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Peter Salafia:

Thanks very much gentleman. We have [Allan Buckley 00:23:03], [Alistair Innis-Walker 00:00:04], and [Greg White 00:00:04] and [Peter Salafia 00:00:06] in the teleconference. Bruce Taylor is an apology and [Michelle Partland 00:23:03] is unable to attend but it is being recorded. So anyone, did you wish to speak to Greg and Allan and Alistair on my to Greg's comments on the tender evaluation plan initially? Can we discuss that?

Allan Buckley:

The one you sent out today? Or the earlier one, back on the... The morning one.

Peter Salafia:

[crosstalk 00:00:44] the afternoon at quarter past five. Greg had made some comments on the tender evaluation plan that I had emailed originally a couple of days ago. I think it was, Greg, wasn't it?

Greg White:

Yeah, I don't remember when it was. But your responses-

Peter Salafia:

You were in China.

Greg White:

Yeah that's right. 90% of your responses made sense to me Peter. So maybe we only need to talk about the ones that there was either further clarification required or a bit of input from council.

Peter Salafia:

Yeah. Particularly I'd like to speak to everyone about the scoring criteria. I just want to get some... In relation to the items that are going to be considered as task failed, which has fine. So we're quite comfortable that any company that responds must be quality assured to an ISO standard, otherwise they fail. That's how we want it. Isn't it?

Greg White:

Mm-hmm (affirmative).

Allan Buckley:

Yes.

Alistair I.:

Yep.

Peter Salafia:

And any company that responds must be ISO certified, the WA test, 14000 and one of these [inaudible 00:01:59]. If they can't demonstrate compliance, then they will just fail. They'll no longer be considered.

Greg White:

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Yes, again.

Allan Buckley:

Yep.

Peter Salafia:

Okay. And then in relation to the code pertaining to performance of building work, 2016, the building code. Either they produced the letter of compliance from the ABCC, or a duly completed self declaration of eligibility A document. If they can't produce either one of those, fail.

Greg White:

Correct.

Peter Salafia:

Okay. Now in relation to the pricing, Greg, there was a mention your response which I thought was very forward thinking about the possible payment of royalties and also Norfolk Regional Council for quarry material. Is that something that Norfolk Island Regional Council would entertain, Allan and Alistair?

Allan Buckley:

Well, earlier work said that was the case. They got royalties for it so I think that should be looked at very seriously to be included.

Alistair I.:

[crosstalk 00:03:18].

Peter Salafia:

So Norfolk Island Regional Council would be paid royalties?

Greg White:

Peter, Greg here. I only raise that because last time I was on the island, that's what Bruce told me would be required. That's normal for all rock used on the island. And that's \$48,50 a ton or something like that. But the council would have to advise the exact figure and we would need to include in the tender documents, not you need to include, I would need to include, a process around how that volume or that weight of material gets if you like, verified.

Peter Salafia:

Oh, absolutely. That would be for you to define in some way, shape or form in the specifications or the tender documentation and a digital [inaudible 00:04:12] of some sort Greg, of course. All I'm-

Greg White:

I wasn't raising it as an option. I was just stating that as far as I'm aware, based on my last visit and the discussion there, that that was just normal business on the island.

Peter Salafia:

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Okay. Excellent. Thank you. So in relation to it being scored, cause I assumed it was something that these tenderers would make, as part of the pricing submission they would offer to pay a figure, where is what I'm hearing Greg, is that there is a figure that is already pre-determined and that they will be told that's what they pay. Is that correct?

Greg White:

Yeah, that's my understanding and that's \$48 something a ton. And therefore it shouldn't be scored because everybody will be on the same playing field.

Peter Salafia:

Correct. Of course. Thank you. That's exactly what I wanted to hear. Thank you. So I'll change that so that it's back to 30% for the pricing alone.

Greg White:

And I think at some stage Allan, you and Bruce will have to confirm what that figure is.

Allan Buckley:

Okay. So I have written a note down there. I'll do that and get back to us.

Peter Salafia:

Okay. So in relation... So the tender price at 30% which is what's been suggested by Greg, at the end of the day, the methodology to determine who scores 30 and how they are then scored subsequently the various tenderers, being a lump sum, it is my assumption, Greg, and I know that there'll be a... Hello?

Greg White:

That was weird.

Allan Buckley:

It's okay. Just opening a window. [crosstalk 00:06:03].

Peter Salafia:

Okay, I thought it was an earthquake. So it is my assumption, Greg, that once the lump sum pricing comes in and you're able to analyze that and the panel can have a look at it, that the lowest overall lump sum price in our methodology, is awarded the full 30%. And then the next price after that, the however much [inaudible 00:06:28] it is, is divided into the lowest price and multiplied by 30 and gets a pro-rata score out of 30 and so on and so forth. That's how we do it. Is that okay with you?

Greg White:

Yeah, that's certainly my experience with council. That includes the tender's pricing as an accessible weighted item. That's how they do it.

Peter Salafia:

Great. Good. Thank you. And then 10% for resources-

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Allan Buckley:

Excuse me, Allan... Peter. Excuse me, Bruce has just joined us in.

Peter Salafia:

Oh, very good. Hello Bruce.

Greg White:

Hi Bruce.

Bruce:

Hi Peter, hi Greg. Thank you.

Peter Salafia:

So we just discussed a couple of things. The pass fail criteria, [DUA 00:07:16], [WHS 00:07:16], and compliance with the code, pertaining and performance of building work. [inaudible 00:07:20] To this the tenderers stump up the relevant certification or the relevant information from the Australian Building Corporation, commission, whatever it's called, if they can't do it, they don't, can't provide it, they fail. They don't get considered any further. We've agreed on that. And tender price at 30%. It'll be a lump sum price that's sought by council and the tenderers will provide their lump sum price. Greg will analyze that and determine what the final lump sum price will be. And we'll simply award the lowest lump sum price with the highest rating of 30 points and then each lump sum price after that will be divided into the lowest price and multiplied by 30 to get a pro-rata score. So we're all agreed on that. With the 10% resources, Greg, I just made the comment, is that a combination of physical resources and human resources?

Greg White:

Yeah, that would normally be subcontractors, the team, so an org chart. The experience and the expertise of individuals nominated based on one or two, page CV and then in probably a less significant way, plant equipment.

Peter Salafia:

Okay. So in our tender documentation, we have a subcontractor's tender schedule where the tenderer is to identify which subcontractors they wish to engage for the work. So the council is fully aware of which subcontractors the tenderer is proposing. It's my understanding after a brief chat with the ABCC that the subcontractors also need to provide a duly completed self declaration of eligibility A document. That's how I understood it. So we'd have to make sure that we get that too.

Greg White:

My understanding, Pete, because to be honest, that won't happen. And I'm not saying that they didn't tell you that. I'm just saying that in practice, that won't happen. Because sure as eggs, some of the subcontractors are going to be local Norfolk Island almost individuals or sole traders, and they won't have that.

Peter Salafia:

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Okay.

Greg White:

I've understood that the contractor, the head contractor, was responsible for essentially certifying on everybody's behalf. That everybody was compliant. And I personally believe that if somebody audited a project and went to subcontractors and the sub sub contractors and potentially sub sub sub contractors, that everybody would realize that, nope, no project has ever complied in the history of projects. So I would always take a view that major league subcontractors should be demonstrated to comply. And yeah, they would know the rules better than me cause those rules have changed at 10 times since they were introduced in, probably about 2004 by the Commonwealth government, that the head contractor is responsible for essentially ensuring all their subcontractors comply. As opposed to the client needing to do that.

