Workforce Skills Series





Winning Tenders Tender Essentials

10 July 2024 Heritage Park Hotel

Delivered in partnership with Solomon Islands Government and Solomon Water





Objectives of the Workshop The learning objectives of this workshop are for local construction companies to:

- Gain awareness of different pipelines of opportunities SIG (SINIPP, MID, Solomon Water),
- Understand different contracting modalities (lead, subcontract, joint ventures, consortiums)
- Understand the differences between different contract forms (AS/NZ, SIG, FIDIC)
- Gain awareness Early Contractor Involvement, and how it differs to design-construct
- Understand the insurance requirements under different procurement guidelines and the insurances that the local industry offers.

Agenda

Time	Торіс
9.am – 9.05am	Welcome and Opening Remarks
9:05am – 9.20am	Remarks by representative from the AHC Office
9:20am-10.30am	Presentation 1: Infrastructure Pipeline
10.30am-11.00am	Morning Tea Break
11:00am – 11:45am	Presentation 2: Business Structures
11.45am – 12:30pm	Presentation 3: Different Types of Contracts
12:30pm – 1:30pm	Lunch Break
1.30pm – 2.00pm	Presentation 4: Early Contractor Involvement (ECI)
2.00pm -2:30pm	Presentation 5: Insurance
2.30pm – 3.15pm	Wrap up/Closing Remarks and Evaluations

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Presentation 1 : Infrastructure Pipeline





Ministry of National Planning & Development Coordination Solomon Islands Infrastructure Investment Plan (Economic and Productive Division)

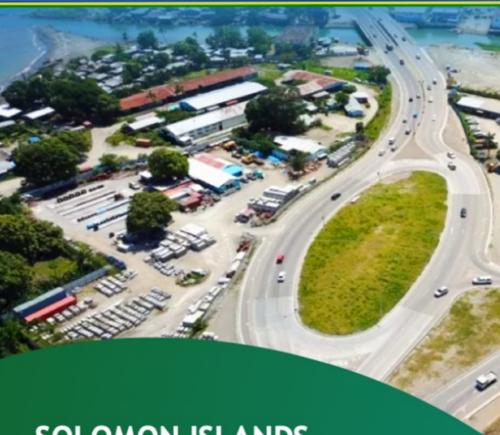
2023 Pipeline

Agenda

- 1. Evolution of infrastructure planning
- 2. Pipeline 2023 development
- 3. Place-based approach
- 4. SINNIIP Infrastructure Types
- 5. Project Pipeline Distribution
- 6. Provincial infrastructure priorities



SOLOMON ISLANDS GOVERNMENT Ministry of National Planning and Development Coordination



SOLOMON ISLANDS

National Infrastructure Priority Pipeline 2023

Joined up infrastructure and places October 2023

History of infrastructure planning in Solomon Islands

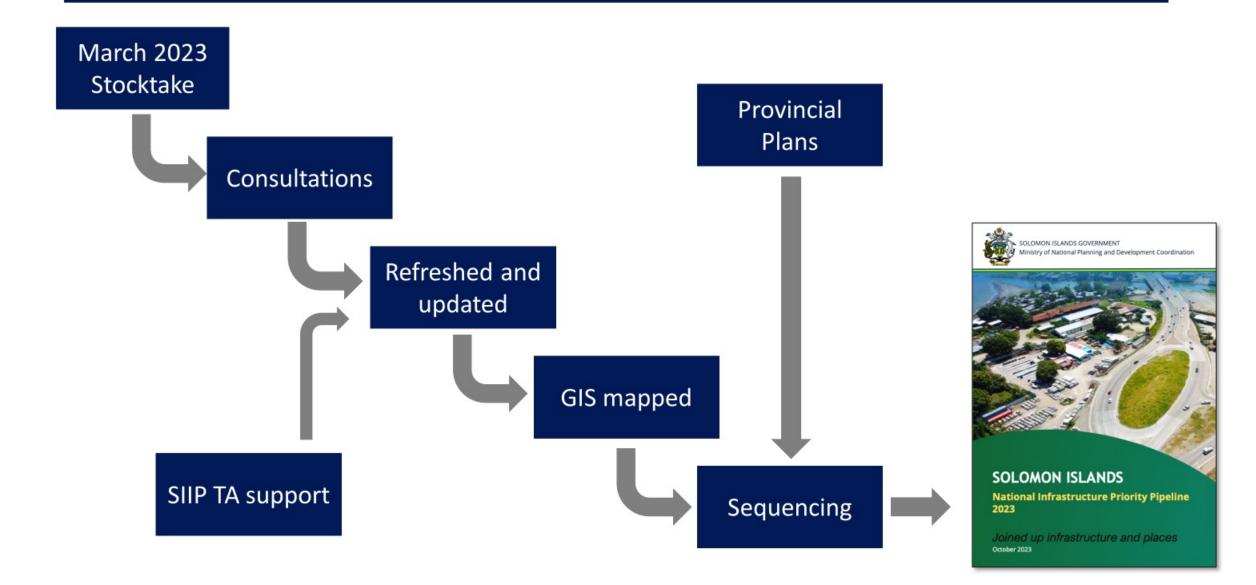


2023

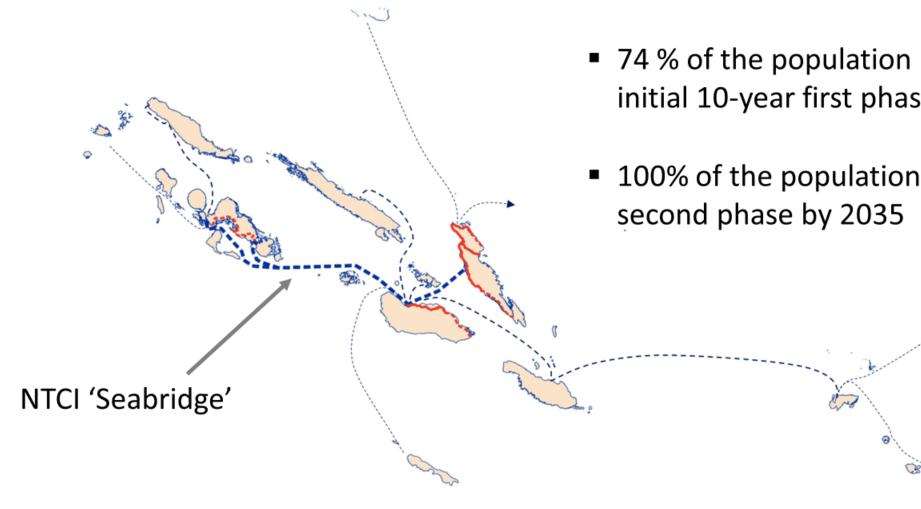
What's different about the 2023 Pipeline?

