

Workforce Skills Series



SOLOMON ISLANDS
INFRASTRUCTURE
PROGRAM



Tender Preparation Presentation slides

27 October 2022

Delivered in partnership with Solomon Water:

Jo Bawden - Deputy Team Leader, SIIP

Ian Gooden - CEO, Solomon Water

Ken Munro - Procurement and Contracts Specialist, SIIP

Andrew Maebiru – Infrastructure Project Coordinator, SIIP



Agenda

| Time | Topic |
|-----------|---|
| 0830-0850 | MC (Jo Bawden) welcomes and introduces first speaker – Mr Ian Gooden, CEO Solomon Water. |
| 0850-1000 | Presentation by SIIP's Contracts and Procurement Specialist, Ken Munro, tender docs and standard process including evaluation/scoring |
| 1000-1020 | Tea/coffee break |
| 1020-1100 | Ken Munro - Mistakes to avoid and the 'SIIP Way' of tendering |
| 1115-1130 | Presentation on bank guarantees – Mr <u>Lepani Makubuna</u> , Head of Business, BRED Bank |
| 1130-1200 | Questions and answers and feedback (moderated by Andrew Maebiru, Infrastructure Coordinator, SIIP) |
| 1200-1245 | Closing followed by light lunch |

Workforce Skills Series



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Tender Preparation

Thursday 27 October

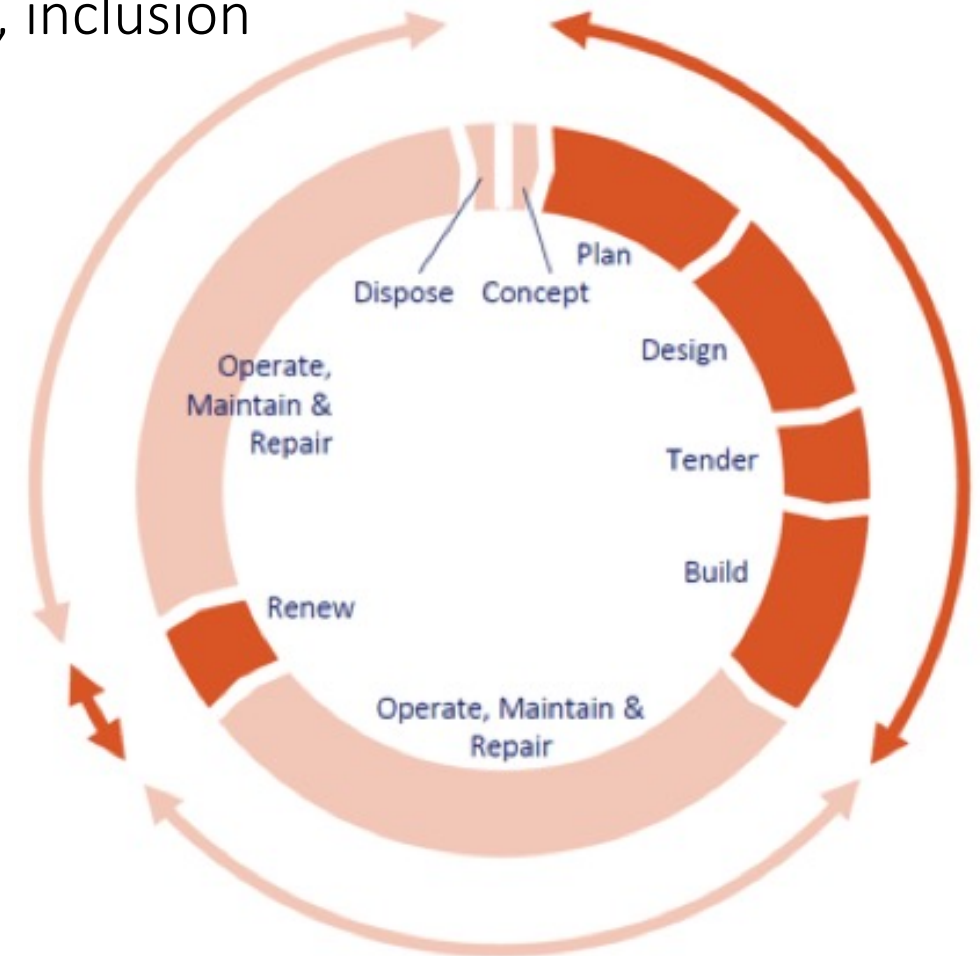
Introduction to the Solomon Islands Infrastructure Program

