

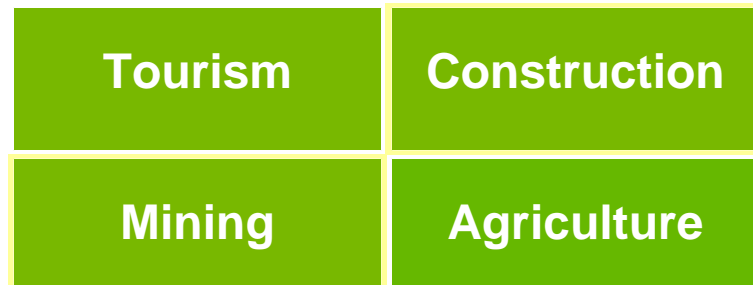
# Infrastructure Management and Delivery Industry Forum

## Best Value Procurement and Contracting

A presentation by Trevor Los and Allan Uhlmann  
State Program Office  
15 November 2013

# Government Priorities

## Four Pillars of the Queensland Economy



## The Queensland Plan

*A 30 year vision for Queensland*

## Queensland Public Service Values



Customers  
First



Ideas into  
Actions



Unleash  
Potential



Be  
Courageous

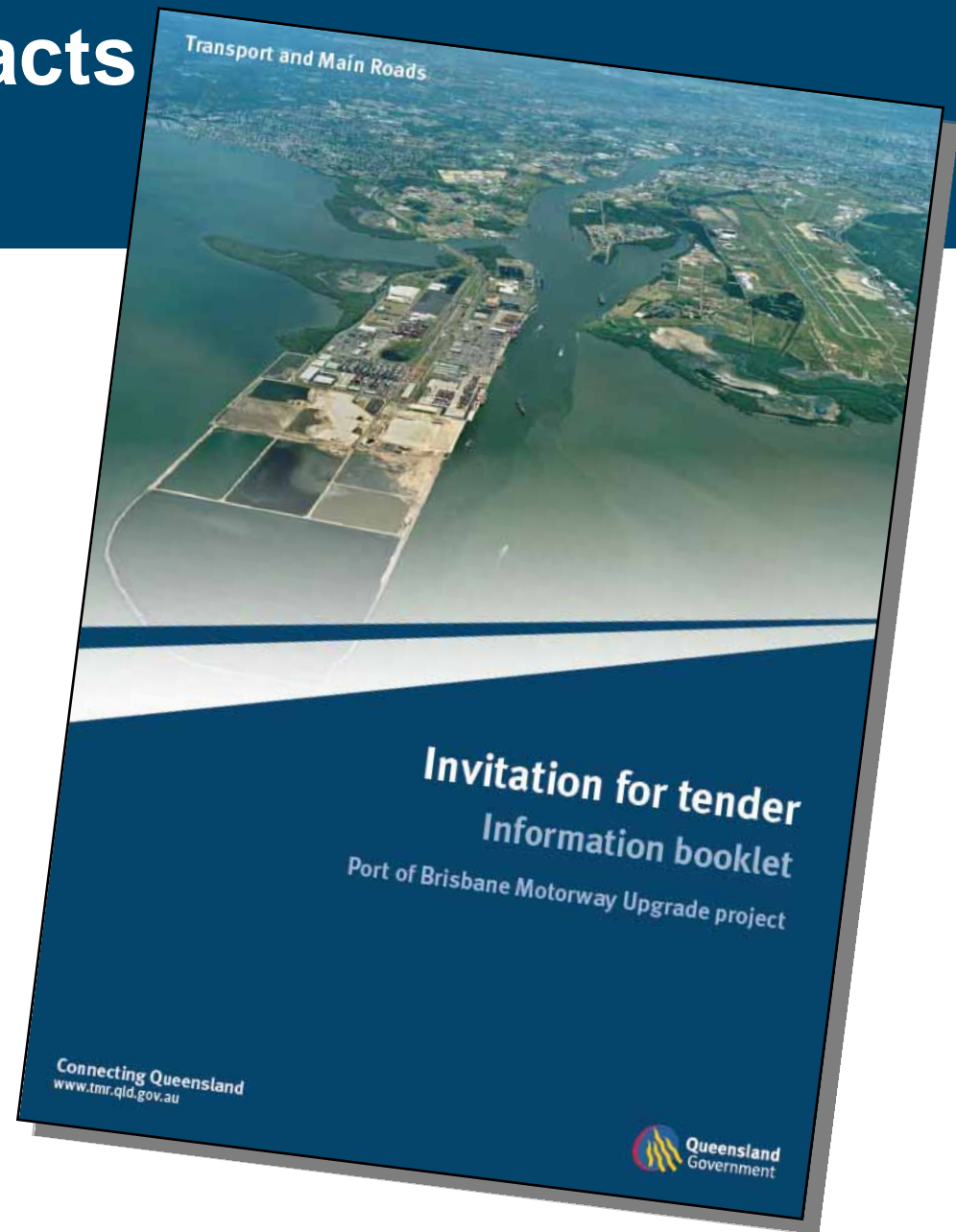


Empower  
People

# Agenda

- Construction contracts
    - Current state of play
    - Issues for discussion
  - Consultants for engineering projects
  - Scope control
-

# Construction contracts



# Complex or Major Projects

Project Profile	“Significant Opportunity for Innovation”	“Large Opportunity for Innovation”
Procurement/ Contract Model	<b>ETI Process + RCC</b>	<b>ECI Process + D&amp;C</b>

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Shortlist	Usually 3 tenderers	Usually 2 tenderers

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Process	Structured interaction pre-tender (joint)	Collaborative Stage 1 Process (one-on-one)
Shortlist	Usually 3 tenderers	Usually 2 tenderers
TMR Contribution	Minimal (\$50,000 approx.)	About 1% of contract amount
Design Responsibility	TMR	Contractor
IP	Acquired by TMR	Acquired by TMR

# Less Complex Projects

Project Profile	“Limited Opportunity for Innovation”	“Some Opportunity for Innovation”
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Shortlist	Not usually	Proposed to 3-4 tenderers