- Refreshed and updated projects & programs
- How they fit into 'places' place-based planning
- Infrastructure & policy interdependencies considered
- Underpinned by connectivity NTCI
- Cabinet endorsed- 2023
- Alignment with GNUT 100 Days Policy and Priorities

Pipeline evolution



Transport - NTCI concept for connecting the country

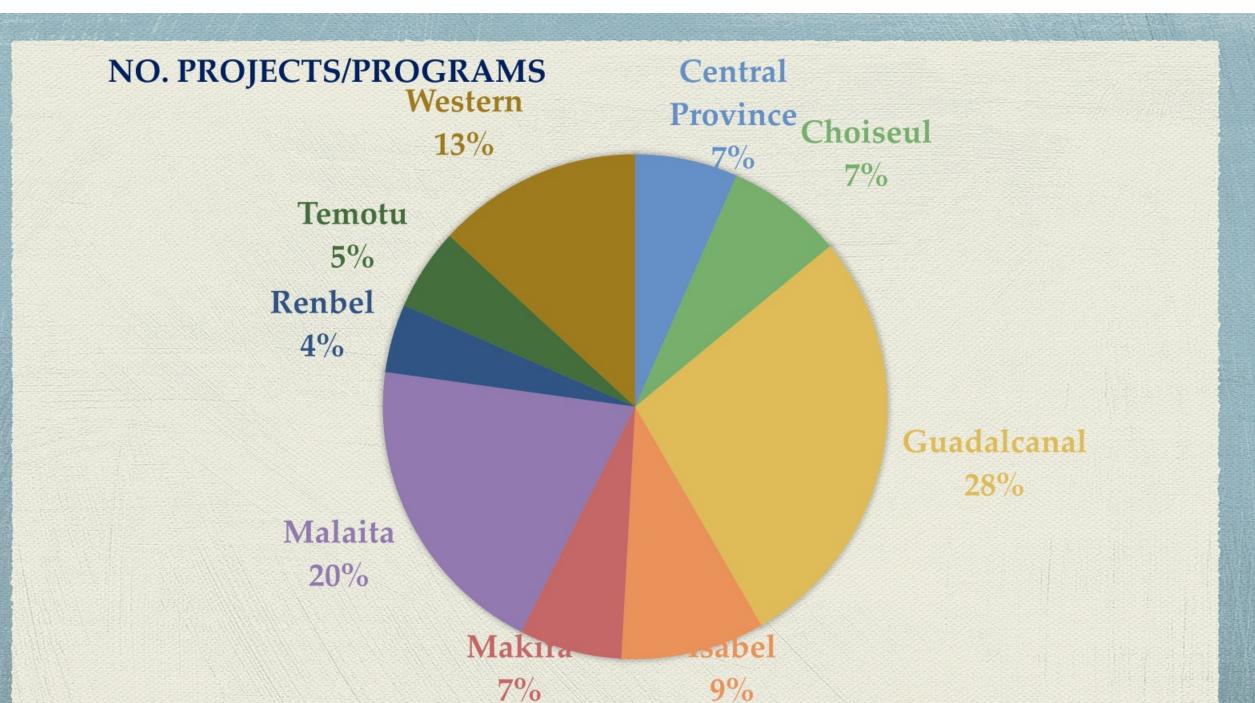


- 74 % of the population under an initial 10-year first phase (2020-2030)
- 100% of the population under a

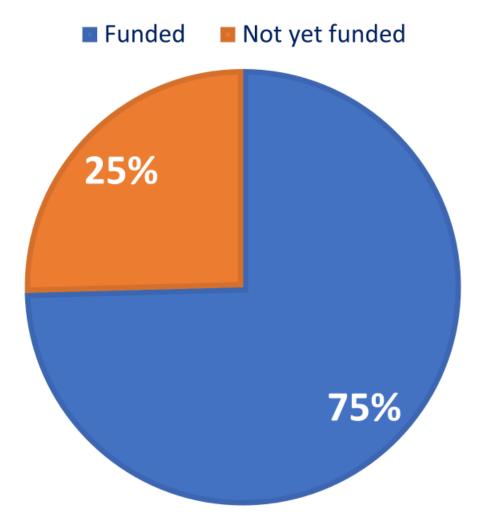
- Creating multi-sector ecosystems of infrastructure in places
- Reactive to local challenges opportunities & aspirations
- References or engages local stakeholder perspectives
- More rational for people to understand
- Not one-size-fits-all!