Jo Bawden - Deputy Team Leader, SIIP



SIIP's point of difference

- Long term - 10 years, SBD1.5 billion
- Whole of life approach: Infrastructure lifecycle
 - Quality, sustainability, inclusion
- Five guiding principles
- All provinces



SIIP will deliver **4** outcomes for Solomon Islands



Finance

Greater access to international infrastructure finance.



Planning

Improved planning & policy settings to support quality and inclusion.



Construction

Construction of high quality, priority infrastructure.



Capacity

Improved skills and capacity to plan, build and maintain quality infrastructure.

Guiding principles

Our guiding principles

All SIIP activities are guided by five principles:



Aligned with the priorities of Solomon Islands and Australia, and overseen by a joint Steering Committee.



Inclusive, accessible infrastructure in every province.



Resilient to climate change and natural disasters



Local jobs and supporting industry with skills and opportunities wherever possible.



Safe, quality and sustainable planning, design and construction.

Partner-
led
decision-
making

SIIP JOINT STEERING COMMITTEE

Assess projects and review progress.

SIIP JOINT TECHNICAL LEADS

Permanent Secretary MNPDC and Counsellor Economic, Australian High Commission provide technical inputs and oversight.

SIIP HUB

Manages project implementation, stakeholder engagement and provides technical expertise to ensure projects and capacity building are delivered to a high standard.



Provincial Markets Redevelopment Project

Construct, redevelop,
improve provincial
markets.

Partner: provincial
governments

EOI closes 4 Nov



Noro Port Redevelopment

Feasibility and
design studies

Partner: Solomon
Ports

*Tender submissions
being evaluated*



Naha BUHC

Construct new urban
health facility

Partner: DFAT/MHMS

*Tenders currently
online*



Provincial Airports Upgrade Project

Funding-only
support for Taro
and Seghe airfields
upgrade.

Partners: Ministry
of Communication
and Aviation,
working closely with
co-financier New
Zealand



Bina Harbour Tuna Processing Plant

Funding only –
support for water
supply and sanitation
feasibility study.

Partner: Ministry of
Fisheries and Marine
Services, Solomon
Water

Stay in contact

- Skills Series – Workshop 2 – Contract Administration – 24th November
 - Please register via skills@siip.com.sb
- Website: www.siip.com.sb
- Please ‘like’ social media pages on Facebook, LinkedIn & Twitter
- Register for SIIP *Talem* - enewsletter

Workforce Skills Series

Tender Preparation

Thursday 27 October

Part 2. Ian Gooden - CEO, Solomon Water



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TENDER PREPARATION WORKSHOP

Ian Gooden, CEO Solomon Water

27 October 2022



Vision

Safe water for a healthy nation

Solomon Water's Philosophy

- SW has large forward work load
- Need quality local contractors
- Committed to local participation
- Committed to industry development
- Have facilitated several training programmes, more to come – some water specific
- Have high standards and expectations
- Water and sewer related work challenging / requires technical expertise

30 YEAR
Strategic Plan
2017 - 2047



 **Solomon
Water**
safe water for a healthy nation
Solomon Islands Water Authority

hunterh₂O

URBAN WATER SUPPLY AND SANITATION SECTOR PROJECT

- UWSSSP – ADB, World Bank and European Union
- 2019 to 2028
- USD 72 m plus SW in-kind and SIG customs / duties relief
- USD 60 m plus funding gap
- SW in-kind likely to exceed USD 45m (includes funds from Australia and New Zealand)

UWSSSP KEY PROJECTS

Water supply upgrades or new systems

- ✓ Treatment of Kongulai water source to prevent outages (contract let)
- ✓ New reservoir storage to improve reliability; (contract let)
- ✓ 11km trunk mains - improve water transmission in Honiara(contract let)
- ✓ Reduction of NRW losses – (pipe renewals contract to bid Q2 2023)
- ✓ Expansion of service – additional 40,000 people served;(Design stage)
- ✓ Noro, Tulagi water supply upgrades (Noro to let 2023)
- ✓ New systems Gizo and Munda (Gizo to let end 2022 or Q1 2023)