Peter Salafia:

Okay well, I'm happy to take that on notice, Greg. And if council wants me to again contact the ABCC and ask them for a determination on that, I'm happy to do so to ensure that we get it right. And if the ABCC says, "Yep, as long as the head contractor provides a letter of compliance or a duly completed self declaration of eligibility A document", then the onus is on them to ensure that their sub and sub sub contractors are all looked after or whatever that they get done.

Greg White:

Because I just truly believe that if you drill down to the bottom level of all the sub sub sub contracts, no project would ever comply completely.

Peter Salafia:

Yeah.

Greg White:

And I think that's a practice thing as opposed to an in theory thing. So I guess I'm just conscious that if we go down a path that is, even though it might be to the letter of the law, it is to the enth degree where the rest of the industry might not be imposing that particular requirement to the same degree, then we might struggle to find ourselves a viable contractor that's all.

Peter Salafia:

All right so, Bruce, your call.

Bruce:

Yes. So I think it would be most suitable. What Greg's raised is a very strong case. Very few have ever complied to that. So the principal contractor, needs to be made very clear that he's across all the subcontractors working on the site to perform to the required tasks.

Peter Salafia:

Okay, so when we've put that requirement for the duly completed self declaration of eligibility A document or a letter of compliance to be provided, we'll also clearly state in that schedule that the onus is on the head contractor to ensure compliance of any subcontractors.

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Bruce:

Yes.

Greg White:

Yep. That would be [crosstalk 00:13:20].

Peter Salafia:

So getting back to what we were talking about there, the resources Greg. In our tender schedules we have a dedicated tender schedule for the head contractor to list any subcontractors proposed. So I would suggest that we include that tender schedule in the documentation so we can see who they're proposing.

Greg White:

Yep.

Peter Salafia:

And in your experience, Greg, is that something you would think that would be... That the subcontractors that are being proposed, you wouldn't know all the subcontractors and their experience, so I mean, we would be able to score based on the subcontractors listed. You know what I mean?

Greg White:

No, I would normally expect some kind of statement about their expertise, in particular relation to the work that they are going to perform. And I would expect, and this isn't necessarily what needs to be written down, but I would expect that if you've got a subcontract with 20% of the job, then you would go to more effort to emphasize that particular entity's expertise than you might go to somebody else who's subcontract might only be worth 1% of the job.

Peter Salafia:

Okay. That's a very good point. So you would like to see the percentage of the work of the main contract. What percentage is to be allocated to each subcontractor. I think that's a good idea.

Greg White:

I think normally it's done as a dollar value. So what are your subcontracts? Who's going to do them? What's their expertise? And what's the value of the subcontracts? Within the tender lump sum. That's what would typically be asked for when you're going to evaluate the subcontractors.

Peter Salafia:

Okay. All right. And in relation to the human skills and resumes to be provided, the experience and expertise, we have another tender schedule where we ask them to provide us with the names and resumes of the three top people that are going to be allocated to the job and then to tell us anybody else that's going to be on there. Would that be sufficient for you?

Greg White:

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I would normally be asking for an organizational structure that explains how the team is built up and a two page maximum CV of the key staff. And in the past, some clients have actually said, "Well, who were the key staff?" And we've listed them. So we've said, "Tell us your project manager, your project director, your design lead, your construction manager. And then the guy who's going to look after the lights, the guy who's going to look after asphalt, the guy who's going to look after the [inaudible 00:16:24]." And you probably end up with somewhere between half a dozen and a dozen.

Peter Salafia:

Yeah.

Greg White:

And they're the CVs that you look at.

Peter Salafia:

Okay, so if I could get that from you in an email, just that list of what you'd expect. I can make sure that we... Because we have a tender schedule, as I said, that asks for the org chart, as well as the CV of the top three people, but we can just amend that standard schedule template to say, "Provide us the CVs of these people or who's going to fill these roles."

Greg White:

Yeah. That's okay. Because they're the same roles on every project. So it's the list so that's easy.

Peter Salafia:

Yep. So then-

Allan Buckley:

Allan. Do you have-

Peter Salafia:

Yep.

Allan Buckley:

Sorry, just on the CVs. You have all the leads here. That's fine. But also the CV of the person who's going to be in charge on site. Because I see you have the top three of the company, but the person on site, we won't know what his background so I suggest that we have the top ones plus the site supervisor or manager of that discipline.

Peter Salafia:

Yep. Allan, I assumed that that's what Greg was inferring. Is that right, Greg?

Greg White:

Yeah. I was only talking about site people. I couldn't give a rats about the CEO of the company. I want to know the bloke who's going to turn up.

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Peter Salafia:

Yeah, yeah. That's how we normally assume it works, Allan. So we ask for the CVs of the people involved in the project on site. So in relation to that, Greg, the 10% you'd like to see allocated to resources, if we're talking, they're providing CVs and all that, then you'll be able to provide an estimation based on your consideration of those CVs and experience and so on and so forth. If we're talking physical equipment to be used for the work as part of that 10%, are we now in a position where we should break that 10% down to 5% physical resources, 5% human resources?

Greg White:

I wouldn't. But the system may require us to. I don't know if your system requires us to be that specific in terms of how those things are made up. I guess my experience in the past has been 10% for resources or whatever the percentage might be. And that includes the information contained in schedules, for example, C, F and G.

Peter Salafia:

Okay.

Greg White:

And C might be the physical equipment. F might be the subcontractors and G might be the org chart and CVs. Or something like that.

Peter Salafia:

Yeah. Okay. That's okay. Just that, ultimately, when regional procurement provides a tender debrief to all tenderers, we are required to ensure that if a question was asked, for example, "Well, what was the breakup between physical and human resources out of the 10?", I can simply say, "They were combined. And it was an overall evaluation or analysis based on the responses for those schedules out of 10." So I could simply say that so that's not a problem. Are you okay with that, Bruce and Alistair and Allan?

Allan Buckley:

Yes.

Bruce:

Yes.

Alistair I.:

Yes.

Peter Salafia:

Okay so, down to the program, Greg, the 10% that you'd like to see allocated for program... We also have a contract program schedule where the tenderers are required to provide in a chart or something to demonstrate how the work is going to flow and be organized. That's a standard schedule we have which I can send to you. And you can say, "I don't like that. That's rubbish. I want my own." Or whatever. We're very flexible that way.



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Greg White:

I think a Gantt chart that shows when they're going to start, when they're going to physically be on the runway, how the work sequence is, when they're going to finish. I think that's... I assume your schedule does that. Cause that's all any schedule I could possibly give you would do as well.

Peter Salafia:

Yes. Yeah. And we decided you provide us with a Gantt chart and list all these milestones. So when I send the tender documentation out for review, of course we'll have to have another teleconference. And I'd like to go through the schedules with you and with everybody else just so that I can tweak it to ensure I'm getting the right feedback. Cause that's critical of course. And that's why we need your expert input, Greg. Thank you.

Greg White:

No problem.

Peter Salafia:

20% for experience. So in relation to this, we have standard questionnaire templates. One is for previous experience. One is for reference checks. I would say- Sorry?