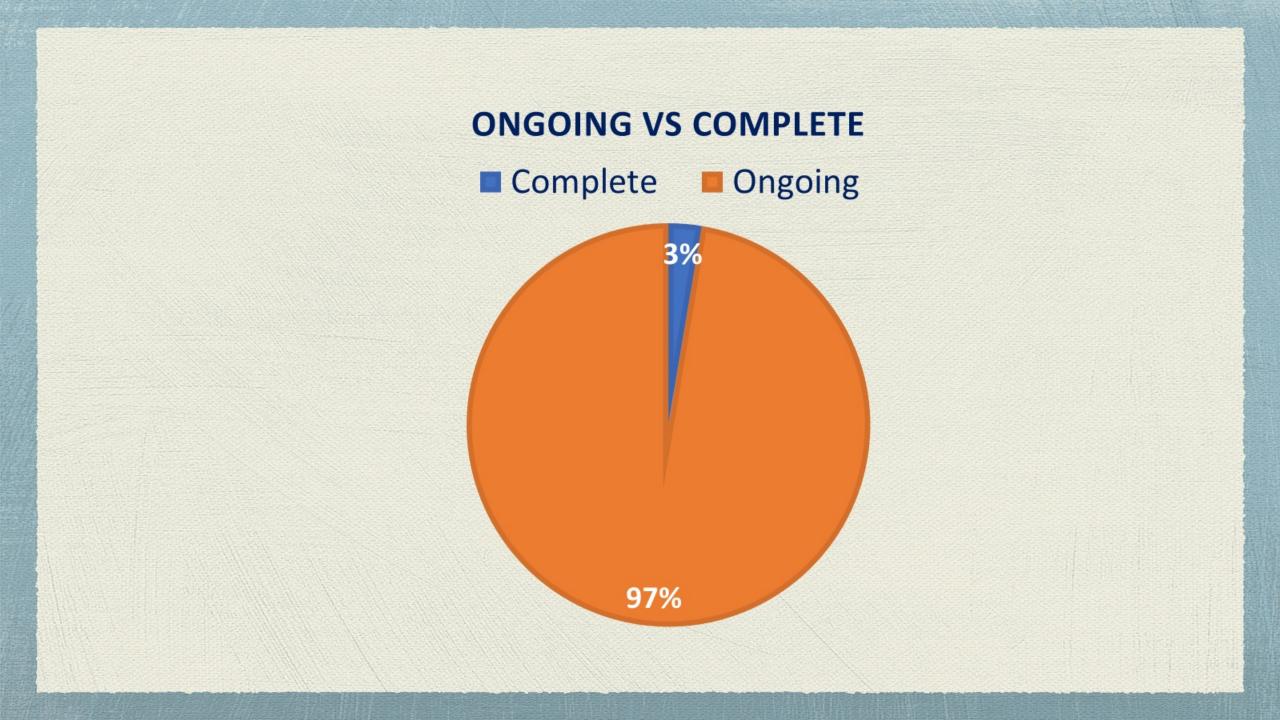
SINIIP Infrastructure Types

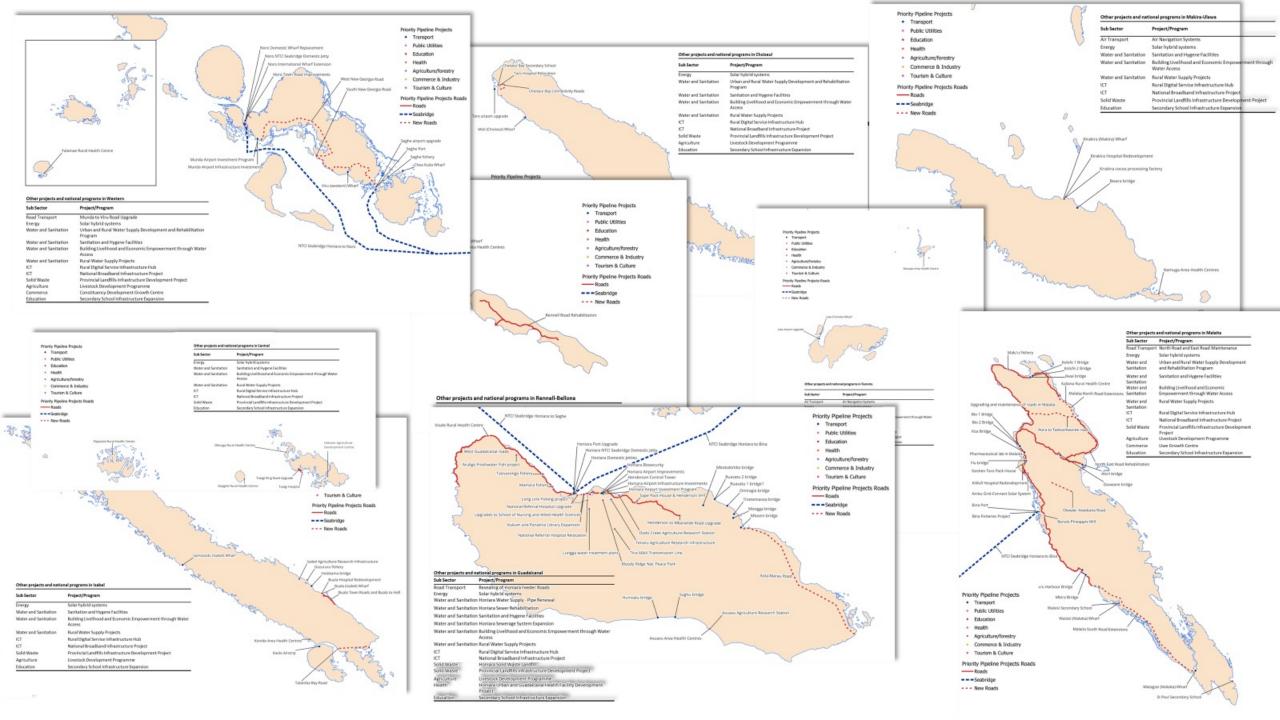
- Transport-Land, Air & Sea
- Energy
- Solid waste
- Information Communication Technology(ITC)
- Productive sectors (Commerce, Agriculture, Tourism & Fisheries)
- Health and the Education sector
- Water and sanitation



FUNDED VS NOT YET FUNDED





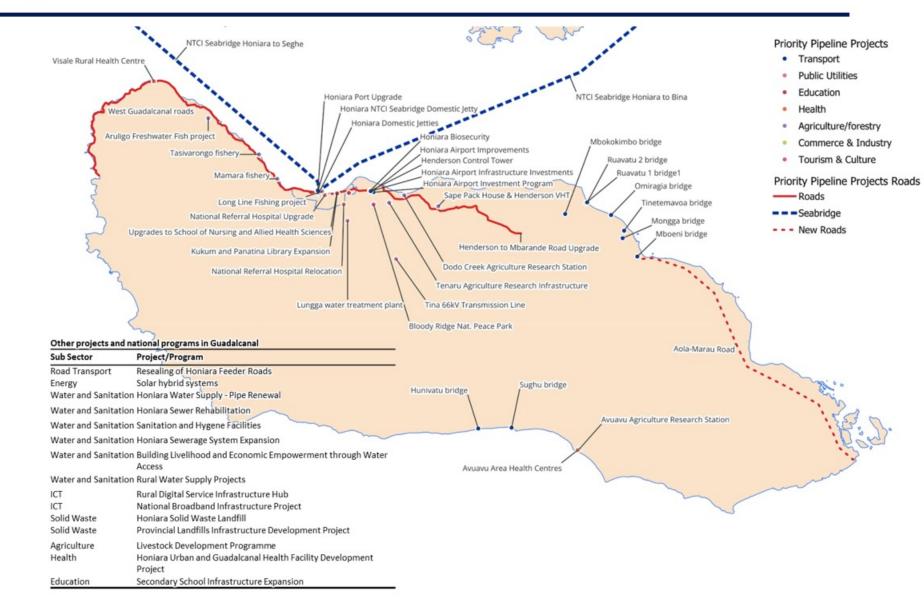


Guadalcanal priorities

Serve fast growing population in the National Capital

Improve connections, services across the Province.

