

Prequalification Scheme for Traffic Signal Contractors

Guidelines and Conditions

Transport for NSW | June 2020

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1. Introduction

1.1. Purpose of this Scheme

The purpose of this Scheme is to prequalify contractors with the necessary technical and managerial expertise, organisational structure, financial capacity and work experience for traffic signal works.

Prequalification with Transport for NSW (TfNSW) will be on a three-year basis. Contractors must apply every three years to renew their prequalification.

1.2. How this Scheme Works

This prequalification scheme applies to traffic signal construction and reconstruction which are:

- carried out directly for TfNSW,
- to be offered to TfNSW for final acceptance by other organisations (eg. a developer or council), or
- carried out under a subcontract with a head contractor engaged by TfNSW.

The Prequalification Scheme does not preclude TfNSW from adopting alternative forms of tendering (for example, open tender or pre-registration) on specific contracts.

Notwithstanding a tenderer's prequalification status, TfNSW may undertake a check of a preferred tenderer's capacity and capability prior to the award of a contract, including any technical and/or financial matters. TfNSW may also consider the total workload commitment of a tenderer at the time of assessment of tender. A developer, council or head contractor should do their own financial and technical assessment before awarding a contract.

Contractors tendering for TfNSW work must comply with the NSW Government's Supplier Code of Conduct (Ref.

<https://www.procurepoint.nsw.gov.au/news/updated-nsw-government-supplier-code-conduct-0>).

1.3. Confidentiality of Applications

The prequalification of contractors for TfNSW works is solely for the benefit of TfNSW. Information provided with applications will be retained by TfNSW or its assessors and not disclosed to any other party unless legally required to do so, or to obtain legal or financial advice or as required for appeal. TfNSW may refer the applicant's systems documentation to its external assessors for assessment. External assessors are required to maintain confidentiality of all information received.

A list of Prequalified Contractors is posted on TfNSW's web site at <http://www.rms.nsw.gov.au/business-industry/partners-suppliers/tenders-contracts/prequalified-contractors.html>.

1.4. Definitions

TfNSW: means Transport for NSW. For the purpose of administering the Prequalification Scheme, it means the Finance and Commercial Branch of TfNSW Infrastructure & Place Division.

The Applicant: means the business entity lodging the Application with TfNSW.

Traffic signal construction: means installation of traffic light signals at a new site as per a design plan accepted by TfNSW and in accordance with TfNSW Specification TS101.

Traffic signal reconstruction: means changes/upgrades of traffic light signals at an existing site as per an amended design plan accepted by TfNSW and in accordance with TfNSW Specification TS101.

ITS Services: mean the design, testing, installation, commissioning and maintenance of a set of Intelligent Transport Systems.

2. Prequalification Scheme Requirements

2.1. Technical, Operational and Managerial Capacity

To be considered for prequalification, the Applicant must:

- Have demonstrated experience in civil and electrical installations, preferably with traffic signals in a road and traffic environment,
- Have appropriately trained and qualified employees and have demonstrated capability within the Applicant contractor to prepare traffic control plans to comply with TfNSW QA Specification G10 "Traffic Management" and TfNSW "Traffic Control at Work Sites manual" for the control of traffic at work sites,
- Have a manager active in the construction operations.
- Hold a current NSW Electrical Contractors Licence as required by NSW Fair Trading under the Home Building Act 1989.
- Have evidence of timely provision of Work-as-Executed drawings to the Principal where required under the contract deliverables.

2.2. Financial Capacity

To be considered for Prequalification, the Applicant must have strong financial viability of the business over both the short and long term. A thorough assessment of the Applicant's financial capacity will be made based on the information provided in the Application. Applicants that are a trustee must supply information for both the trust and trustee.

Applicants will be assigned a financial capacity, identified by the letter 'F', indicating the maximum annual value of a contract for which the contractor has the financial capacity. The levels are the same as in the National Prequalification System for Civil (Road and Bridge) Construction, and are:

Financial level	Maximum annual value of contract (including GST)
F0.5	\$500,000
F1	\$1 million
F2	\$2 million
F5	\$5 million
F10	\$10 million
F15	\$15 million
F20	\$20 million
F25	\$25 million
F50	\$50 million
F75	\$75 million
F100	\$100 million
F150	\$150 million
F150 PLUS	Unlimited

In assessing an Applicant's financial capacity, inter-company arrangements including loans and current contractual commitments (both with TfNSW and other organisations) will be taken into account. TfNSW will generally use independent financial assessors.

