

Cape York Region Package: Peninsula Developmental Road

May 2016

2016 Tender Processes Fact Sheet

About the project

The Cape York Region Package (CYRP) is a \$260.5 million program of works jointly funded by the Australian and Queensland Governments to upgrade critical infrastructure on Cape York Peninsula.

The CYRP includes a \$200 million program of works to progressively seal the priority sections of the Peninsula Developmental Road (PDR).

The remaining \$60.5 million is being directed towards other key access roads, transport infrastructure, and water and sewerage works in Indigenous communities. This includes \$10 million for sealing works on the Endeavour Valley Road through to Hope Vale.

Tender processes

Project	Length	Tender process
Coen South	22km	Open Tender two-stage (R2 – R5), minimum F15
Archer to Wolverton	13km	Restricted Tender two-stage (R1 – R3), minimum F10
Musgrave	12km	Sole Invitee (RoadTek)
Little Laura to Fairview	4.6km	Restricted Tender single-stage (R1 – R3)

Transport and Main Roads offers contracting work via the department's Road Construction Tendering Process.

The Tender approach for the delivery of the 2016 PDR construction program is the result of inter-agency discussions at a state and federal government level.



Australian Government

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The 2016 PDR tender approach was supported by the Department of Infrastructure and Regional Development, Department of Prime Minister and Cabinet and the Department of Aboriginal and Torres Strait Islander Partnerships and, subsequently, endorsed by the CYRP.

1. Coen South project

A two-stage open tender process, resulting in a Transport Infrastructure Contract (Construct Only), will be used for the Coen South project.

Stage 1: Companies with an R2 to R5 Prequalification level rating, with minimum F15 will be invited to submit an Expression of Interest (EoI) to be shortlisted to tender. The shortlisting non-cost criteria will be based on:

- Indigenous requirement mandated
- Remote area delivery
- Relationship management
- Indigenous project experience.

Stage 2: The shortlisted companies will be invited to tender.

2. Archer to Wolverton project

A two-stage Restricted Tender process, resulting in a Transport Infrastructure Contract (Construct Only), will be used for the Archer to Wolverton project.

Stage 1: Companies with an R1 to R3 prequalification level rating with minimum F10, will be invited to submit an EoI to be shortlisted to tender. The shortlisting non-cost criteria will be based on:

- Indigenous requirement mandated
- Remote area delivery
- Relationship management
- Indigenous project experience.

Stage 2: The shortlisted companies will be invited to tender.



Queensland Government

3. Little Laura to Fairview project

A single-stage Restricted Tender process will be used for the Little Laura to Fairview project. Companies with an R1 to R3 prequalification rating, will be able to tender for this project through a single-stage procurement process using both price and non-price selection criteria (non-price percentages to be confirmed).

The non-cost criteria will be based on:

- Indigenous requirement mandated
- Remote area delivery
- Relationship management
- Indigenous project experience.

4. Musgrave project

RoadTek will deliver the Musgrave project under Sole Offer arrangements. This approach provides the best opportunity for targeted continued development of Indigenous businesses seeking Prequalification in the future.

Tender rationale

Tendering can be a costly process for the construction industry with the cost equating to approximately 1% of a contract's cost.

By way of example, the cost to tender for a \$1 million project is around \$10,000. If twenty companies were to tender for a \$1 million project, that's an investment of \$200,000.

As a result, two of the projects will involve a two-stage Tender process with the first stage requiring the completion of an EoI to be shortlisted to tender.

Transport and Main Roads is aware that some companies prefer a single-stage Tender process. As a result, the Little Laura to Fairview project will be tendered this way.

Some restrictions have been placed on the Prequalification levels to reflect the minimum and maximum level of experience needed to deliver the projects. For two of the projects, the maximum prequalification level needed is R3.

Prequalification

Tenders will only be considered for the department's major works if the tenderer is prequalified in accordance with the National Prequalification System.

For further information about Prequalification Level definitions see: "Prequalification Level Fact Sheet."

<http://www.tmr.qld.gov.au/Projects/Name/C/Cape-York-Region-Package-Peninsula-Developmental-Road.aspx>

Local business employment on the PDR road upgrades in 2016

Some businesses won't meet the Prequalification requirements. The department encourages nonqualified businesses to subcontract with prequalified contractors. There will be opportunities to provide equipment, training, skilled staff and other resources and services.

Local business opportunities

The following resources and services were provided by Cape York local businesses as well as local Indigenous businesses for work on the PDR road upgrades in 2015:

- Plant hire
- Fuel and accommodation
- Earthworks
- Traffic management
- Labour hire
- Mechanical services
- Quarry supplies.

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