Strengthening and expanding international and national linkages



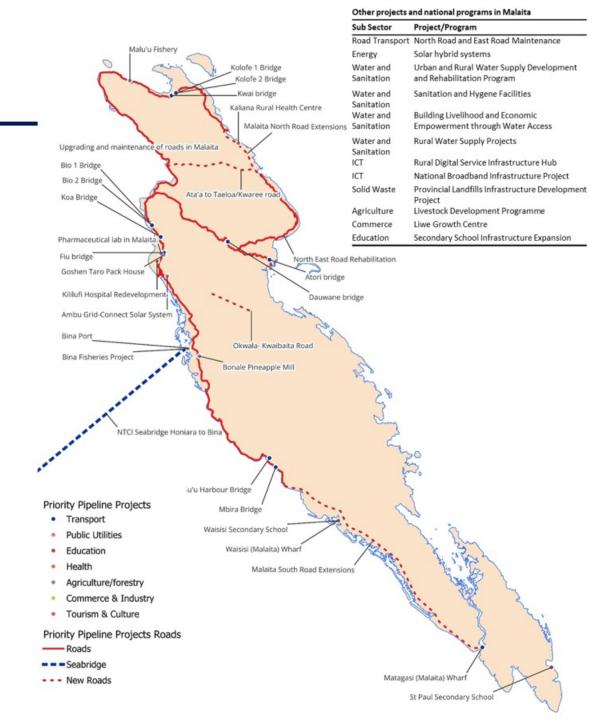
Malaita priorities

Rehabilitation and upgrading of the roads and bridges

Better connectivity to the planned education and health facilities

Power, water and ICT service improvements to improve living standards

Infrastructure to improve environment for inward investments



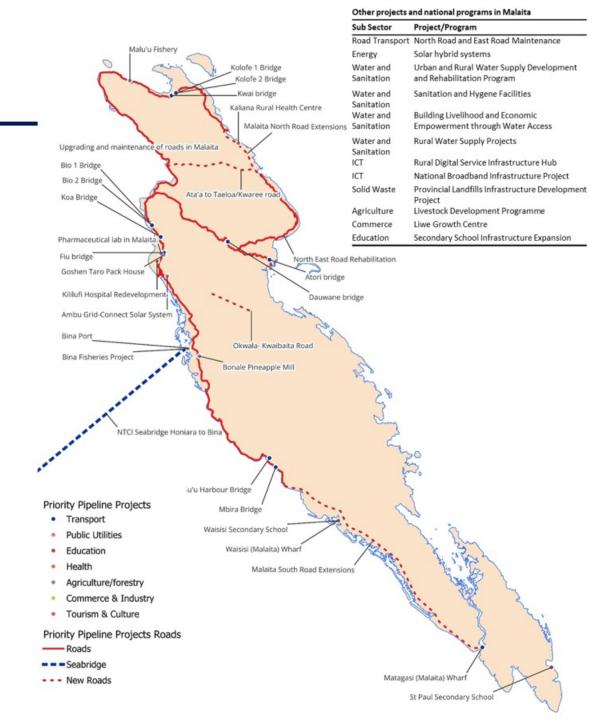
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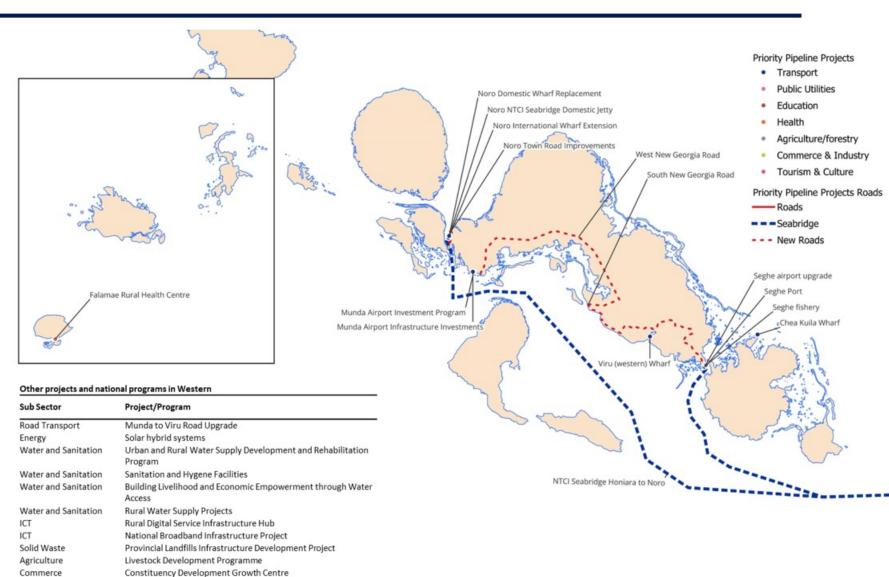


Western Priorities

Secure the vital national and international gateways

Reinforce commercial and tourism connectivity

Connect rural and remote communties



Secondary School Infrastructure Expansion

Education



- Refine project scopes and whole life cost estimates
- Develop medium term Budget outlines
- Engage with Development Partners
- Mobilise line Ministries and SOEs
- Refine and update the Pipeline going forward

Tagio Tumas



For Further information Visit the Website:

https://solomons.gov.sb/wpc ontent/uploads/2024/02/SI-National-Infrastructure-Pipeline-8-Feb-2024 Final-Version.pdf



Ministry of Infrastructure Development

MID PIPELINE PROJECTS 2024







Objective

Ministry of Infrastructure Development

- Business Opportunity for local contractors and consultants interested in contributing to the infrastructure development activities in Solomon Islands.
- Brings business community together with key representatives from SI governments and development partners, and Private Sector (PPP) to discuss the infrastructure development priorities for SI, especially growing opportunities in transport infrastructure sectors.
- Strengthen business community and public buyers' exchange and encourage increased local participation, focused briefing for new entrants, industry feedback and networking opportunities