The Financial Capacity for a contractor will be calculated from:

- The lesser of 5 x working capital and 12.5 x net tangible assets
- Quick Ratio ≥ 0.8
- Further upwards or downwards adjustment based on a qualitative assessment of the matters listed in Appendix B Criteria 4.3 of the TfNSW National Prequalification System for Civil (Road and Bridge) Construction Guidelines.

Failure to supply the necessary financial information to TfNSW or to TfNSW's independent financial analyst may result in an application being refused or the existing prequalification rescinded.

The required financial capacity for a contract will be included in the Request for Tender when TfNSW is seeking to enter into a head contract with a traffic signals contractor.

When a head contractor is seeking a traffic signals contractor to enter into a subcontract the Financial Capacity assigned by TfNSW may be used by the head contractor as a guide in the selection of a suitable subcontractor.

2.3. Workplace Health and Safety System

The NSW Government's Workplace Health and Safety Policy requires Government agencies to only use those contractors that can demonstrate WHS management system capability. Applicants' attention is drawn to the requirements in the NSW Government's Work Health & Safety Management Guidelines for Construction Procurement, available at:

https://www.procurepoint.nsw.gov.au/system/files/documents/work_health_safety_management_guidelines.pdf).

Applicants will be required to demonstrate:-

- The capability to produce Workplace Health and Safety Plans in accordance with TfNSW QA Specification G22 – Work Health and Safety (Construction and Maintenance Works).
- For works valued over \$1 million, either:
 - A WHS Management System with 3rd party certification to AS/NZS ISO 45001 from a JAS-ANZ accredited organisation. Applicants currently certified for AS4801 will have until March 2021 to transition to ISO45001; or
 - Accreditation under the Australian Government Building and Construction OHS Accreditation Scheme (Office of the Federal Safety Commissioner).

Contractors that have been subject to any WHS prosecutions or penalties in the preceding three years will be required to demonstrate that any shortcomings in their system have been effectively remedied. This may be done by an audit, management review or submitting corrective action and system change information.

Applicants will also be required to demonstrate implementation of their WHS systems on contract works. Suitable evidence would be internal or external site system audits, copies of site specific systems and minutes of management review.

TfNSW will undertake accreditation reviews of contractors' WHS management systems in due course. Deficiencies will be notified and must then be corrected.

In addition to the above, contractors will be required to demonstrate compliance with:

- Clause 207(4) of the NSW WHS Regulation (Working Live). Notwithstanding all subsections of Clause 207(4), the following assessment criteria are provided as a guide to eligibility for prequalification:
 - (a) a written site specific risk assessment is completed in respect of the work in consultation with those undertaking the work;
 - (b) the work has been authorised by the person in control of the premises;
 - (c) the persons doing the work are appropriately qualified, trained and instructed in safe work practices associated with the task;
 - (d) appropriate clothing and PPE are provided to the persons doing the work;
 - (e) The work is undertaken in the presence of a safety observer who is competent to perform the particular task that is to be carried out and is competent in electrical rescue and cardio-pulmonary resuscitation.
- Clauses 56 and 57 of the NSW WHS Regulation (Working at Heights) and the WorkCover NSW Position Paper: The Measures Used To Control The Risks Associated With Working At Heights (2002).

2.4. Quality Systems

In assessing prequalification applications, TfNSW will examine the progress made by the Applicant in the development and implementation of effective quality systems both at the corporate and project levels. Presentation of a Project Quality Plan, which demonstrates operational effectiveness of the quality system applied at project level, is vital to the assessment.

The quality system shall be in accordance with Specification TfNSW Q4 for all Applicants.

2.5. Environmental Systems

The Applicant will be required to demonstrate capability to produce Environment Management Plans (EMP) in accordance with TfNSW QA Specification G36.

2.6. Trial Installation

Each Applicant must complete a trial installation, which will form the basis for an evaluation of the Applicant's work performance and eligibility for prequalification.

The trial installation period will commence from the date of provisional prequalification approval and will not normally exceed twelve months unless extended by TfNSW.

Applicants will not be invited by TfNSW to submit tenders for a trial site until satisfactory evidence is received by TfNSW of the formal quality system to be used during the trial installation period.