UWSSSP KEY PROJECTS

Sewer System Improvements

- ✓ New Sewer pump stations and collection system / ocean outfall
Ranadi; (some Games related work underway / main contract to bid Q2 2023)
- ✓ New Sewer pump stations and collection system / ocean outfall
Pt Cruz to NRH (Design complete Q1 2023 – project unfunded)
- ✓ Sewer pipe renewals (bid Q3 2023)

Pacific Games Preparation - Sewer

- KGV1 pump station relocation **complete 2021**
- KGV1 intersection – **to complete November 2022**
- Ranadi to Goodwood sewer, temporary PS and ocean outfall – **Contract start December 2022**
- SINU dorms sewer and temporary pumpstation – **start December 2022**
- Min Fisheries to Ranadi roundabout sewer – **start November 2022**

Construction Works total SBD 160 m

Solomon Water funded Capex

- Approx SBD20 m p.a.
 - Minor works
 - secure site fencing
 - Vehicles and plant
 - Tank relining and replacements – **construction underway**
 - Gizo / Munda establishment
 - Borehole works
- Generally all locally sourced
- Actual workload about SBD 40 m p.a. – cannot fund

Summary

Total works underway January 2023 – SBD 400m

Further work to bid 2023 – SBD 150m

Significant funding gaps on UWSSSP projects

Opportunities for local contractors

- Subcontract plant and labour
- Management and site supervision co-operation
- Joint Ventures?
- Site works
- SW funded works

Client expectations

- Certain standards and assurances required:
 - Insurances
 - Health and safety plan
 - Traffic management plan
 - Methodology
 - Plant and resources
 - Cashflow to do the works
 - Properly prepared tender documents submitted on time
 - Ability to do the works

Simple things to improve your bid

- ✓ Read the tender document very carefully - **highlight important requirements** and then cover them in your bid
- ✓ Attend Pre-Tender meetings (and arrive on time)
- ✓ Pay close attention to the 'Evaluation Criteria and weightings' as this determines your score.
- ✓ Submit the information/documents that are requested. Use the Tender Document Checklist to ensure information is complete.
- ✓ Do not submit information that is not required

Simple things to improve your bid

- ✓ Have one person coordinate your submission – consistency of presentation and so things are not missed
- ✓ Use our procurement email (tender portal for international bids) to submit questions during the tender question period if unsure of something. If you do not ask, we cannot assist you.
- ✓ If unsuccessful read the Tender Decline letter and **take up the option** to ask my staff for feedback on why you were not successful then use this for the next Tender.
- ✓ Submit on time – 5 minutes late is too late!

Improving local contractor participation

- Cashflow to fund works – don't demand payment next day...
- Financial limits (Donor funded works)
- Complete works on time
- Right experience and skills needed
- Improve general work ethic
- Comply to the contract specification
- **Do what you say you will do** – health and safety, resources, time, programme timelines



**Solomon
Water**

Safe water for a healthy nation

**WE'RE
WITH
YOU**

IMPROVING VALUE
IMPROVING SERVICES
**IMPROVING
OUR FUTURE**



Thank you tumas

Workforce Skills Series



SOLOMON ISLANDS
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PROGRAM

Tender Preparation

Thursday 27 October

Part 3 and 4: Ken Munro/Andrew Maebiru - SIIP



Standard Bidding Templates

(Process using rules)

- Letter of Invitation - what's required, how to tender
- Instructions to Tenderers – rules for tender, process
- Form of Tender – on letter head, confirming \$
- Response Schedules – experience, personnel, \$ capacity, quality, safeguards, people-related
- Bill of Quantities – lump sum, measure/rates, Prov Sums
- Drawings – contract specific
- Specifications – contract specific
- Conditions of Contract - type
- Special Conditions of Contract – contract specific
- Tender securities – tender, advance payment, performance

Letter of Invitation (Information)