Greg White:

Are you still there?

Peter Salafia:

Yep.

Allan Buckley:

Yep.

Greg White:

I just thought-

Peter Salafia:

So in relation to the experience, if you're talking about previous experience and works of a similar size and scope, then we have our previous experience questionnaire. I'd like to send you the template that we use, which it just for standard work, and then if you could then just simply change all the questions to suit. We normally have five standard questions scored one to five, one being very poor, five excellent. And then based on the total score out of the three previous experience checks, they get scored based on the percentage. So if they all got perfect scores, they'd get 20 out of 20. If they scored a percentage of that, then they get less than that. So that's something that if you'd like to see previous experience only checked, we will do all the leg work, if you provide all questions. Otherwise you can do it if you wish to speak the jargon and you understand the way that they do things. If you can provide a reference previous experience questionnaire just for our records and then when the time comes for the evaluation, prior to the evaluation meeting itself, then you could conduct-

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Peter:

...evaluation meeting itself, then you could conduct the previous experience questionnaire check. So we're happy to do it, or if you would rather do it because it's a bit technical, I'll leave that up to you to just pause.

Greg:

So I wouldn't... I just said I would normally expect just to ask them for the projects that they had worked on, on a similar nature. And by a similar nature, I would say airport resurfacing, airport construction, and design and construct. And I guess I hadn't envisioned necessarily ringing up those three or four or five referees and asking them all individual questions. I guess I was more expecting us to say, "Well, if you've done previous projects that are like this one, or they're at least airport resurfacing, tell us what they were for and what they were worth, what went well, what went bad, those kinds of things."

Peter:

[crosstalk 00:24:04] Go on.

Greg:

I was just going to say, we're probably talking roughly about the same things, but maybe just an approach to it.

Peter:

Yeah. From my perspective, we tend to fall on that by contacting the airport manager. For example, [inaudible 00:24:21] or the CEO of the airport of Williamstown, Newcastle, where works were undertaken and speaking to the actual manager that interfaced with the contractor. We tend to get more candid responses in relation to those same questions. What went good, what went wrong. Were there many variations to the work? Was it... Whatever the questions might be. And then we asked them to score the contractor accordingly. We tend to get more candid responses that way and are able to, I would suggest, build a profile of the contractor based on feedback from the clients. So...

Greg:

I don't have any problems with that, it's just not what I was expecting. But I don't have an issue with that, not at all. So I'm more than happy to look at the standard questions, but there's probably a kinder process. And I think it would be better for you to do it rather than me.

Peter:

Okay. Well, we're certainly happy to do it. That's what we are here for. Would you like us to send you our standard templates of previous experience? Just so you can see it and say, "Well, that question is not really relevant," or, "I'd like you to ask this," type of thing. I can do that to send it to you.

Greg:

Yeah. [inaudible 00:25:41]. That way, at least we'll be on the same page about all of it and what gets asked.

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Peter:

Okay. And so... And then what the response is then, Greg, based on the score that was provided by the clients, would that be scored out of 20? So you have to allocate the full 20% to the experience, the responses we get from the previous experience questionnaires, or would you still want to see a portion of that allocated to you? So you can look at the actual jobs that they've listed, and in your expert opinions and say, "Well, you think that's a better mix of work than that guy, so I'm going to give them 10 out of 20." And then the other 10 can be based on the questionnaire responses. Is that... How would you like that to work?

Greg:

How many questionnaires would... How many questionnaire responses would you normally have? Three projects or four?

Peter:

Three per 10 [inaudible 00:26:40].

Greg:

Yeah. So if we had three, and we said, "That's worth 10 of those 20 marks." And then we said, "Tell us all the projects you've worked on that are similar." And we said that was worth the other 10.

Peter:

Okay.

Greg:

And then we'll all be able to look at those and say, "Well, this contractor's done [inaudible 00:26:57], or it's done airports. This one's done none. And this one's done 27." So clearly, they're the ones that have done the most. I think that would make sense.

Peter:

Yeah. Bruce, Alistair, Allen, You're okay with that?

Speaker 1:

Yes. That makes sense.

Peter:

So in our 10 to schedule, Greg, we say, "Provide three examples of works undertaken in the past three years of a contract of a similar size and scope." So we ask them to list the head contract value. What was their contract value? So they might not have been the prime contractor, for example. So we ask them that kind of information, and then we ask them to provide us the contact name and these clients' locale, so we can contact that person and ask the questions. Should we then have an additional, an extra to that that says, "Please list as many jobs as you like in the last 10 years, for example."

Greg:

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Yeah. So it's almost like, "Give us the three that you want us to contact." And they have to tell us about all of the risks.

Peter:

Okay, great. We'll do that. Yep.

Greg:

I think the key is that we ask them to focus on things that are similar.

Peter:

Of course. Yeah. Similar size and scope is what we ask for.

Greg:

Yeah, yeah. I think that all the people I expect to tender for these jobs are smart enough to know what that means.

Peter:

Yeah. Yep. Okay. That's good, so that'll be 10% questionnaire, and 10% previous experience review, and then 30% for methods and technical. I asked the question, did you want 15% methods and 15% technical to be defined as to how this criteria will be scored? When you say methods and technical, what is it you're actually looking for, Greg?

Greg:

So essentially, a method statement. So a storyline that says, "I'm going to use these kinds of barges to get my stuff there. I'm going to use these [inaudible 00:29:11], these plants, these equipment. I'm going to do this or do that." Essentially, the overall approach to the job that the contractor is planning to take.

Peter:

Okay. So we have a 10 to schedule that's called additional information and innovation. It's like the blank schedule where they can tell us how wonderful they are. We can amend that schedule so it just says methods and technical and simply say the tenderer is to provide an overview of it's... How it intends to whatever the word might be that we're trying to say. An overview of the plan of the execution of the job, words to that effect.

Greg:

I'll just give you the words, Peter. How's that?

Peter:

That's great. Thank you.

Greg:

I'll give you the [crosstalk 00:30:13]. Probably at that point, [crosstalk 00:30:15], Greg. Make sure you're happy with them.

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Peter:

Yep. No, I'll be happy, mate. Don't worry. So we'll do that, and that's going to be worth 30 points. And I did raise the question about ecologically sustainable development, and the reason I've raised that is that, at the end of the day, in our opinion, at least this is a highly sensitive project. You'll be moving a lot of material. You would like to think that the contractor would be also accredited to environmental standards and that they've got processes and procedures in place to ensure that any spill or any problems that [inaudible 00:31:01] technically. I was suggesting 5% for that, and that 5% would be taken off something. I don't know how Bruce and Allen and Alistair feel about that.

Speaker 1:

I think it's a good aspect because with some people on the island here, I think that that would be a plus to bring that.

Greg:

[crosstalk 00:31:28]. I guess my comment was coming from, I had interpreted B and C as in we're going to make a five star green building, which really doesn't apply to civil work because we don't have star ratings. And you can't really incorporate PST principles the way you can into a building. So that's where my comment was coming from. But if what you're actually referring to is a credited environmental management processes and procedures, I 100% would expect them to have those. Although I would think that like WHS and like QA certification, that would be effectively a pass fail.

