons learnt and identify areas for improvement;
- Establish a process to monitor supply chain partner defects during the defects liability period; and
- Ensure securities are maintained in accordance with the relevant clause in the subcontract;
- Ensure that on completion of any test, all activities and works conducted by Downer and relevant

subcontractors are fully compliant with the managing contractor contract.

### 8.9.1 Final certificate and release of securities

On expiration of the defects liability period, the Contract Administrator issues (or receives from the supply chain partner) a final payment certificate (or claim) in accordance with the subcontract. On approval of the final payment claim (certificate), securities are released to the supply chain partner in accordance with the relevant clause in the subcontract.

## 9 PROCESS REVIEW/CONTINUOUS IMPROVEMENT

The Procurement Manager undertakes an annual review of Downer's Program procurement process and prepares a summary report for the Program Director. With TfNSW input, the procurement approach/plan for the following year is improved, where possible.

### 9.1 Scope of annual procurement review

Before commencing the review, the Procurement Manager agrees to the scope of the annual procurement review with the Program Director. The annual procurement review considers (as a minimum) the following:

- Probity of the procurement process;
- The status of the approved supply chain partner list;
- Changes to the approved supply chain partner list during the year;
- Local target outcomes;
- Supply chain partner utilisation;
- Supply chain partner performance;
- Supplier market health; and
- The effectiveness of the process including recommendations for change.

#### 9.1.1 Review and audit

The Program Director is accountable for the implementation of this Procurement Plan and will review the Plan and associated procedures quarterly during the first 12 months and annually thereafter using our continuous improvement mechanisms in a manner that:

- Achieves contract compliance and continually improves the Procurement Plan; and
- Optimises value-adding activities, minimises non-value adding activities and eliminates waste in order to deliver continual improvement and reduce cost to TfNSW.