Go to Market approach – Open Competitive Tender

Ministry of Infrastructure Development	No. Of Projects	Description of Projects	Approximate go to Market
	6	Specific Maintenance of East Honiara Selected SEALED Feeder Roads in Honiara City	3 rd Qtr. 2024
	6	Routine Maintenance of East Honiara Selected SEALED Feeder Roads In Honiara City	3 rd Qtr. 2024
	6	Specific Maintenance of Selected UNSEALED Feeder Roads In Honiara City	3 rd Qtr. 2024
	6	Routine Maintenance of Selected UNSEALED Feeder Roads In Honiara City	3 rd Qtr. 2024



	No. Of Projects	Description of Projects	Approximate go to Market
	1	Urgent Replacement of Mbokona Log Bridge	3 rd Qtr. 2024
Ministry of Infrastructure Development	1	Specific and Routine Maintenance Works to Unsealed Roads in West Guadalcanal Lot3 Section 2 from Bahi West End of Naro Hill to Lambi Sub Station	3 rd Qtr. 2024
	1	Permanent Reinstatements of Tanavasa bridge, Tamboko bridge and Kohi bridge	3 rd Qtr. 2024
	1	Emergency Works / Kesao Bailey Bridge West Guadalcanal	3 rd Qtr. 2024
	1	"Periodic Maintenance of Central Roads (1. Busurata Feeder Road, 2. Fulisango Feeder, 3. Coral Feeser Road, 4. Kwaisuliniu Feeder Road, 5. Buma Feeder Road 6. Fiu to Kelakwai Feeder Road	3 th Qtr. 2024



TO-LEAD-IS-TO-SERVE	No. Of Projects	Description of Projects	Approximate go to Market
Ministry of Infrastructure Development	1	Emergency Works to Afio Wharf Cause way Gabion works and wharf coastal protection	3 rd Qtr. 2024
	1	Emergency Replacement Works of Jejevo Bridge	3 rd Qtr. 2024
	1	Emergency Reinstatement Dorio Bridge	3 rd Qtr. 2024
	1	Rehabilitation to Atoifi Wharf and Road to Hospital, Wharf and Airport	3 rd Qtr. 2024
	1	Periodic Maintenance of Afio to Rokera Unseal road and Nine (9) log bridges	4 th Qtr. 2024
	1	Periodic Maintenance of Parasi to Aulutalau Road	4 th Qtr. 2024
	1	Tulagi Ring Road	4 th Qtr. 2024



To-LEAD-IS-TO-SERVE	No. Of Projects	Description of Projects	Approximate go to Market
Ministry of Infrastructure Development	1	East Rennell Unsealed Road Specific Works Tengano to Lavaghu Port	4 th Qtr. 2024
	1	Construction of New Areatakiki Steel Girder, Timber Decking Bridge Central Guadalcanal (Bridge Length 14meters)	4 th Qtr. 2024
	1	Specific Rehabilitation of Selected Unsealed Feeder Roads [UFR] (Tumurora School Rd, Koli Rd, Komupora Rd, Bebe Road in North Guadalcanal Constituency	4 th Qtr. 2024
	1	Rehabilitation Works Monga To Kaoka Road Guadalcanal	4 th Qtr. 2024
	1	Rehabilitation Maintenance works to Tabaa Busuone Road East Malaita	4 th Qtr. 2024



Ministry of Infrastructure Development ROAD, WHARVES AND BRIDGES MAINTENANCE PIPELINE PROJECTS PROSPECTIVE VALUE TO BE PROCURED IN 2024.

~\$SBD110m

A TOTAL OF 41 SUBPROJECTS

WHAT'S NEXT?



JOHN HUGHES, Head of PMU

TENDER PIPELINE



Outline – Tender Essentials

- 1. Intro SW, PMU, UWSSSP
- 2. Pipeline UWSSSP
- 3. Pipeline SW/SIG/Other Funders
- 4. Common Tender Errors
- 5. Info Links

1. Intro – SW, P<u>MU, UWSSS</u>P

- SW Solomon Water (SOE)
- PMU Project Management Unit (~22 staff)
- UWSSSP Urban Water Supply and Sanitation Sector Project (SBD 1,300m+, 2019 to 2028)
- Other Funders SW, SIG, DFAT, JICA

SW 5 Year Action Plan (2024-2028) DRAFT

SW Selected Priorities (2024-28)

- 30 Year Plan Update
- Honiara Water Long Term Source, Kongulai WTP, NRW reduction
- Honiara Wastewater Eastern network and Ranadi outfall, septage facility
- Provincial Water Noro, Gizo, Auki, Tulagi
- Institutional Improvement Asset Management, Financial, SCADA, Facilities



2. Pipeline - UWSSSP

SW Requirement~ SBD 1,305m USD 157mless Donor Commitments~ SBD 931m USD 112madditional financing~ SBD 374m USD 44m

Main funders – ADB, WB, EU, SIG, GEF, (EIB expected)

- loans & grants

2. Pipeline - UWSSSP

- 1. Water Upgrades sources, transmission, storage
- 2. Sewer Upgrades trunk sewers and outfalls
- 3. Promotion/Engagement WaSH awareness, health benefits
- Business Enablers financial (Pronto), hydraulic network model (NRW/capital works), SCADA, capacity building
- 5. Catchment Management Policy, governance & minor works

2. Pipeline – UWSSSP 2025~2026

- Honiara Trunk Mains 10km pipe replacements, USD 9m
- Munda Water Supply Bore, tank and distribution, USD 6.5m
- Gizo Water Supply Water source, 2 x tanks, distribution upgrades USD 12m (DFAT)
- Eastern Trunk Sewer Trunk sewers and Ranadi outfall USD 15m

2. Pipeline – UWSSSP 2027+

- Septage Treatment Plant Part of Ranadi landfill/transfer station redevelopment, USD 3m
- Honiara Western Trunk Sewer Trunk sewers and NRH outfall USD 20m
- Honiara Sewerage Rehab & Expansion USD 3.5m
- Tulagi Water Supply Upgrade Tank and distribution USD 3m
- Honiara Water Distribution Expansion Noah's Hill Mt Austen, six subdivisions USD13.4m

3. Pipeline – SW/<u>SIG/Other Funders</u>

- Limited small scale works 2025 ~ 2027
- Kombito Borehole rehab and fencing (SBD 3m)
- Tulagi storage shed and boat ramp (SBD 1.3m)
- Gizo SW office, house, warehouse (SBD 6.5m)
- Rove pump station upgrade (SBD 0.9m)
- Auki catchment fencing (SBD 2.3m)
- Fencing program, expanded mesh (~SBD 35m over 6 years)

4. Common Tender Errors – Never Do

- Company Experience:
 - Experience in bids not similar to the project tendered.
 - Specific references not provided or are very old (15+ years)
- Personnel capability
 - -CV's not provided as requested.
 - Qualifications, skills and experience of key personnel not suitable. Personnel not actually employed/available.
 - Generic components eg. org charts without names

4. Common Tender <u>Errors – Never Do</u>

- Resource Capability
 - Available resources, tools, machines, equipment not demonstrated, or resources proposed are not required
- Project Plan, Work Methodology and Schedule
 - -Generic and not specific to the project.
 - Do not demonstrate understanding of the work required
 - Project risks not well thought out.
 - -Schedules too basic, not detailed.