And the reality is, in the answer here, there's a very good chance they're either [inaudible 00:32:19] down or hoping to get on with this job because they're the three contractors that do 99% of all upscale runways in Australia. And they're the three that tendered for the job last time in 2007 or six. And they will all have that accreditation. So that would be... Now that I understand that it's more about environmental management certification and the system, I think that might be better being put in with the safety systems and the quality systems as a pass fail element, as opposed to a scored element. Because the ESD, as I interpreted it, I think is not relevant. But environmental management absolutely is.

Peter:

Okay. So I'm just having a quick look at our DAN or ADI. Well, surprisingly, I've got a DAN or ADI tender that was submitted to us for road resurfacing works. And this was dated... Well, this is back in 2015, but I would've thought that this is from DAN or ADI books, supplied replacement road resurfacing. And I'm just looking, scrolling through the tender schedules, and DAN or ADI is not accredited, ISO accredited. They are quality assured. They are... I beg your pardon. They are accredited to WHS. And I'm just looking to see if the ESD. And ESD, yes, they are. They are credited to an ISO 400,001 2004 Australian standard. So if that's the case, then I'll check. Where did you say? DAN, [inaudible 00:34:14], and Fulton Hogan?

Greg:

Yeah. And I can tell you that Fulton Hogan are because I worked for them for eight years. So I know that for a fact.

Peter:

Yep.

Greg:

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And I'd bet my house that [inaudible 00:34:29] are as well, because they couldn't do the projects that they've done in the past for the capital city, Australian airports, if they weren't. Certainly not for the department of the [inaudible 00:34:42], which they all have because they were essentially [inaudible 00:34:48].

Peter:

Yeah. I'm just checking [inaudible 00:34:50] because they tendered for something, and they are. Yes, they are. So we can certainly make ISO 400,001 2004 environmental management as a pass fail. And that will take care of that one.

Greg:

We'll probably just mark an interpretation about what you meant by E as a different score or as a slightly different thing than H.

Peter:

Yeah. Sorry, Greg. Because our standard process in our schedule, which you'll see when I send out the tender documents, it's just a questionnaire. And the first question is, "Are you quality? Are you assured you're an Australian standard, yes no? And if you are, give us the certification, and that's it." Whereas we'll now be tweaking that schedule to simply be a statement. Tenders are required to provide certification to environmental quality assurance and WHS, otherwise it will be... And we'll state that in the advertisement as well on TenderLink, so they'll know not to bother downloading the documents if they are not ISO accredited to these standards.

Greg:

Yeah. And to the building code for the Commonwealth probably as well.

Peter:

Yes. That will all be in the TenderLink blurb. We tend not to go verbatim in the Sydney Morning Herald blurb because it costs a fortune to put that in there. And I don't even know why we still advertise in the Sydney Morning Herald. The local government says we have to, but no one reads it. So that's the scoring methodology, which I'll be able to amend the tender evaluation plan appropriately now and get that out for comment, for review. Was there any other areas of lawyer responses in any case that we wanted to raise? Or was that... The tender price schedule. Yeah, you'll be providing that, of course. I wanted to just quickly speak, Greg, about the minor nonconformance aspect because I feel perhaps I was not able to explain that properly in my email. In the tender schedule that we issue in the tender documentation, does the layup on minor nonconformances and or alternative proposals?

Well, what we'll do is simply remove the table that refers to alternate proposals. That won't be in there, simply just to allow the tenderers to respond [inaudible 00:37:33]. And then council will consider any deviations from that. And if council does not like that, you can go away. We're not going to deal with you if you insist on that. No, we don't want it. Go away. At the end of the day, if we got to the tenderer and say, "You've got to comply with everything in the tender documentation, otherwise don't bother." I'm not sure how industry would respond to that because they're [inaudible 00:37:57] these days. They always come back with some minor deviation that they want to try and get across.

Greg:

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Well, they do. And I'm not suggesting, Peter, that council shouldn't entertain those because quite often contracts are probably more onerous than they reasonably need to be. And minor tweaks to insurance provisions or whatever the case might be, I think should be considered fairly and where they've conceded to be reasonable should be accepted. What I'm just... All I try to avoid, I try to avoid two things. Council identifies the preferred tenderer, let's say they've got 16 nonconformances. Council's okay with half of them. That means there's eight left. And every time council says, "We don't like that one," then the contractor says, "Well, there's another bit of money or another bit of money or another bit of money." So that's one thing I always try and avoid. And I'm not saying it always happens, but it does happen. The second thing I like to try and avoid is some people will use a minor nonconformance as an excuse to actually put in a big nonconformance because it's been very difficult to define what minor does or doesn't mean. And you experience in the past as being where we've asked for warranties on asphalt surface performance.

They will say, "Well, I don't want that warranty." Well, that's not a minor nonconformance. Well, yeah. It is because the job's still the same. I'm still giving you exactly the same stuff. I just don't want it warranted. So that's the two things I would always try and avoid. I think you're... My view is, you're better off to have a compliance end up with too much money and then have a summary that says, "But if you change this, this, and this contractual condition, we'll give you \$10 million back because that's the risk we've assigned to it." And maybe I'm making a distinction now between technical conformance, so stakes and things like that, versus contractual performance in terms of contract conditions around insurance and warranties and fitness for purpose and those kinds of things. Yeah. But the two are intimately linked, especially when you get into fitness for purpose and performance and those kinds of aspects. Because you can have the best tax code in the world, if they're not willing to warrant it, you're going to wonder why.

Peter:

Yeah.

Greg:

So that's where I'm coming from, but plenty of people have not done that.

Peter:

Okay, well [crosstalk 00:40:52]. So what our schedule, the tender schedule, basically states is that the minor nonconformances are, if you wish to have a departure from any of the contractual conditions, please list the document. It might be the special condition of, let's say three safety management. It might be a C4 dispute resolution. Could be the contract itself. Could be the specifications, whatever. List that, tell us what it is, and we'll give it to consideration. The other table on that same tender schedule, which was alternative proposals, is where they wish to deviate from, what the physical job is going to do or be, or how it's going to look, and give you, "Well, we think if we did it this way, we'd end up with pretty much the same thing. But it's going to be cheaper, or it's going to be a little bit dearer, but you'll get a better thing." That's what I'm proposing we remove because you don't want a different thing. You don't want a better thing or a lesser... You want the thing that you were going out to market for, don't you?

Greg:

Oh, I'm happy to have alternatives being offered. That's okay. Because I always consider alternatives as add-ons and deviations as detractors. So a deviation is, "I don't want to comply with that thing that

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you're asking for." Whereas I always consider an alternative to be either through innovation providing the same level of service or any innovation or something different that provides an increased level of service. And the pricing is going to... If you get to the point of saying, "All right, contact X is our preferred tenderer. Let's get in there and talk." You can say, "We don't want any of your alternatives." And the tender process is still valid, right? Because the alternatives where if you do this, then my price goes down or my price goes up, but my performance goes up or whatever the case may be. If you say, "And we don't want to hear of your deviations, then have you voided the tenderer's intended costs?"

Peter:

Okay. So [crosstalk 00:42:59] to the proposed timeline where we go out to market at a certain date, we have a compulsory pre-tender meeting on a certain date, and everybody must be on island to touchy feel and look and that. And we have a site visit, and we talk and go through the tender documents. And you get to speak to them and sell [inaudible 00:43:19]. What I've just heard, Greg, is that once we then go through the evaluation process and short list, we then wish to get the shortlisted contractor in for a final face to face probably or a teleconference of some sort and say, "Okay, this is what you had said. This, that, and the other. We don't want that, or we want that, or we're happy with this, or whatever." Is that what I had heard?