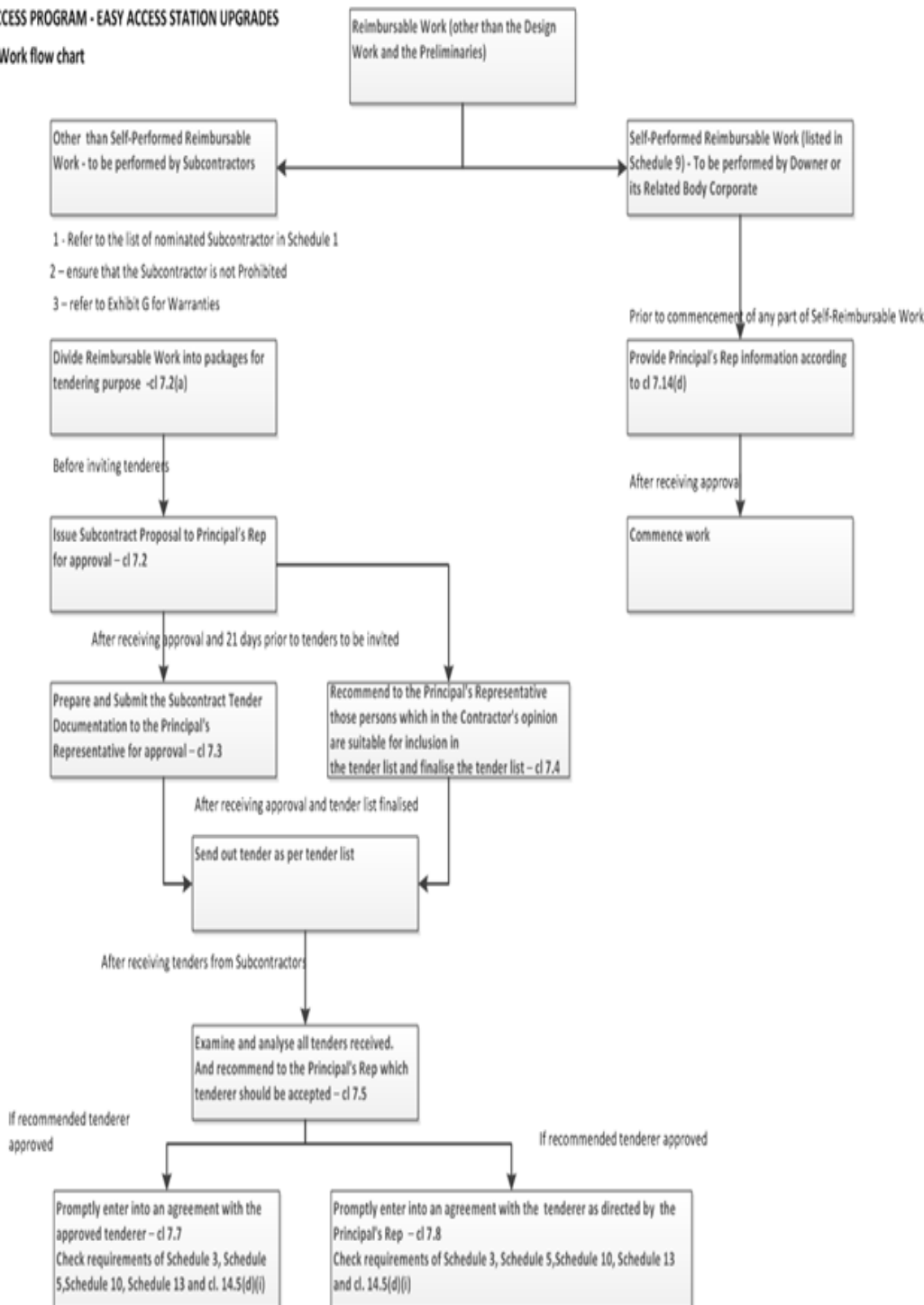
## **10 LIST OF APPENDICES**

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## Appendix A: Reimbursable work flow chart

TRANSPORT ACCESS PROGRAM - EASY ACCESS STATION UPGRADES  
Reimbursable Work flow chart





# Procurement Management Plan

TRANSPORT ACCESS PROGRAM  
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## Appendix B: Downer risk assessment framework

<b>What is being evaluated:</b>		<b>Person/s conducting evaluation:</b>		<b>Date:</b>	
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Risk Assessment Matrix		Likelihood				
		Rare	Unlikely	Possible	Likely	Almost Certain
Consequence	6 – Catastrophic	B	B	A	A	A
	5 – Extreme	C	B	B	A	A
	4 – Severe	C	C	B	B	A
	3 – High	D	C	C	B	B
	2 – Medium	D	D	C	C	B
1 – Low	D	D	D	C	C	
Risk Assessment Ratings						
Consequence Rating		Likelihood Rating			Risk Rating	

Likelihood	Criteria
<b>Almost Certain</b>	<ul style="list-style-type: none"> <li>Over 90% probability</li> <li>Expected to occur in most circumstances</li> <li>Likely to occur multiple times throughout a project</li> </ul>
<b>Likely</b>	<ul style="list-style-type: none"> <li>Between 50% to 90% probability</li> <li>Probable that is occurred in most circumstances</li> <li>Possible to occur in a project</li> </ul>
<b>Possible</b>	<ul style="list-style-type: none"> <li>Between 10% to 49% probability, or</li> <li>Might occur, has occurred before”, or</li> <li>Has occurred in a minority of similar projects</li> </ul>
<b>Unlikely</b>	<ul style="list-style-type: none"> <li>Between 1% to 9% probability</li> <li>Could occur</li> <li>Has not occurred in similar projects, but could</li> </ul>
<b>Rare</b>	<ul style="list-style-type: none"> <li>Less than 1% probability</li> <li>Exceptionally unlikely, even in the longer term</li> <li>A “100 year event”</li> </ul>
Risk Level	
<b>A - Extreme</b>	<ul style="list-style-type: none"> <li>Threat to business</li> <li>Immediate action required</li> </ul>
<b>B – High</b>	<ul style="list-style-type: none"> <li>Unacceptable level of risk in procuring</li> <li>Senior Management decision/action required to use and a high level of monitoring required</li> </ul>
<b>C - Medium</b>	<ul style="list-style-type: none"> <li>Additional monitoring required for work</li> <li>Review for improvement opportunities</li> </ul>
<b>D - Low</b>	<ul style="list-style-type: none"> <li>Monitor risk and reduce if practical</li> </ul>