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Procurement/ Contract Model	<b>RCC</b>	<b>RCC with early feedback on alternatives</b>
Process	Standard tender process	Optional structured interaction during tender period (one-on-one)
Shortlist	Not usually	Proposed to 3-4 tenderers
TMR Contribution	None	None
Design Responsibility	TMR	Base Design – TMR Alternatives
IP	Not acquired by TMR	Not acquired by TMR

# Construction Contracts

## Further Issues

### Increased use of Shortlisting:

- For RCC projects
  - Limiting the field
  - Reduced industry tendering costs
  - Rewarding past good performance
  - Appropriate capability and performance selection criteria.
  - Feedback?
-

# Construction Contracts

## Further Issues

### **Early Feedback on Alternatives/Innovations:**

- For RCC projects
  - “Innovative Proposals” clause in Conditions of Tendering
  - True Innovation vs Alternatives
- Opportunity for pre-tender feedback on likelihood of acceptance
- Aim is to give more “yes’s” or soundly based “no’s” and less “maybe’s”.
  - Feedback?
-

# Construction Contracts

## Further Issues

### **IP and Tender Contributions:**

- Tender contributions provided where TMR acquires IP (ie ETI and ECI)
  - No tender contributions paid where IP remains with tenderer.
  - Feedback?
-

# Construction Contracts

## Further Issues

### Unusually low bids:

- Upcoming revision to MRPDS includes requirement to give tenderer the opportunity to meet to discuss cost advantage factors
  - Feedback?
-

# Construction Contracts

## Further Issues

### **Other issues for TMR:**

- Getting the team we were promised
  - Separation of Designer and Superintendent
  - Feedback?
-