Greg:

Well, my experience is that 90% of these contracts have some level of negotiation before the deal's done. That doesn't necessarily need to be face to face. That could be an exchange of letters, or some clarification questions and their responses, or it could be a teleconference, or it could be a meeting, usually depending on the significance of the issues that are needing to be resolved.

Peter:

Sure. But they are [crosstalk 00:44:21]. That is because in relation to the local government act and the local government general regulation 2005 part seven tendering requirements.

Greg:

Yep.

Peter:

Where a tender is materially changed from its original submission, then due to negotiations of one sort or another, it no longer... The local government regulation tends to look at that as being a different tender to what was submitted. And then we fall into a situation where if it's materially different... And look, they use these words, but they don't tell you what the percentage is. It's all wrapped up. It's all subjective. So if we end up shortlisting Fulton Hogan and having a final chat to them. And they suggest this, and we like that. And we suggest this, and they like it.

And we end up getting something that's different at the end, then there are potential problems where one aggrieved tenderer or the unsuccessful contractor will say, "Well, hang on. I went to Norfolk Island 18 months later, and what's there isn't what was tendered for. I want to know why." And I know that's not what you're talking about, but I'm just using that as an extreme example. It's that when we have post-tender negotiations, whilst that's all legit, our post-tender negotiation process is based on once tenders close, we then seek clarification on any points, any point or points that the tender



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evaluation panel and the independent expert consultants cite. We need to get that sorted. We don't really know....

PART 2 OF 4 ENDS [00:46:04]

Peter:

On the independent expert consultants state, we need to get that sorted. We don't really know what they mean by that, or how big a problem is that. And we get some independent advice, whether from Jada and Lord Thompson, the underwriters to local government in new south Wales, or independent legal advice. Then we can go back to the tender and say, you know what you've asked for that, we don't like it. You can bugger off, we don't want it, we're not going to agree to it.

We get all that sorted out before we end up shortlisting because the short listing tends to be from our perspective, once we've done all the argy bargy, we then end up with someone who may be, yes, a bit dearer, but they're fully compliant, they'll do everything we want them to do and there's minimal or zero risk to counsel. I do apologize if these what you just said, but I'm just trying to word in a way that I'm understanding it correctly.

Greg:

I think we're talking about the same thing, because clearly we're talking about minor things, and usually it is clarification, or you forgot this CV, can you give us that? And absolutely, that could happen before effectively deciding a preferred tenderer, if it's really minor it might be after. But things like contractual deviations that may... Usually some are acceptable, some aren't acceptable, and some might require a little bit of backwards and forwards to settle on an agreed position, I'm sure you do that more than me.

I'm always thinking about starting from a fully compliant perspective, and then considering stepping back from that, rather than saying, "Well, our tenders are technically noncompliant, and then anything that we don't like is a step up from that." If that makes sense.

Peter:

That's how we would be approaching it, Greg. When the tenders come in, I expect that there will be what we call minor nonconformances, or departures, requests faults, and they will be listed in the tender schedules that would then go out to you and the panel for review.

Where there are departures that are quite simple, and look that really has no impact at all on the process or the outcome, happy to agree to that, then tick, tick, tick. Where there's something that's not good that would come back to regional procurement, we would then go back to the tenderer and say, "Here's the position of council on this, you need to rethink it." Or, as I said, in my lube, if it's a deal breaker, we would say, "it's unacceptable. If you wish to have that, then you're out of the running, end of story." But that would come from yourself and the panel and we would discuss that and get that cleared before anything goes to Lotta, and then from Lotta to the council, that's what I'm proposing.

Greg:

Fixing your tender price isn't necessarily yet your real tender price, if that makes sense.

Peter:

Invariably in such contracts we find that when we ask for a lump sum, there's always variations based on one situation or another. There's always variations. How the principal handles that request for a

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variation and what is the variation allowed under the contract? Yes, no. So on and so forth. Of course there's always changes to the end of the initial lump sum price.

But, as you've said, as long as the lump sum price is based on a conforming bid where they've covered everything, it's quite clear that they've addressed everything, you're satisfied that I've addressed everything and council can be comfortable in the knowledge that the price they've got is likely to be within plus or minus five or 10% of the total, probably plus 5% of the total. Then all good.

It's where you end up with a price that's extremely competitive and in your expert opinion you think there's no way that they can do it for that. That's when we would have the radar up and addressing that and bringing those concerns to the tender to say, "have you checked everything? Have you missed anything?" And so on.

Greg:

I guess I wasn't referring, Peter, to contract execution price versus final contract price. If you get a tender with six deviations in it, and council says, "I'm okay with those three, but those three, no way, not in a bit." Then does the contractor have to swallow those himself at no additional cost, or be discounted? Or do you then say to him, "well, actually we want you to comply with those three. What's the impact?" And he says, "well, that adds a million dollars to my tender." Or is that not a part of the process?

Peter:

No, that's the allowed for under the requirements of the Local Government General Regulation. It's just got to be determined prior to it going to council. For example, we get a tender submission from one company that says, "Hey, I'll do the work for you for \$30 million." But in my minor non-conformances, I've got the parts that say this, this, this, and this. I'm just looking now the minor non-conformances schedule that we have, just to refresh my own memory, we say, "Tell us what you don't like, and price to achieve full conformance. Give us the document and call this number, tell us what it is that you don't like about it. And then if you do have to do it the way we want you to do it, what's the price?" How much will that change? How much will that add?

Greg:

[crosstalk 00:52:19] In the tender that's okay because that achieves what I'm trying to achieve, which is not having to go back to them after the tenders close and saying, "well, we don't like those." Because my experience is, if you say minor deviations are allowed, you'll get 50 deviations. If you say to them minor deviations aren't allowed as your lump sum has to have taken every single thing into account as per these documents. If there's something you would like to negotiate, but you have to be willing to accept that you might lose that negotiation and have to stick with what these documents say, can you can list those, you'll get far.

There's no point them going into nitty gritty things that they'd like to have, but they don't really want if they've got a price to meet anyway. By the sounds of it you're saying to them, tell us what you don't like, but then give us a process to swallow it. Effectively, you could add all those up, add it to the lump sum, and you've got the lump sum, all inclusive, no deviations price anyway. So we've done that thing.

Peter:

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Yeah, that's our standard schedule. As I say, when you see the documents, you'll be able to get more across how they look and read. Ultimately, the other thing I was going to ask you is the contract document itself, because we have our tender schedules and special conditions of contract that we issue as standard. Ethics and accountability document, all the rest of it. But the standard contract we use, when we go out to tender for a two, three, \$4 million job for road resurfacing, or whatever the case might be. Our general conditions of contract document, I'm not proposing we use that document or this job. I would assume you would rather an Australian standard document, 41, 22, or something to that effect be used.

Greg:

To be honest, I'm a technical person and I try not to get too excited about the contract forms. I like to think that a client, they can kind of have what they want. But this is going to be a 30 to \$40 million gig. There'll be a design element to it and therefore it just needs to reflect that. What form you then choose... I know that Dubbo Regional Council, he presumably will be familiar with, because that's in your passion onwards, they resurfaced their runway. That was a different scale in terms of the dollars but only because it's on the main land, not on Norfolk Island, that's a similar scope of work. Whatever contract they used, that'd be okay with me.