# Procurement Management Plan

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Rating	Financial	Time	Client/Reputation	Zero Harm	Stakeholder & Community
<b>6</b>	>100% of Gross Margin	>20% Schedule over-run unrecoverable	<ul style="list-style-type: none"> <li>Total loss of shareholder and client support</li> <li>Prolonged impact to share price</li> <li>Departure of Group MD and/or Board Members</li> <li>International press</li> <li>Loss of sector presence/relevance</li> </ul>	<ul style="list-style-type: none"> <li>Fatalities or significant irreversible effects to more than one person</li> <li>Catastrophic widespread impact on the environment resulting in irreversible damage</li> </ul>	<ul style="list-style-type: none"> <li>Complete loss of trust by affected community leading to long term social unrest and outrage.</li> </ul>
<b>5</b>	70 – 100% of Gross Margin	10-20% Schedule over-run unrecoverable	<ul style="list-style-type: none"> <li>Departure of Divisional Executives</li> <li>Short term impact on share-price</li> <li>Client terminates contract</li> <li>Australia wide press</li> <li>Erosion of relevance/significance in the sector</li> <li>Significant opportunity jeopardised</li> </ul>	<ul style="list-style-type: none"> <li>Single fatality or severe irreversible disability to one or more persons</li> <li>Significant impact or serious environmental harm</li> </ul>	<ul style="list-style-type: none"> <li>Prolonged community outrage.</li> </ul>
<b>4</b>	40 -70% of Gross Margin	5-10% Schedule over-run unrecoverable	<ul style="list-style-type: none"> <li>Client registers strong concern and threatens contract termination</li> <li>State-based media reporting</li> <li>Potential future opportunities opened up to competitors</li> </ul>	<ul style="list-style-type: none"> <li>Moderate irreversible disability or impairment to one or more persons</li> <li>Lost Time Injury &gt; 28 days</li> <li>Significant impact or material harm on the environment</li> <li>An environmental notifiable incident</li> </ul>	<ul style="list-style-type: none"> <li>Long term community irritant leading to disruptive actions and requiring continual Management attention.</li> </ul>
<b>3</b>	20 – 40% of Gross Margin	< 5% Schedule over-run	<ul style="list-style-type: none"> <li>Client complains strongly</li> <li>Local media reporting</li> </ul>	<ul style="list-style-type: none"> <li>Lost Time Injury;</li> <li>Moderate or material environmental harm; and</li> <li>An environmental notifiable incident.</li> </ul>	<ul style="list-style-type: none"> <li>Short term community outrage or longer term unrest and dissent.</li> </ul>
<b>2</b>	5 – 20% of Gross Margin	Schedule slippage without impact to critical path (some operational costs)	<ul style="list-style-type: none"> <li>Client aware and affected</li> </ul>	<ul style="list-style-type: none"> <li>Medical Treatment Injury; and</li> <li>Minor impact on the environment</li> </ul>	<ul style="list-style-type: none"> <li>One off community protest requiring intervention and management attention.</li> </ul>
<b>1</b>	<5% of Gross Margin	Short term schedule slippage without impact to critical path	<ul style="list-style-type: none"> <li>No visible impact on the client or our reputation</li> </ul>	<ul style="list-style-type: none"> <li>Fatalities or significant irreversible effects to more than one person;</li> <li>Catastrophic widespread impact on the environment resulting in irreversible damage.</li> </ul>	<ul style="list-style-type: none"> <li>No complaint.</li> </ul>

# Procurement Management Plan

TRANSPORT ACCESS PROGRAM  
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## Market engagement guidelines

The Procurement Manager will utilise the guidelines provided overleaf in determining the appropriate approach to engaging the market.

Tier	Risk	Value	Market Engagement Approach	Form of Agreement				
				Subcontract	Consultancy	Goods	Plant	labour
Tier 1*	High risk [B]	>\$1m	<i>Approach to be discussed and agreed on a case by case basis - RFT – 3 tender responses</i>	Subcontract Agreement Subcontract Agreement – Short form	Consultancy Agreement	Supply Agreement	Hire Agreement (Wet/Dry)	Labour Hire Service Agreement
	Medium [C] or Low Risk [D]	>\$1m						
Tier 2	Medium [C] or Low Risk [D]	\$250k - \$1m	RFT – 3 tender responses					
Tier 3	Medium [C] or Low Risk [D]	\$30k - \$250k	RFQ – 3 quotes	Minor Works subcontract		Purchase Order		
		< \$30k	1 quote	Minor works or Purchase Order			Purchase Order	

\* Where an extreme risk is identified consultation with the Principals Representative will be undertaken

## Appendix C: Delegations of authority

The delegations of authority provided below will be used for all approval of RFAs and execution of subcontracts included in this Plan and must comply with the necessary TfNSW hold points and approvals as detailed in Section 8.