# Construction Contracts

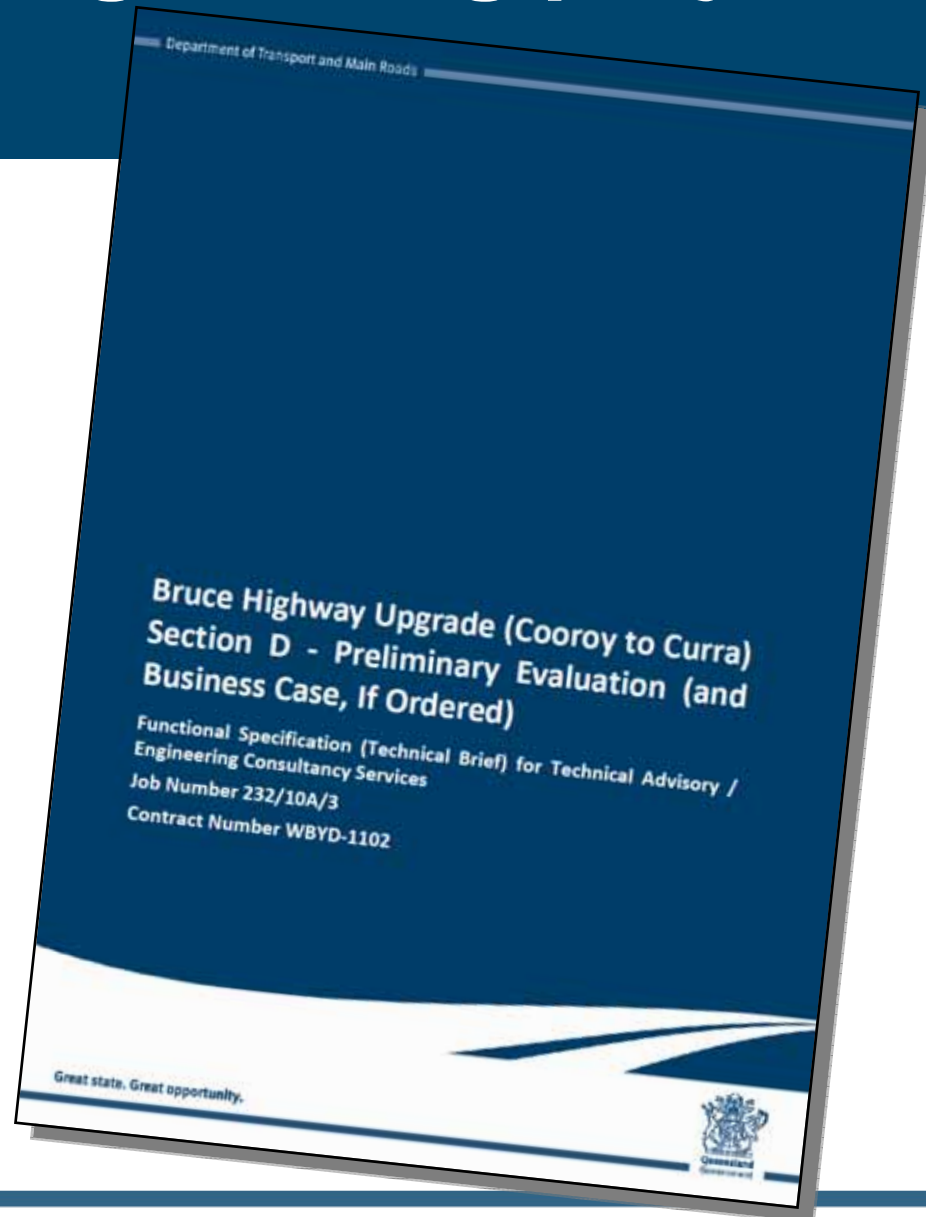
## Further Issues

### Where TMR is heading:

- Better definition of interaction processes to allow early feedback on proposed alternatives.
  - Reliant on tenderers providing timely and relevant details of alternatives to allow TMR assessment.
  - Aim is to give more “yes’s” or soundly based “no’s” and less “maybe’s”.
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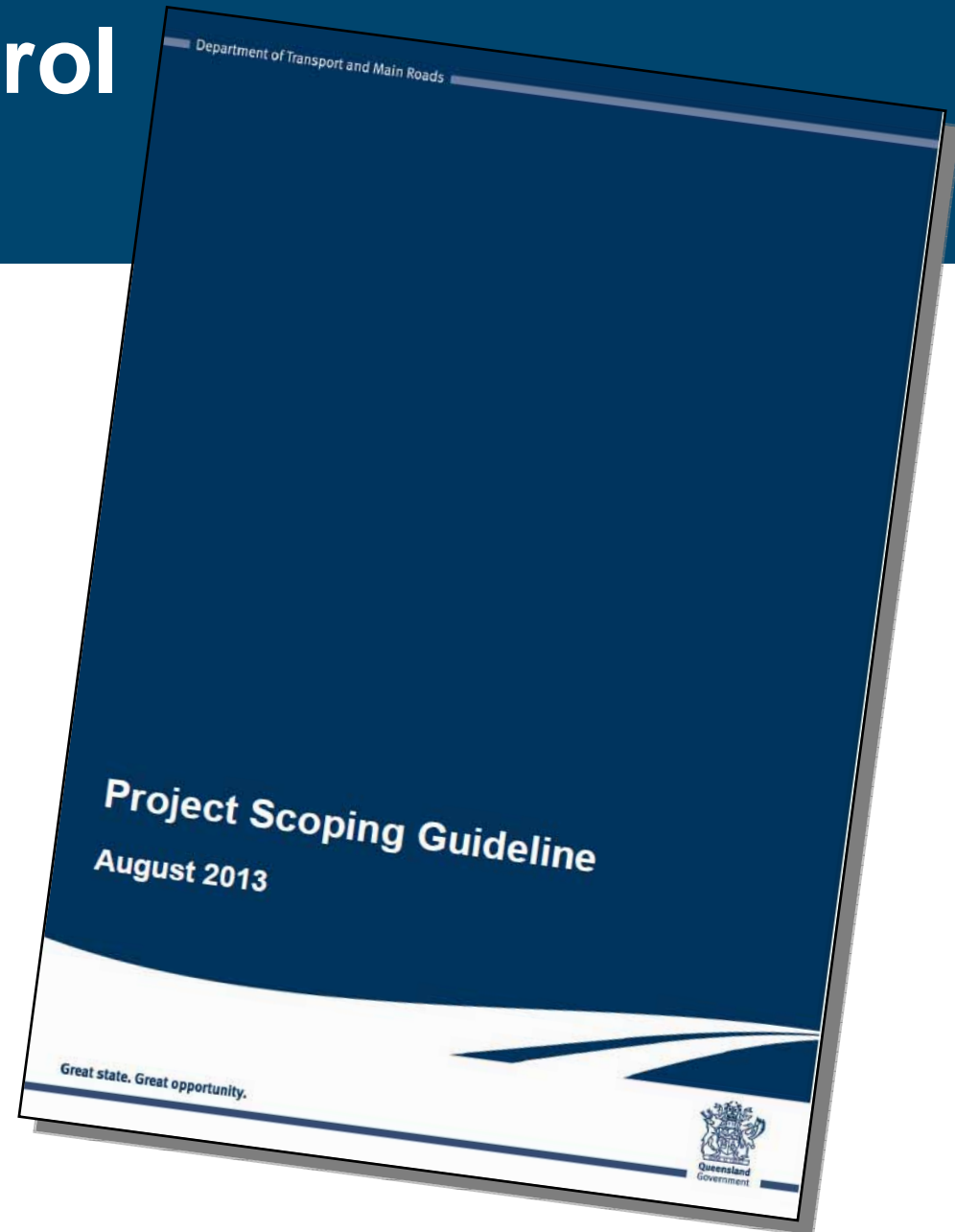
# Consultants for engineering projects



# Consultants for Engineering Projects Issues

- Organisation Based vs Office Based Prequalification
  - Value Based vs Qualification Based procurement
  - Getting the team we were promised
-

# Scope control



# Scope Control

- TMR conducts internal “Gate” reviews prior to key project milestones.
  - Project Scoping Guideline now published.
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**Thank** *you*