Peter:

Okay, I will contact them and ask them what they used.

Greg:

That was put by government public work, is that right?

Peter:

There's GC 21, General Conditions of Contract 21, which is used a lot by councils. They also use 41, 4100 Series, 41, 22 or something. Then the councils themselves, in the Hunter Region, we have our own generic suites of contract documents and we have our own general conditions of contract document, which was loosely based on 21, 24. You may remember that Australia Standard 21, 24, but it was loosely based on that. Ultimately Newcastle Airport upgraded their runway in the last two to three years, I believe. They did some work. I can contact them as well. I just want to like show that we are using the most appropriate document. At the end of the day, we want to get a document it's going to satisfy both the contractor and the council and get the right result.

Greg:

GC 21 rings a bell. I would suspect that that's what they used at Dubbo, because there was probably nowhere else I would have come across that term before. It seems to do everything that it should reasonably do. The contractors were reasonably familiar with it because they dealt with it for other local government works. That makes sense.

I don't get too excited about that. As long as it does design and construct, as long as it makes provision for insurance and design and PI and all those things that we need. I try to be an engineer when it comes to contracts and not think about them too much.

Peter:

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In relation to the insurances our standard documentation requires workers' comp of course, \$20 million public liability, \$20 million motor vehicle. These are minimums. We also require insurance of the works, which is insurance for the works plus 20%. Is that something that you would see as being... They would do this all the time, wouldn't they?

Greg:

Probably plus 10% is adequate. Whether it is plus 10% or plus 20% probably doesn't make a great deal for the cost of that insurance. I think that's highly appropriate. The only one you haven't listed is professional indemnity insurance for the design element. Anything I think not notionally 5,000,007 years for the design portion would be reasonable and normal.

Peter:

Okay, we'll work that into it as well. We also ask, can ask, Marine insurance, because they've obviously got to get the stuff to the island and ask for certificates of currency that I've got relevant Marine insurance. Or do you feel that would really be the problem with the shipping company, would it not?

Greg:

The shipping company is going to be sub-contract to the head contractor. That's interesting, isn't it? Whether the head contractor should have Moraine insurance. I don't think they all would. I would be surprised if Borel [inaudible 00:59:06] cogen, for example, all had Marine insurance because it's not something they would require very often. I want you... is there a provision, pre-review, do you think we could say whoever does the shipping for you needs to have marine insurance?

Peter:

Yeah, that's good. They need to then provide evidence that whoever's getting the product to the Island has evidence of Marine insurance. [crosstalk 00:59:37] And council uses two preferred Marine agents, don't you, Bruce.

Bruce:

Yeah, all our insurance is through our broker.

Peter:

But I mean, your shipping agents [inaudible 00:59:54] has two shipping agents, which ship goods to the island, they would have their own insurance, I would think.

Bruce:

Anyone who moves said product on the ship has to ensure their product.

Peter:

Okay, so it's not the problem of the shipper, it's the person shipping.

Bruce:

When we get our new equipment over here, we need to get Marine insurance cover prior to moving from whatever port.

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Peter:

We get back to the evidence of Marine insurance, Greg. They just have to get it through somehow someone's going to have the insurance where it says covered.

Greg:

By the sounds of that, I'll be the head contractor after all. I don't care whose got it, as long as one of them's got it.

Bruce:

If the ship company is going to give it, that's fine. But really it goes back to the principal.

Peter:

The head contractor, the service provider, in this case, councils the principal, and we would then require the whole process to be as per the tender timeline. Leading up to what I'm about to say, I had mentioned that already, that I'm going on annual leave for three weeks from today. I'm just hoping that the tender timeline that I had indicated that we would be advertising in the Sydney Morning Herald, and tender link on the 2nd of October. Greg, you had referred to the fact that you felt that that was probably a bit late in the day. Going on Bruce's email this morning, Bruce, are you okay with that?

Bruce:

Yeah if it is earlier, better, but that just fits with what we are doing with budget, yes.

Peter:

Rather than thinking of October, I'm back on the 22nd of August, if we had a month to get the tender documentation together, Greg, to review it, another teleconference. If we could do all that in a month and go out up early or mid September, Greg, would that be... I think that's what you had alluded to in any case.

Greg:

Yeah, I think I initially said early September, but I always took it that would really be mid-September in reality. Giving people a couple of weeks to digest the documents and book themselves some flights that puts us first week of October, or something like that for a site visit. Then closing a couple of weeks into December, I think with correspondence this morning.

Peter:

We had initially put advertisement on the second doc time, but with a compulsory tender meeting on the 28th of October, so that gave them 26 days to review the documentation, familiarize themselves with it, then come on island. Then we were going to say from there the 20th of October, but to the 11th of December; tenders closed.

That gave them all of them November that I had another five, six, seven, weeks after the compulsory pretender meeting to provide their response after having been to the site meeting. If we were to look at having the tender advertised mid September, then how long would you expect the tender documentation to be out and being reviewed by the tenderers Greg? Before you'd like to see them on island for a site visit and face to face and any questions answer session, and so on and so forth?

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Greg:

To me, it only depends on how long they need to get a flight booked, because they generally won't read the documents until that happens anyway. Typically, two to three weeks. In some cases we've made it as short as one week, but we've given them a heads up a week before the document came out that the site visit will be on this day.

If we're 15 September document out, 2 October is a good target, thereabouts. First week in October to me is a good target for that visit. Two to three weeks, that's plenty of time for someone to get a flight and get their head around it if they choose. Then you close on the 8th of December, that's that gives them the full 12 weeks. I would always want to give people for this complex a project.

Peter:

Okay, just to clarify something. Unfortunately, giving anyone a heads up per se, that we're going to be going out to tender we kind of can't do that. Being a local council tender, the advertisement is when everybody gets told. Once the advertisements out, we can ring everybody straightaway and say, "hey, it's out. Please ensure you book your flights for compulsory pretender meeting." Which will be mentioned in the tender link advertisement in any case.

If we went out on the 15th of September, which is the Saturday and the government gazette Bruce, and then I add on tender link on the 18th and Sydney Morning Herald on the 18th of September. Then we would have one, two, if we had the pretender meeting on the 13th of October, which is a Saturday or a Sunday, the 14th that gives them three full weeks to have reviewed or considered the documents and book their flights. Is that sufficient time, Bruce to book flights three weeks around that time of year?

Bruce:

Yes.

Peter:

Does that work for you, Greg? If we tried to get the tender documents out for your review, the panel's review and comment final tweaking, get the documents up on tender link, ready to be released on the 15th of September with a view to the compulsory site meeting on either the Saturday the 13th or Sunday the 14th of October. And then tender close... If we're talking that, and you would like an early December close, Greg?

Greg:

It doesn't really worry me how far into December. The industry shuts down by about the 20th. It really depends on you. Someone can get these tenders, I don't know who closest to them physically, once they're submitted, but someone's going to have to distribute them to the evaluation panel.