Expense / Approval Categories	Divisional CEO ('\$000's)	EGM ('\$000's)	GM ('\$000's)	Program Director ('\$000's)	Project Manager ('\$000's)	Project Engineer ('\$000's)
Subcontract Award, Supply / Purchase Order, Variations	\$15,000	\$10,000	\$7,500	\$2,000	\$250	\$10



**From:** [Andrew Gayed](#)  
**To:** [Andrew Bedwani](#)  
**Cc:** [Kevin Watters](#)  
**Subject:** Fwd: Delivery plan - WLS  
**Date:** Thursday, 29 October 2020 2:29:57 PM  
**Attachments:** [DI-PM-TP001 - Delivery plan - WLS.docx](#)

---

Hi Andrew

Please see attached delivery plan as requested.

Regards,  
Andrew

---

From: Andrew Gayed  
Sent: Thursday, October 29, 2020 11:17:25 AM  
To: Kevin Watters <Kevin.Watters@Downergroup.com>  
Subject: Delivery plan - WLS

Kevin,

Can you please review the attached when you can?

Cheers,

Andrew Gayed  
Project Manager  
Infrastructure Projects



T | 0403280815 M | 0403280815  
E | [Andrew.Gayed@Downergroup.com](mailto:Andrew.Gayed@Downergroup.com)  
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Think before you print

## Delivery Plan

Wollstonecraft Station  
Project Document Number & Version: 00/00

### Wollstonecraft Station

Contract Number: ISD-15-4742-16

Document Preparation and Control	Document Review
Andrew Gayed – Project Manager	Kevin Watters – Construction Manager
Document Approval	Signature
Andrew Gayed – Project Director	

Project Document Version	Date
00	27/10/2020

## 1 PURPOSE

This document provides a clear and concise high level plan on how the project will be delivered and managed, including all requirements set out in the Project Mandate. It addresses:

- what needs to be done
- who needs to be involved, the roles they will play and why; and
- when activity and actions need to occur.

## 2 APPROACH

### 2.1 Project Objectives

As per section 5 of The Project Mandate, there are 7 specific project objectives relevant to the project. They will be addressed as per the following:

1. Safety
  - a. Wollstonecraft will deliver the project to a very high standard of safety within the Downer Zero Harm framework by
    - i. Meeting or exceeding minimum targets for Lucidity inspections
    - ii. Completing monthly dashboards and rectifying any negative trends
    - iii. Achieving a minimum 90% score in TfNSW site safety inspections
    - iv. Targeting zero LTI's and no major safety incidents
    - v. Collaboratively carrying out zero harm inspection with TfNSW management
    - vi. Updating the CRAW monthly
    - vii. Reporting all incidents through INX
2. Budget
  - a. Wollstonecraft will deliver the project to budget by
    - i. Reviewing month end forecasts and cost reports on schedule
    - ii. Submitting any head contract variations, EOT's, NOD's within contractual timeframes
    - iii. Assessing and processing subcontractor claims and variations within legislative timeframes
    - iv. Cost variances minimised or fully justified at months end
    - v. Procurement registers maintained and consistently updated
    - vi. Margin improvement target of 8% maintained as a minimum
3. Demonstrate Downer's expertise and capabilities in the delivery of Transport for New South Wales projects, establishing it as a leading contractor in the eyes of all Project Stakeholders. This will be achieved by
  - a. Maintaining a high standard of environmental controls
  - b. Identifying any community initiatives and deliver to the community
  - c. Ensuring complaints are minimised and addressed in a timely manner
4. Further develop key Downer personnel relationships with the Client by
  - a. Introducing any new Downer personnel to the Client,
  - b. Demonstrating depth of Downer teams' capabilities in rail construction works
  - c. Mentoring of new Downer personnel
  - d. Internally resolving any HR issues in a timely manner
  - e. Ensuring team morale is positive and maintained
5. Delivery of project to the quality standards by
  - a. Maintaining project lot dashboards and updating every month
  - b. Ensuring lots are closed on time and with all relevant information
  - c. Completing defect rectification in a timely manner
  - d. Achieving greater than 90% on site quality audits
  - e. Submitting all quality information including work as executed drawings before project handover
6. Delivery of project to the Client within program requirements by