4. Common Tender Errors – Never Do

- Financial capability low, does not meet minimum financial requirements/turnover required by the tender.
- Safety Plans very basic and generic

4. Common Tender Errors – Always Do

- Ask for clarifications if not sure
- <u>Visit site</u>, take measurements, observe
- Use software tools to draw up project schedule/program/critical path.
- State & confirm bid validity
- Complete & submit bids <u>ahead</u> of deadline

5. Info Links

www.solomonwater.com.sb

- Tenders
- Projects
 - 30 Year Strategic Plan
 - 5 Year Action Plan (5YAP)

STOP - The End



Ranadi-Goodwood Sewer





EXPRESSIONS OF INTEREST

Tender Pre-qualification for the Construction of Malu'u Market, Malaita

Subcontract: SIIP/06/PQW2

The Solomon Islands Infrastructure Program (SIIP) is seeking expressions of interest from suitably qualified Contractors for the construction of the new Malu'u Market Building, Malaita Province. The redeveloped market will provide improved economic opportunity in the province. The health and safety of vendors, particularly women will also be enhanced through the provision of improved facilities.

This pre-gualification process is open to companies who meet the criteria detailed in the pre-qualification documentation and can demonstrate the ability to operate in Malaita Province. Companies who prequalify will be invited to submit tenders for the contract to construct Malu'u Market at a later date.

Those wishing to apply are requested to:

- 1. Scan QR code or download pre-gualification documentation: https://siip.com.sb/tenders/
- **Complete** the documentation in Word/Excel 2.
- 3. Email the submission to: tenders@siip.com.sb before 5.00pm Honiara time, Friday 26 July 2024.

For all queries, email: tenders@siip.com.sb

The Solomon Islands Infrastructure Program is an Australian Government initative.





siip.com.sb

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REQUEST FOR TENDERS

Seghe Market Redevelopment Project Subcontract: SIIP/06/W3

The Solomon Islands Infrastructure Program (SIIP) is seeking to engage a suitably qualified and experienced contractor to construct a new market facility in Seghe, Western Province. The project is part of Australia's Provincial Markets Redevelopment Project to build or redevelop markets in six provinces and Honiara.

The project scope is expected to include a new market facility that will:

- increase the market's capacity by up to 110 vendors
- offer improved services and promote better social and economic • development
- be safe and structurally sound, utilise passive design principles, and be • resilient to climate change.

Applications are open to all eligible contractors as defined in the tender documents, which are available free of charge from the SIIP

website. Those wishing to tender are requested to:

- 1. Scan QR code or download tender documentation: https://siip.com.sb/tenders/
- 2. Complete the tender documentation in Word/Excel
- 3. Email the tender submission to: tenders@siip.com.sb before 5.00pm Honiara time, Thursday 18 July 2024 (extended from 4 July).

For all gueries, email: tenders@siip.com.sb

The Solomon Islands Infrastructure Program is an Australian Government initative.







Finance Planning Construction



Morning Tea Break And Group Photo



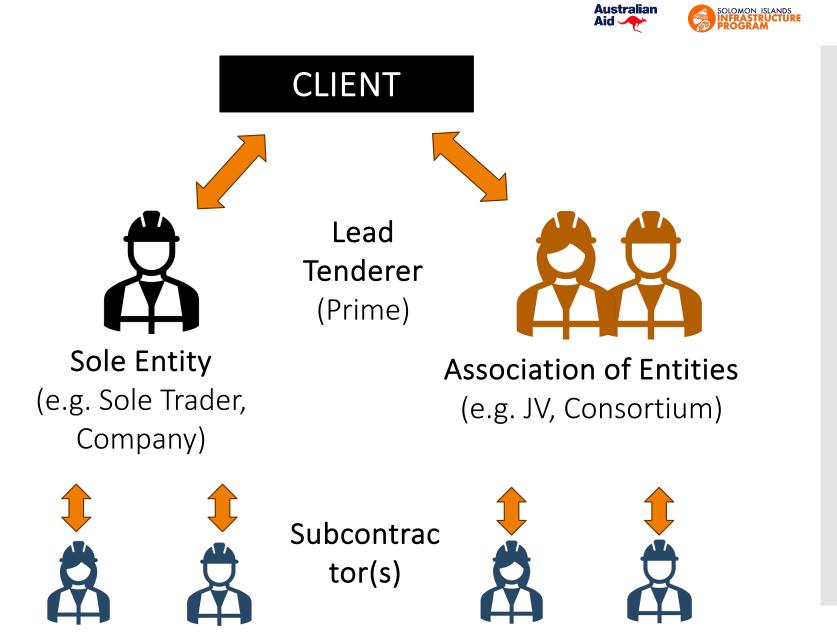
Presentation 2: Understanding the business structure



Understanding Business Structures

- Individual / Sole Business
- Joint Venture (JV)
- Sub-contractor
- Consortium/Association
- MoU

How to bid and/or join others for a tender





Sole or Prime Contractor **Single entity** (e.g. sole business, partnership, company) **that works directly with the client** to complete a project

- Legally responsible for completing the project as per the contractual obligations.
- Lead contractor may hire sub-contractors for larger jobs where they need specialist work (e.g. electrical, plumbing), or more resources (labour, equipment).



Subcontractor A subcontractor is technically another contractor, who deals directly with the lead/prime contractor, not the client.

- The Lead/prime Contractor is liable to a client for the sub-contractor's workmanship
- The subcontractor's work and responsibilities set out in sub-contractor and prime contractor contract.

Joint Venture (JV) • A legal single entity formed between two or more parties (local companies, or local and international) to undertake business together.