During the trial installation period the Applicant must:

- (a) Competitively tender for, win and complete the installation of at least one new signal site that includes vehicle detectors (the "trial site");
- (b) Prepare and work to an agreed Inspection and Test Plan for each trial site;
- (c) Operate a quality system approved by TfNSW;
- (d) Satisfy the requirements set out in clause 2.7 below.

In case of not enough suitable trial installations being advertised by TfNSW, an Applicant may seek permission from TfNSW ~~the RMS~~ to work for other organisations.

2.7. Assessment of Trial Installation

A TfNSW representative will assess the Applicant's capability to conduct the work in accordance with the relevant TfNSW technical specifications.

The assessment will include, but is not limited to, the following aspects:

- Time management;
- Standard of work;
- Quality system;
- Management of sub-contractors;
- Workplace health and safety provisions
- Traffic management
- Environmental management

- Production of Work-as-Executed drawings

Prior to commencing work on any trial site, the Applicant must submit an Inspection and Test Plan for the work for approval by TfNSW.

TfNSW at its own discretion, may request the Applicant to complete another trial site/s to further demonstrate their technical capability prior to grant "Full" prequalification.

3. Applying for Prequalification

3.1. Submission of an Application Form

To meet TfNSW's contract requirements for Workers Compensation insurances, Contractors applying for prequalification must be an incorporated company. Sole traders or unincorporated partnerships may not apply for prequalification.

Contractors may apply for prequalification by completing the "Application Form for Prequalification for Traffic Signal Construction & Reconstruction Contractors" and attaching all of the information required therein. The Application Form, these Guidelines and all referenced specifications are available from TfNSW's web site <http://www.rms.nsw.gov.au/business-industry/partners-suppliers/tenders-contracts/prequalified-contractors.html>. The completed application form and accompanying information are to be forwarded either by email to Prequalification.Enquiries@transport.nsw.gov.au or copied to a USB memory stick and mailed to the address shown at the end of the form.

TfNSW will undertake such investigations as it considers appropriate to ensure that the Applicant is a bona fide registered company or business, and will undertake other searches and enquires to ensure that the Applicant has the technical and financial capacity appropriate to the prequalification being sought. Searches will not necessarily be confined to referees proposed by the Applicant and may include performance reports from TfNSW and other agencies.

Applicants must, on request, provide any necessary authority to enable these searches and enquiries to be carried out. The Applicant's right to confidentiality will be respected.

If necessary, an interview may be arranged between the Applicant and TfNSW to clarify details of the application in order to assess the applicant's technical and financial capacity and project management capability.

Any enquires relating to this Application for Prequalification should be directed to Prequalification.Enquiries@transport.nsw.gov.au.

3.2. Related and Subsidiary Companies

A contractor's prequalification does not extend to related or subsidiary corporations owned or controlled by the contractor. Any such corporation must apply for prequalification in its own right.

3.3. Joint Ventures

Unincorporated Joint Ventures are not required to be prequalified to tender for TfNSW contracts.

Incorporated Joint Ventures may apply for prequalification. The Application will be processed in the same manner as applications from individual Applicants, i.e. an Incorporated Joint Venture will be assessed against the background and performance of the Joint Venture operation and not on the individual performance of the Joint Venture members.

4. Assessing Applications

4.1. Assessment and Review of Applications

An Application for Prequalification or review of a contractor's prequalification will be assessed by the Manager, Policy, Systems and Processes, Finance and Commercial Branch of TfNSW.

TfNSW may appoint an external consultant to assist it for the assessment of contractors.

The assessment of provisional prequalification applications will be completed within six (6) weeks from the date of receipt of all the required information. Failure to supply all the information requested in the Application Form may result in the Application being rejected. After assessment an applicant that has been accepted will be awarded a provisional prequalification to tender for a trial installation (refer to Clause 3.6 & 3.7). The assessment of the trial installation will depend on the applicant successfully winning a tender. The assessment of trial installation site will be completed by TfNSW within 4 weeks of the completion of the works by the contractor.

Applicants will receive written notice of the outcome of the assessment and, if full prequalification is granted, they will be eligible to tender for work for TfNSW contracts.

TfNSW may attach conditions to any prequalification granted.

Factors considered in the assessment are:

- Past performance on similar works;
- Technical capacity;
- Resources (human, plant, equipment), including the employment of a licenced electrician or electricians with experience in traffic signals;
- Financial capacity;
- Quality System implementation;
- Workplace Health and Safety;
- Environmental Management; and
- Production of Work-as-Executed drawings.