- a. Completing and maintaining project planning dashboards monthly
  - b. Ensuring the project is on or ahead of the baseline schedule
  - c. Submitting possession documentation within required timeframes
  - d. Submitting all program delays, EOT's and NOD's within contractual timeframes
  - e. Identifying any opportunities for improvements
7. Enhance Downer's reputation, supporting a lift in prequalification level and the likelihood of Downer being awarded similar work in the future.

## 2.2 Project Scope & Deliverables

Wollstonecraft Station upgrade will be delivered under a Managing Contract Contract (MCC). The key deliverables are:

- Detailed design of the following packages from SDR to AFC:
  - Architectural
  - Civil
  - Drainage
  - Urban Design/Landscape
  - Earthing and Bonding
  - Electrical Works
  - Fire services
  - Hydraulic Services
  - Electrical LV Services
  - Mechanical Services
  - Structural
  - Security Services
  - Civil Structures
  - Communications Services
- Construction of the following key deliverables:
  - Platform 1 stabilisation work including temporary works
  - Regrade of platform 1 & 2 with new concrete topping slabs
  - Construction of lift shafts on platform 1 & 2
  - Coordination with clients lift contractor for delivery dates and installation
  - Supply and installation of new transformer and associated electrical works
  - Construction of 2 new bridges from platform 1 to Shirley Road overbridge
  - Construction of new structural steel bridge from Shirley Road bridge to walkway on the Western entry
  - Provision of a new ULX
  - All associated drainage works
  - All CSR and electrical works including new IMSB room
  - Upgrade of existing bathroom facilities with new FAT and ambulant accessible bathrooms

## 2.3 Commercial Management

The Wollstonecraft's team strategy to manage the contract is to:

- Complete month end forecast and cost reports on schedule
- Notify any head contract variations, EOT's and NOD's on schedule
- Process all subcontract claims and variation assessments on schedule
- Full justification of cost variances at month end reporting
- Minimisation of any cost variances
- Maintenance of procurement register
- Keeping procurement on schedule

- Submitting any head contract claims in line with contract requirements
- Margin improvement of 8% maintained or exceeded
- COVID tracker maintained and updated
- Tracking the project as an overall gain
- Explanation of any pain scenarios in a timely manner

## 2.4 Detailed Project Planning

The following management plans and subordinate plans have been developed for the project:

- Engineering Management Plan
- Assurance Plan
- Safety Management Plan
- Crisis Management Plan
- Emergency Preparedness Management Plan
- Construction Environmental Management Plan
- Chain of Responsibility (COR) Management Plan
- Risk Management Plan
- Temporary Works Management Plan
- Social Procurement Workforce Plan
- Community Liaison Management Plan
- Aboriginal Participation Plan
- Construction & Site Management Plan
- Property Management Plan
- Quality Management Plan
- Procurement Management Plan
- Defect Management Plan
- Emergency Management Subplan COVID19
- Commissioning & Operational Readiness Management Plan
- Workplace Relations Management Plan