Peter:

We'll take receipt of the tender through the tender link, the electronic portal. We then issue conflict of interest declarations to everybody, yourself included, Greg. We tell you who the tenderers are and we get the conflict of interest declaration signed. Once that's signed, we then give you a link to a Dropbox. You can then download the documents yourself and start your own review process. We also get everyone to sign a confidentiality undertaking, well the council guys already got their confidentiality undertaking I'm sure through their employment contracts, we'd get you to sign one. Then at the end of

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the day, it's just the documents tenders closed on the third, or whatever it is of December, or the 11th of December.

Then we would conduct the evaluation, as I say, on the 18th of January, and that either via teleconference or face to face, whatever is going to work. Then I could prepare the final report, subject to your input, Greg. You would provide your report, I'll provide our standard evaluation report. Then it would go to council on the 20th of February for adoption by resolution. Then its contracts were executed and so on and so forth and then we've got the start date, whenever the start date is. Bruce indicates it's probably going to be July, because of the funding.

PART 3 OF 4 ENDS [01:09:04]

Peter:

So, if that does work, if that timeline works then that's what we can aim to and I can have my three weeks annual leave and not think I'm curling the process by doing so.

Alistair:

I think 15th September should be... Everybody else has got a lot of stuff to do to get these documents together, not just your bits too Peter. So yeah, I think 15th September is what we should target. I'd probably prefer an early October site visit, but it could be the middle of October. Closing date I would say, as late as it can be in December without impacting your office's ability to distribute it to those who need it. So you'll know that better than I. So it could be the 15th or something like that I don't know. And then it'll all be kind of academic until we get all our stuff together, right?

Peter:

Yep.

Alistair:

They're target dates until we've got a set of documents and then they're real dates. So how did that timeframe sound to you, Bruce and Alan and Alistair?

Bruce:

[crosstalk 01:10:17] Yeah. We just need a budget. We need a budget figure to go to get our our funding. And that's early December. We need to do that. So as early as possible in December that tenders close.

Alistair:

Oh okay, so that's where you're coming from. So we could we could close tenders on the Tuesday the 4th of December.

Bruce, what sort of budget figure do you need. Is it a budget plus or minus 10 or 20 percent, or is it budget to the dollar, because it's based on a tender. Because I'm working on pretender estimates as we speak.

Bruce:

Yes, okay. Well better still, yeah. If you can give a pretender estimate plus, or minus 20 is good. And we go to get our funding based on that.

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Alistair:

If I'm not plus or minus 20, that I'm doing you a disservice and you should sack me, to be honest. So I did a first cut and I came up with 36 to 42, depending on whether the rocks on island or off island. But the the biggest variable in that is the barging costs. And so I've got a barging guy who I've dealt with on other projects, giving me some hypothetical numbers based on my assumptions around what it takes and how it takes and all those kinds of things. So yeah, I'm pretty confident that, like I said, if I'm not within 20%, I'm not doing you justice. And I expect to have that to you the [inaudible 01:12:06] report by the end of August.

Bruce:

Yeah. Okay. Does that include the lighting?

Alistair:

Yeah, that includes everything. So the concrete, hands on the apron all the asphalt allowances, the mobilization and rock and the royalties you put on island rock being crushed, regardless it's more shipping if it's off island rock being imported, the whole works and jerks. Plus an allowance for my cost, an allowance for the contract administration consultants, which I'm sure we'll talk about in a second or two, 10% contingency and 10% free spill. I think the contractors will all apply for a project in your location. For me that's a project turnout. How good I am, I guess we'll see.

Bruce:

Okay. Alrighty. Okay. Thank you. I have to go to another meeting. Thanks guys.

Peter:

All right. So we'll now have a chat with Alistair and Alan, Bruce about the project management aspect with Greg, and then they'll let you know what the outcome of that is.

Bruce:

Okay, thanks.

Peter:

Okay. Bye Bruce. So Bruce has gone now. So in relation to the project management of the job, there was discussion, Greg, as you're now aware that I had suggested to Alan and Alistair and Bruce, that it might be an efficiency to engage a suitably qualified, experienced project manager. And embed that individual on island for the term of the contract and have them oversee the work. Your view is that you would prefer to have a project management company appointed to undertake that aspect of it. I'll just leave that up to you and Alan and Alistair to discuss because frankly, at the end of the day if a project management company is to being engaged, and that will be the subject of a separate or would think the separate tender process. And that's something that Bruce from procurement can facilitate. It's [inaudible 01:14:28] regional councils wants us to, but I don't see that I've got any role to play in this discussion other than to just be there if council wants me to.

So do you want me to even be involved in this discussion, Greg and Alistair and Alan?

Greg:



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I guess Peter. I think it will be a brief discussion because it's just one way or the other. And in the end it's council's decision and I'm not wedded to any particular solutions. I'll just tell you why I think that it would be more suited to a company and then council can either do that or not do that. And going down one path of [inaudible 01:15:11] then going down the other route that turns out to be an unsuccessful search, presumably.

So why I believe that you won't find someone is that those people... look, to start with it's not a full-time role. [inaudible 01:15:33] the project goes for 18 months, which depending on crushing and then the physical work, it could be an 18 month scheme in total. For 12 of those months you don't need that person to be full time on the island. So for 12 months it's a contract administration role that comes every now and then. And then for four months, it's effectively full-time of the physical work on the runway. And so that's why I thought that it probably didn't make sense to me necessarily to employ a full-time person embedded within council, because you can't have them for four months plus a day a week for the other 12 months. Or maybe you can, but that didn't seem likely to me. So that's where I was coming from. But in the end, it's the council's choice. Like I said, if you go down that path and you don't find anybody that you think is suitable or fits in with what we need, then you can always go down the other route anyways, I guess.

Alan:

[inaudible 01:16:47] here and I talk with council as part of my past experience, the company would be more fitting and really to what you said, Greg. And see if we have an individual I'm not quite sure when we would expect the individual will be on deck here and for the duration of the time, that would definitely be an over kill. And to look at the monetary side of things, what's one compared to the other do you estimate?

Greg:

Well, if you were to employ somebody on a short-term contract full time, you might pay for a personal [inaudible 01:17:32] like that. You might pay a 1,000 bucks a day. If they're a consultant, you might pay \$2,000 a day, but you don't have to employ them full-time for 18 months to sit around and twiddle their thumbs for the first 12. Although, they might be useful to you on the island doing other things. Perhaps. I also think that this person's going to end up being out there six nights a week, or maybe nights, maybe days, depending on how things pan out and the flight schedule. But six days a week, and a company gives you the opportunity to spill that person from a fatigue management perspective. If you employ somebody to do this full time, you don't have that. You don't have that opportunity unless you find somebody else on island to spill them.

And there's also usually two roles in that. There's quite often a contract administration role, which is quite different from the actual sitting there on site during the night role. And so, for example, the worker of Hampton that I'm helping with at the moment, we've got a young guy, who's got a pavement engineering background and he's there all night, every night, signing off hold points and weakness points and making sure the contractor does what the contractor is supposed to do. But he's not officially the contract administrator, the contract administrator is a more senior guy who's a specialist contract administrator's slash project manager. And he does all the official contractual correspondence and comes to the site once a week or once a month or whatever the agreed schedule is. And if you go down that path, you can get a bit of both from the same organization, they have no choice, but to work well together and you don't end up with one person who's under worked for the first 12 months and then completely overworked for the next four or five, whilst the real action's happening.