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- May be a <u>legal partnership</u> or a limited liability <u>company</u>.
- Each party retains its separate legal identity and <u>shares in the profits and losses</u> of the JV.
- Parties can pool their resources and expertise to tender for larger contracts or access new market opportunities (where applicable and permissible under the tender eligibility criteria)

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Consortium

- A group of independent organisations that work together.
- Each member retains its own separate identity, but they pool their resources to achieve a shared outcome.
- A consortium is formed by contract, which describes the rights and obligations of each member.



SEEK LEGAL, FINANCIAL & TAX ADVICE "Partnership" of some description could be a good idea, but:

- Talk to lawyers about the legal responsibilities of the partners,
- Talk to accountants about financial and tax responsibilities of both the partnership and your own business

before you go ahead!

Disadvantages of Joint Venture /Consortium

Time and cost to form a joint venture /consortium

2. Partners may have different objectives for the joint venture

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- **3**. Organisational cultural differences and different management styles
- 4. Imbalance in the levels of expertise, investment, or assets brought into the venture
- 5. Legal / tax complexities



Memorandum of Understanding Partnership (MoU) MoU is an agreement between two or more parties to establish a broad understanding between parties who intend to work together.

- MoUs are not legally binding.
- MoUs can create a basis for further association that are legally binding.

Memorandum of Understanding Partnership (MoU)

• Pros



- MOUs can be flexible and adjusted as discussions progress without the rigidity of formal contracts.
- Help all parties understand the main goals and responsibilities.
- MOUs can be drafted and signed quicker than contracts.

• Cons:

- MOUs not generally enforceable in court, a risk if one party does not follow through.
- MOUs can lead to misunderstandings if they are not written clearly.

Formation of an agreement

- Collect relevant business intelligence network!
- Build on your performance and reputation for future successful work – regardless of how big a business you are
- Understand the project and client requirements
- Study the bidding documents understand the procurement method and evaluation criteria
- Make sure your bid is responsive to the tender requirements including pricing accurately
- Seek clarifications in writing
- Engage or partner with prequalified firms or those which have been awarded a contract to gain possible spin-off work



SIIP's LCIPP

- Opportunities for local contractors through Local Content Industry Participation Plan (LCIPP) requirements, to partner with foreign contractors.
- Be proactive in networking and developing possible relationships!



Presentation 3: Different types of contracts

Standard Form Contracts

- Most contracts are what are called a "Standard Form Contract" with "standard" conditions or provisions for various industries
- Standard forms are a group of documents which together define the entire set of obligations for the parties.
- Various forms such as:
 - Australian Standards contracts for construction;
 - International Federation of Consulting Engineers (FIDIC);

Australian

- Australian Defence Contracts; etc

Collectively called "Contract Documents," and include:

- The basic agreement
- General terms and conditions
- Drawings
- Specifications
- Amendments
- Any addenda.



SIG Standard Contracts cont.

INTENT OF CONTRACT

Contract documents should clearly define:

- The scope of work or services to be performed
- Rights and obligations of the purchaser/employer and of the contractor



SIG Standard Contracts

CONTRACT DEFINITION

- An Agreement between two or more parties whereby each party promises to do (or not to do) something and each has a reciprocal rights to demand what is promised.
- Contracts form part of the Standard Bidding Documents issued to tenderers.



APPLICABLE LAW

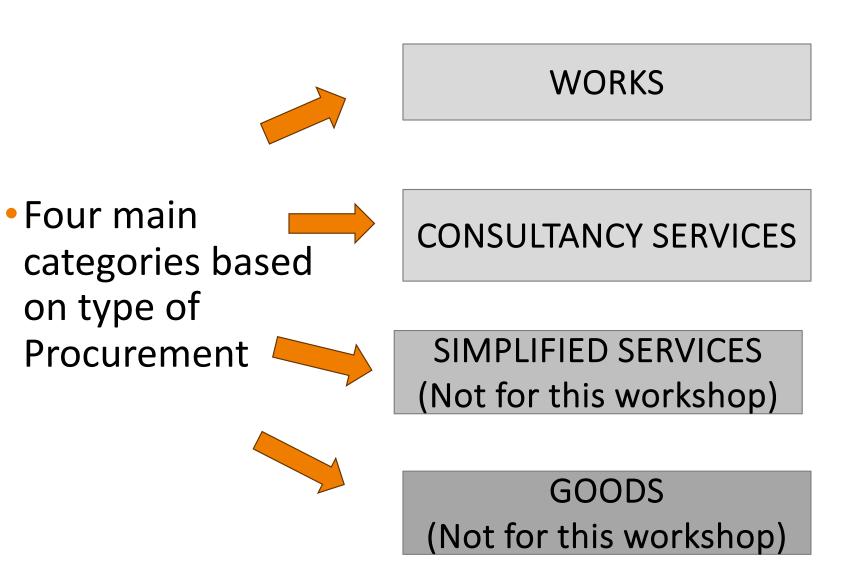
 Parties reach an Agreement on all essential points in the form required by the applicable law.

- For SIG, a Contract will be interpreted in accordance with the laws of Solomon Islands
- For SIG, until a formal contract is signed, any submitted tender together with notice of a successful award will form a binding contract

SIG Standard Contracts cont.



TYPES OF SIG CONTRACTS





Works Contracts

Major Works

- Above SBD \$2,500k.
- Uses FIDIC (see explanation following) with:
 - FDIC Short Form of Contract (pdf),
 - FIDIC Particular Conditions, and
- FIDIC Contract appendix

Simplified Works

 SBD \$200k < Value < SBD \$2,500k. Lump sum & Time-Based Contracts

LUMP SUM CONTRACT – used when:	TIME BASED CONTRACTS – used when:
 the commercial risk taken by the Contractor is relatively low 	 the scope of the services cannot be established with sufficient precision
 the definition of the tasks to be performed is clear and unambiguous 	 the duration and quantity of services is beyond the control of the Contractor
 contractors are prepared to perform the assignment for an agreed predetermined lump- sum price 	 a Contractor provides services on a <i>timed</i> basis the Client has to closely supervise the Consultant.

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SIG Contract Documents -Key Features.

Include:

- The Contract Agreement
- Specifications & Performance Requirements
- Drawings
- Bill of Quantities
- Security Forms
 - Form of Tender Security (Bank Guarantee)
 - Form of Tender Security (Tender Bond)
 - Tender-Securing Declaration
 - Performance Bank Guarantee
 - Performance Bond
 - Bank Guarantee for Advance Payment



SIG Contracts Key Features Cont.