## 2.5 Baseline Schedule and Budget

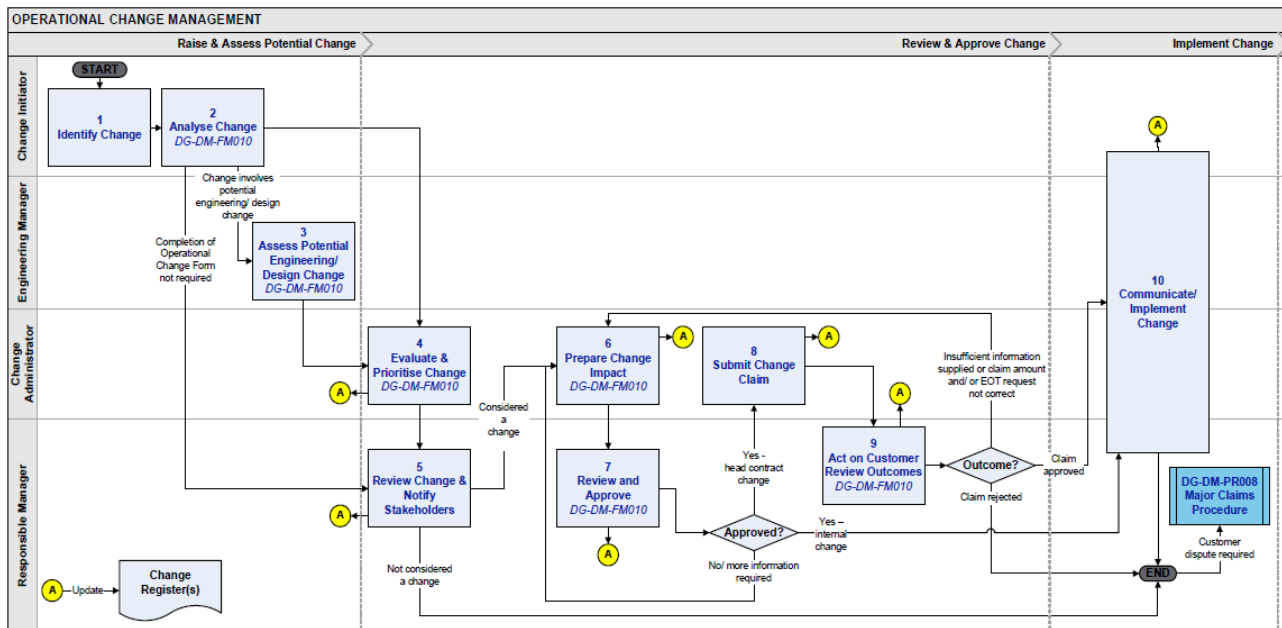
The key baseline schedule for Wollstonecraft is:

- Commencement of construction works – 01 October 2020
- Completion of detailed design – 01 December 2020
- Completion of lift, ramp and footpath works – 04 August 2021
- Station Final Commission – 24 September 2021
- Completion of Platform Works – 24 September 2021
- Contract Completion Date – 22 October 2021

## 2.6 Change Management

As per the Project Mandate, change management will be the responsibility of the Project Manager. This will be managed by:

- Maintaining a variation and extension of time register for the duration of the project
- Stating any EOT's
- Developing variation and RFI registers and maintaining
- Following the following chart of change management:



## 2.7 Internal & External Interfaces

The strategy to manage interface with stakeholders at Wollstonecraft is to maintain clear and open lines of communication with stakeholder. Key external stakeholders include:

- TfNSW
- Sydney Trains
- Indra
- Icon
- North Sydney Council
- Community groups
- Neighbours

Key internal stakeholders include:

- Program Manager
- TAP3.3 board
- Downer senior management
- Downer roads division

## 2.8 Reporting

The following reports are required on a weekly basis:

- Project managers checklist
- Project leader site health check
- Targeted safety observations

The following reports are required on a monthly basis:

- Project safety dashboard
- Project environmental dashboard
- ISCA monthly report
- CRAW
- Month end forecasts

## Delivery Plan

Wollstonecraft Station  
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- Month end accruals
- Planning dashboard
- Executive summary report
- Quality dashboard
- Procurement dashboard
- Candy dashboard
- R&O register

PDP's will be completed and updated for all direct reports yearly.

## 2.9 Project Review & Audit

Planned reviews and audits will be carried out for the following:

- 100% compliance with audit schedule
- Zero overdue non-conformance reports
- Completion, ready for submission all QA records within contract requirements
- Number of RFI's open and closed
- Number of Non-conformance reports open and closed
- Lots status monitored monthly and lot closure to be progressive, voiding risks associated with lot closure late in the project

## 2.10 Major Purchasing Requirements

Long lead items include the following at Wollstonecraft:

- Lifts 1 & 2 procured by TfNSW and coordinated with Downer
- Structure steel elements with painting and galvanising elements