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Alistair:

The other thing, using a company, if the person goes down for illness or whatever you have backup from the company. So I don't think council lean that way.

Peter:

Okay, well that's fine. I've got no problem with that whatsoever. I think it's a good suggested resolution to the process. All I need to know Alan and Alastair is whether you would like regional procurement to facilitate that process? Whether you feel it's appropriate to have probity as a additional process included in that, or whether that's not considered necessary for the finding a project management firm? If you could just come back to me by email, as again as I say, keep in mind, I'm off for three weeks, but all my emails will be going into my 2IC Mark Kentish. But if this process can be run as a separate process, but in conjunction with the other, we can look to getting a tender out for the project management aspect and get that resolved as well as getting the other and whether or not you feel, Greg, it would be necessary to have, again, a compulsory site visit on island for the project management companies to see the job in question or you don't believe that's necessary. What do you think now?

Greg:

No because the local site doesn't affect them as much as it does a contractor who's physically got to work within it. I know within the Queensland local government system there's effectively almost a panel for those kinds of services. Is that the case in the New South Wales system that you work within as well? Is there a panel of pre qualified to provide that service?

Peter:

I believe so and we can certainly look into that and provide council with a list of pre qualified organizations that have already been through an expression of interest process. So yeah, we can do that, I can have a look into that when I get back from leave, Greg.

Greg:

If there's a panel that exists, that we can then effectively have a select tender from then it's relatively easy for me to give you three or four evaluation criteria, a scope of services and the requirements that we would want of those entities. And it's almost a pre-qualified tender or a request for quotation or whatever you want to call it, to comply with your system and then happy days easy peasy.

Peter:

Yep. I think that's a good suggestion and Alistair and Alan, if you'd like [inaudible 01:22:47] to facilitate that, we can certainly find that list provided to Greg with a CC to yourselves. Greg could suggest people that we could invite to provide a request for quote response to, and we could have the scope of work provided by Greg, which we could just do up in a brief document that goes out to market and gets the responses to be considered. And we could do that as a separate evaluation process to nail that one down and get that sorted. Do you think that would work?

Alistair:

Thank you for that time, Greg. We appreciate it.

Peter:

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So if you could just come back to me with email confirmation that's what you'd like. If you'd like regional procurement to facilitate, Alan and Alistair. That'll go to my 2IC, as I said, and then when I get back, we'll get straight onto it.

Alistair:

Now I do all use your email address, or-

Peter:

Everything you send to me will be forwarded. I'll have an out of office auto reply and it will be automatically forwarded to my 2IC. If he needs to action anything, he will, but I've told him for anything along these lines, he'll just sit on them until I get back.

Alistair:

Okay.

Peter:

So are we good with that process, Greg? So just from your perspective, you'll be working in a flurry of pace, but I'll be hitting the ground running when I come back on the 22nd of August.

Greg:

Yeah that okay, Peter. I guess the key thing is knowing that there's the panels. So if it's possible for somebody in your absence just to confirm that bit, that'd be good. At least that way we know we've got a viable process.

Peter:

We've got a panel to think about an alternate. I'll get one of my people To follow that up. If you could perhaps just send me an email, Greg, with a very broad scope. So that when we contact state government contracts board, to ask them about the panel, because they've got various panels, of course. And we would want to make sure we're getting someone who's got the invite into people, as you've said, with the right skill sets.

Greg:

Yes, will do.

Peter:

Okay. All right so does that satisfy everybody? Is there anything else you want to add Alan, or Alistair?

Alistair:

No. Just to recap. I'll get the royalty figures back to you [inaudible 01:25:38] and also send an email reference request for project manager candor.

Peter:

Yep. Yep. And could you please ensure that all email correspondence, Michelle Partland is CC'd into it?

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Alistair:

Yes.

Peter:

If you don't determine on hearing that it's a fairly straightforward process. I don't believe that priority will be required on the project management requests for quote process Alistair and Alan, unless you particularly want it. If you don't believe that's necessary for that aspect, you don't need to CC Michelle into those ones, but for everything else. If the runway re-sheeting, everything must be CC'd to Michelle please.

Alistair:

Okay. But just to be safe I'll put Michelle in all the correspondence and she can do it [crosstalk 01:26:33].

Peter:

Good. Okay. That's great. Thank you. So everything, are you happy? Are you satisfied, Greg? We've addressed all of your issues and provided you clarification?

Greg:

Okay. No, no. I think we might great progress to be honest.

Peter:

Okay. Alistair, have you got anything you want to add?

Alistair:

No, no. That all sounds good to me.

Peter:

And Alan, you're all good?

Alan:

All good with the guy, just like to add on, we have a new airport manager here, Tony Alan. And he's already been in contact with Greg a few times, I take it. From now on I'd like to have him on board and pick up what's going on with the tender and the works. He's been an airport manager for a number of places, and also he's been involved with project management on the airport. So I think it'd be a good idea to have him on board.

Peter:

And do you want Tony to be on the tender evaluation panel, Alan? Is that what you're suggesting?

Alan:

Yes. I think it's just, even if we have him on there we can say at least have two or three in case one of us are off, that type of thing, could go through it.

Peter:

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Okay, so if you could provide Tony's details and positioning, I'll make sure he's added to the tender evaluation plan and we'll start CCing him into all the correspondence.

Alan:

Okay. Thanks, Peter.

Peter:

Okay. All right. Thank you. So I think that'll do us. I agree, Greg. We have achieved a bit today, so I'll speak to everyone again soon after my return from annual leave.

Greg:

Before we all go-

Alistair:

Safe travels and enjoy.

Peter:

Hang on, hang on. Greg's got something to add. Hang on.

Greg:

I was just going to say after all this. Alan, I had a good long talk with Tony yesterday and we talked about the list that I sent of things that we primarily, you and I need to gather before we're ready to go to tender in mid-September. And we talked about the option of having a weekly or fortnightly, just a little hookup, just probably you, me, Bruce, maybe Alistair and Tony, just to see where we're up to and make sure that we're progressing all of those things. So, yeah, I just mentioned that whilst we're all on the same phone call, that all.

Peter:

And that's fine. I don't know whether, because this tender, it's subject to probity requirements, whether you feel it's necessary for Michelle to be involved in any of that? Perhaps not. It's up to you. If you're talking general issues about how you'd like to approach things and so on and so forth it, whatever. If it's just general discussion I don't really think there's a need for Michelle to be involved in those conferences, because it's really talking shop and what needs to happen next and so on and so forth. I think if we just leave it to the tender process that Michelle is fully involved in, that's really where we want to be at. Would you agree?

Greg:

Yes. I think that'd be the case. It's a bit like today. Just us sorting out between us internally, effectively. Where we're up to and what we need to do. I was just taking this opportunity to mention to Alan and Alistair, because we don't all get on the phone and talk very often. So it was just an opportunity to say we should probably put that in place sooner rather than... just using teleconference to have a different conversation.

Peter:

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Yep. No, that's good. All right. Well, thank you very much for your time, gentlemen, and I'll talk to you in three weeks time or thereabouts.

Greg:

Have a good break.

Peter:

Yeah, I will too.

Alistair:

Travel safe.

Peter:

Thank you very much.

Speaker 2:

The call leader has ended the meeting. All lines will be disconnected.

PART 4 OF 4 ENDS [01:30:50]