General Conditions of Contract (GCC)

- Contain standard provisions which should remain unchanged and without modification
- Form part of eventual contract

Special Conditions of Contract (SCC)

- Contain provisions that the GCC require to be specified for a particular contract
- Referred to by using the actual GCC clauses
- Detailed information and agreements with selected bidder shall be finalized before Contract Documents are issued and signed

DT Global/SIIP Infrastructure Contracts

Aust. Standards CONTRACT TYPE	DESCRIPTION	THRESHHOLD
AS 4906	 Minor Works Single Works Stage Principal Administered 	Less than A \$100k
AS 4000	Conventional Construction Contracts	Greater than A \$100k
AS 4300	Design & Construction	Greater than A \$100k
A3 4300	Design & Construction	Greater than A \$100K
Subcontractor Agreement	For consultancy Services	Greater than SBD \$60,000

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SIIP (Australian Standard Form contracts) typical requirements

- Australian Standard Form documents are available for use by DT Global under strict Licensing Agreements.
- Strict conditions relate to use and royalty fees apply.
- No changes to be made to these templates without prior approval from Group Legal Works.
- Contracts are therefore not normally part of RFT tender documentation. However, these can be issued to tenderers on request.
- Contracts are shared with preferred tenders before signing of contracts

Additional Tender Requirements • Workplace Health & Safety Plan

 Gender Equality, Disability and Social Inclusion (GEDSI)

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Programme / Work Plan

Site Management Plan

LUNCH BREAK

(12.45pm to 1.30pm)



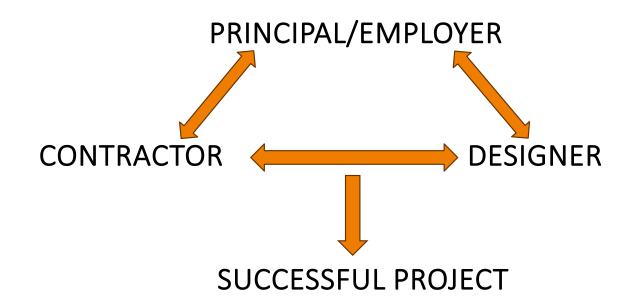
Presentation 4: Early Contractor Involvement

Ben Roberts – Project Manager July 2024



 Early Contractor Involvement (ECI) is where the Contractor is engaged at an early stage in a project to offer input into the design.

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Studies have shown that savings of around 10% in construction time and 7% in cost are achievable through the use of ECI



The ECI model can work in many different forms but is generally broken up into two phases.

1. Planning Phase (Fixed Lump Sum Price)

During which the contractor will carry out specified activities which may include:

- ✓ Design Review
- ✓ Cost Planning

How does it

work

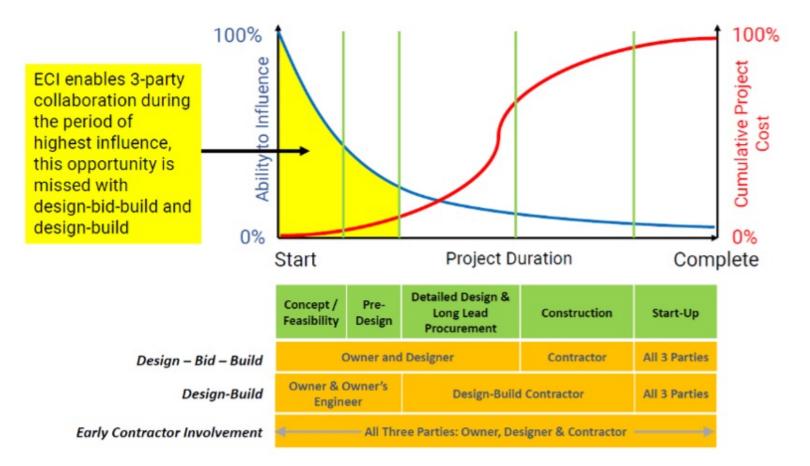
- ✓ Programming
- ✓ Site Investigations
- ✓ Management Plans
- 2. Delivery Phase (Indicative Delivery Cost)

During which the contractor subject to the satisfaction of certain requirements (including agreed pricing), will construct and complete the works.

76



ECI Explained:



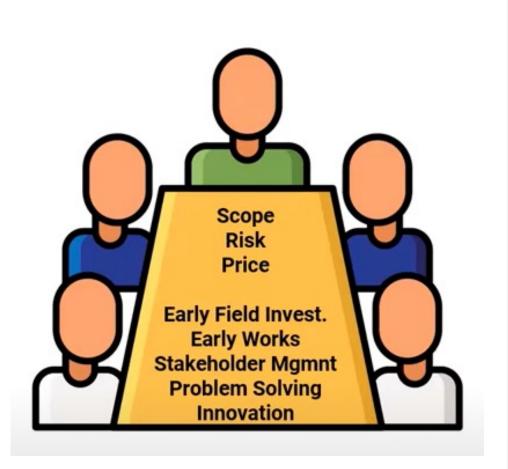
Why ECI



Why ECI

Provides the following benefits:

- Reduces design constructability risks
- Provide advice on construction/building materials
- Early site investigations
 - ✓ UXO Survey Clearance
 - ✓ Identification of local construction material
 - Identification of local content and industry participation options
- Reduces time and cost uncertainty
- Improves pricing transparency





Presentation 5 : Insurance



Insurance Requirements • What insurance is required for contractors?

• How can you get the right insurances?



Typical SIIP insurance requirements

- Public Liability
- Contract Works Insurance including Marine Transport
- Workers Compensation
- Vehicle Third Party
- Professional indemnity insurance
- SIIP now taking a risk-based approach to insurance levels, taking into consideration what the local insurance market offers
- SIIP now has insurance as a provisional sum in contracts to make it easier for local companies to meet the requirements

Typical SIIP insurance requirements

Does your company	Public Liability			
have or are you able to obtain the mandatory minimum required levels of insurance?		Policy number(s):		
		Insurance	Yes/No	
		Minimum Limit:	SBD 5,000,000	
	Contract Works Insurance including Marine Transport			
		Policy number(s):		
		Name of insurance company:		
		Minimum Limit:	Equal to 125% of the Contract or Tender Sum	
	Workers Compensation	- Mandatory by SIG		
		Policy number(s):		
		Name of Insurance company:		
Vehicle Third Party - Mandatory by SIG				
		Policy number(s): Name of Insurance company:		

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Thank you



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