## 2.11 Work Packaging Strategy

PACKAGE DESCRIPTION	BUDGET (TBE)	PM's BUDGET
<b>Trade Prelims</b>		
Mobilisation and Demobilisation	\$ 19,640.00	\$ 18,069.00
Contractors Labour	\$ 242,112.00	\$ 222,743.00
Site Office and Amenities	\$ 294,234.00	\$ 270,695.00
Waste Disposal	\$ 47,284.00	\$ 43,501.00
Construction Crane	\$ 31,408.00	\$ 28,895.00
Construction Plant and Equipment	\$ 38,197.00	\$ 35,141.00
Site Security	\$ 14,400.00	\$ 13,248.00
Temporary Services including CCTV, Lighting, Toilets & Office	\$ 17,880.00	\$ 16,450.00
Council and Other Agency / Authority Fees	\$ 5,000.00	\$ 4,600.00
Community Liaison, Letter Box Drops and respite cost	\$ 34,786.00	\$ 32,003.00
Environmental Management, Hygienist & Geotechnical Services	\$ 169,033.00	\$ 155,510.00

## Delivery Plan

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Safety Compliances (PPE, medical equipment, fire equipment, Pegasus equipment, safety / directional signage, training)	\$ 60,934.00	\$ 56,059.00
Traffic Management	\$ 235,961.00	\$ 217,084.00
Safe Working services for all works and possessions (including Protection Officers, Track Certifier and other services required for Safe Working)	\$ 250,364.00	\$ 230,335.00
Survey	\$ 196,370.00	\$ 180,660.00
Dilapidation Reports	\$ 22,000.00	\$ 20,240.00
Graffiti and Advertising Management	\$ 11,859.00	\$ 10,910.00
Site Investigations and Testing	\$ -	\$ -
Heritage Management, protection and removals, reinstatement	\$ 20,217.00	\$ 18,600.00
Social Procurement / Responsibility		
Existing Services Search, Identify, Protection and Relocation	\$ 65,950.00	\$ 60,674.00
<b>Trade Packages</b>		
Station - Civil & FRP	\$ 1,543,878.00	\$ 1,420,368.00
Piling	\$ 243,776.00	\$ 224,274.00
Platform - Civil & FRP	\$ 3,407,129.00	\$ 3,134,548.00
Structural Steel	\$ 1,021,270.00	\$ 939,568.00
Roadworks	\$ 257,034.00	\$ 236,471.00
Tactile Indicators	\$ 110,463.00	\$ 101,626.00
Building	\$ 1,702,077.00	\$ 1,565,911.00
Finishes (under Building tender)	\$ 379,866.00	\$ 349,479.00
Low Voltage (LV)	\$ 1,047,605.00	\$ 963,797.00
Wayfinding Signage	\$ 80,000.00	\$ 73,600.00
Contingency	\$ 1,547,640.00	\$ 1,423,829.00

## 2.12 Critical Subcontractors

The following subcontracts have been identified as critical:

- RJS – carrying out the following packages:
  - Station Civil & FRP
  - Piling
  - Platform Civil & FRP
- Bellingham – carrying out the following package:
  - Structural Steel
- Maize Group – carrying out the following package:
  - Building
- Elecddata – carrying out the following package
  - Low Voltage (LV)



## 3 KEY RISKS AND OPPORTUNITIES

The key risks identified in the project mandate are:

- COVID-19 impacts
- Staff retention
- Services – existing utilities must be positively located, and Downer’s two stage permit to excavate must be administered by the project Appointed Person (Services).
- Erection of structural elements to be conducted following review and approval of lift studies by the Appointed Person (Lifting).
- Work under Level 5 approval to proceed only once reviewed and risks associated with this work approved by the NSW Operations Manager or Rail Safety Manager.

Risks identified on site include:

- Temporary works design for platform stabilisation.
  - To be mitigated by employing an AEO approved temporary works designer and having hold points for sign off prior to use
- Curvature of platforms at Wollstonecraft and movement in walls during constructing infringing on train envelopes
  - To be mitigated by having survey control and monitoring during works

The following opportunities have been identified:

- Early completion due to an increase in possessions
- Decrease in possession work

## 4 PROJECT CONTROLS

Project controls will be implemented as per the project mandate and following framework:



Image 8. Project Control Framework

## **5 RESOURCING**

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Early engagement with the market will give Wollstonecraft an advantage with early material supply and subcontractor onboarding to avoid or minimise program impact.

The procurement and contracts team will assist with market engagement.

Downer's internal HR resourcing will assist with any staffing resources as required.

## **6 OTHER INFORMATION**

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Further information as required to ensure project delivery expectations are adequately documented.