4.2. Service Standards

TfNSW will conform to the following service standards with regard to the Prequalification Scheme for Traffic Signals:

- Receipt of applications will be acknowledged within five (5) working days;
- Complete applications will be processed within six (6) weeks of receipt of all required information; and
- Contractors will be advised of the outcome of an appeal within ten (10) working days of the Contractor Review Committee convening.

5. Review of Prequalification status

5.1. Renewing Prequalification

An approved prequalification will lapse after three (3) years.

Prior to any prequalification lapsing, TfNSW will advise the contractor and invite re-application for a further term. The contractor may apply for prequalification or upgrade at any time.

5.2. Reviewing and Suspending Prequalification

The prequalification of a contractor may be reviewed where TfNSW becomes aware of:

- Unsatisfactory performance on TfNSW or other Government contract works; or
- Material adverse change in a contractor's technical, financial, managerial or organisational capability; or
- A contractor being placed into voluntary administration or involved in a compromise or other arrangement with creditors.

Prior to and pending the outcome of a review, TfNSW may at its discretion suspend a contractor's prequalification in any of the above circumstances, and will advise the contractor, in writing, of the matters prompting the review. Prior to cancellation of prequalification, TfNSW will ask the contractor to show cause why the particular action should not be taken.

Where the Government or TfNSW as an agency of the Government has imposed sanctions on a contractor for a breach of the NSW Government's Supplier Code of Conduct, the contractor's prequalification will lapse for the period of the sanction. If the sanction is in place for more than six (6) months, the prequalification will be cancelled and the contractor will be required to submit an application for renewal of prequalification. An Application for Prequalification will not be considered while any such sanction is in place.

In addition to the circumstances set out above, TfNSW may review any contractor's performance at any time, including works for private developers. Records of a contractors' performance will be maintained and referred to at the time of Prequalification, with particular regard to the following areas:

- Time management;
- Standard of work;
- Quality System;
- Management and suitability of personnel;
- Management of sub-contractors, consultants and suppliers;
- Workplace Health and Safety management;
- Environmental management
- Traffic management;
- Contract management;
- Co-operative relationships;

- Workforce or skills development; and
- Production of Work-as-Executed drawings.

5.3. Appeals by the Applicant

An Applicant may appeal a prequalification decision of TfNSW. The appeal (signed personally by a Director of the Contractor) must be lodged with the Director, Commercial Services Branch of TfNSW within twenty (20) working days of the date of the letter advising of TfNSW's decision and should clearly state the grounds for the appeal and include all relevant information.

Appeals will be considered by the "Traffic Signals Contractor Review Committee" which comprises:

- Director, Commercial Services Branch (or representative);
- Manager Traffic Systems and Projects Technology; and
- Manager Traffic Projects.

The Committee may at its absolute discretion seek additional information from the Applicant, either in writing or in person, and the Applicant shall have a right of appearance before the Review Committee if the Applicant so desires.

The Committee will be convened within fifteen (15) working days of receipt of the appeal. Advice of the outcome of the appeal will be forwarded to the Applicant within ten (10) working days of the Committee convening.

6. Contractor's Obligations

6.1. Changes to Contractor

Prequalified contractors are required to immediately advise TfNSW of any material change in their ownership, holdings or financial, technical and managerial capacity. Where the prequalified contractor is a trustee, it is also required to immediately notify TfNSW of changes to the trust deed, changes or proposed changes in the identity of the trustee and of anything which might cause the trustee's right to be indemnified from the trust assets to be lost or reduced.

6.2. Contractor Undertaking

No information relating to prequalification status may be used by a contractor in advertising or for any promotional purpose or be published in any form without the written consent of TfNSW. No responsibility is accepted for any consequences arising from the use of any such information.

6.3. Acceptance by Contractor

In applying for prequalification, a contractor is deemed to have accepted these conditions as may be varied from time to time. Where possible, industry consultation will occur before any significant changes are introduced.

Disclaimer: The decision to approve or reject, with or without conditions, any application for prequalification is at the absolute discretion of TfNSW.

TfNSW is not liable for any costs or damage incurred in the exercise of such discretion or the discretion to remove any prequalification.

The Prequalification Scheme was developed for TfNSW's internal purposes. TfNSW does not represent or warrant that any of its prequalified contractors are technically capable or financially sound or have any other characteristics. Any person seeking to deal with a contractor who is prequalified with TfNSW must rely on its own enquiries.