- Who is the Purchaser
- Where is the money coming from
- Brief description of the work
- What size, how complex
- Tender rules that will be followed
- When works might start
- Where tender documents can be obtained, cost
- When and where tenders should be delivered
- How tenders should be delivered
- How long tenders should be valid for
- Where and when tenders will be opened

Instructions to Tender

(Instructions, bid data
sheet)

- Purchaser reserves the right to change, cancel
- Cost of bidding – business cost
- Eligibility criteria – restrictions, conflict of interest, minimum requirements
- Qualification/Assessment criteria – competence, capacity, quality/cost
- What things to include in a tender – CVs, documentary evidence
- Bidder to understand responsibilities
- Currency of payments – SBD and/or others
- Submission of bids – where, when, how
- Opening of Bids – if public, when, where
- Late bids – usually not acceptable
- Evaluation process – depending on value by TEC, clarifications, evidence
- Award – substantially responsive & lowest cost, 70/30 tech/finance
- Contract execution pre-conditions – performance security, insurances, DDA.

Response Schedules

(How much, why me)

Post Qualification Information/Evaluation Criteria /Risk Assessment by Purchaser

1. Valid bid – late, signed, bid security
2. Legal status ok – registered business, TIN
3. Business licence – from host Province
4. Years of relevant experience – min required
5. Financial turnover, volume of work – min \$ required covering last 2 years (70% of value)
6. \$ capacity to commence contract – able to go 2 months before first payment
7. Proof of \$ available, business profitable – audited accounts, proof of unused credit facility
8. Insurances – public liability, (professional indemnity where appropriate), workers comp
9. Key staff – experience, qualifications, gender balance
10. Works already done of a similar size/nature – completion certificates, client contact details
11. Contractor's policies on quality, safeguards (environment, social), people-related (gender, children, PWD)
12. Equipment - type, size, number, owned or hired
13. Work plan/Programme – how, time, sequence, comprehensive
14. Local content – to what extent will award of contract benefit the Solomon Islands in the long-term
15. Price offered/BoQ – value for money, lowest bid not always best (use weighted criteria e.g. 70/30).

BoQ

(E.g. SIIP)

Table 1 Financial Proposal

The Tenderer is required to provide lump-sum costs and unit rates for each deliverable/task. The fees shall be paid following Cardno's written acceptance of the satisfactory completion of the identified deliverables/task.

| S/N | Item Description | Unit | Quantity | Rate AUD | Amount AUD |
|-----|---|----------|----------|--------------|------------|
| 1 | Preliminaries including mobilisation to the site, obtaining local permits, preparation of EMP, equipment hire etc. | Lump Sum | -- | | |
| 2 | Engaging, mobilisation to site and demobilisation of Unexploded Ordinance (UXO) detection and removal specialist and equipment | Lump Sum | -- | | |
| 3 | Land-based boreholes including UXO survey and all field testing as specified in the Scope of Work document | No. | 3 | | |
| 3a | Optional additional Land-based boreholes including UXO survey all field testing as specified in the Scope of Work document (Provisional Amount) | No. | 2 | | |
| 4 | Marine boreholes, in a water depth not exceeding 15m, including UXO survey and all field testing as specified in the Scope of Work document | No. | 3 | | |
| 4a | Optional additional Marine boreholes, in a water depth not exceeding 15m, including UXO survey and all field testing as specified in the Scope of Work document (Provisional Amount) | No. | 2 | | |
| 5 | Demobilisation from the site | Lump Sum | -- | | |
| 6 | Laboratory testing on selected disturbed SPT soil samples and water samples as specified in the Scope of Work document | No. | 6 | | |
| 6a | Optional additional Laboratory testing on selected disturbed SPT soil samples and water samples as specified in the Scope of Work document (Provisional Amount) | No. | 4 | | |
| 7 | Preparation of factual and interpretative report including: <ul style="list-style-type: none"> * Investigation logs including core photos; * Geotechnical cross-sectional profiles; * Assessment of liquefaction potential and effects of liquefaction on the proposed structures; * Assessment of geotechnical parameters suitable for use in marine pile foundation design; * Assessment of geotechnical parameters suitable for use in seawall / retaining structure design and global stability analyses; * Geotechnical design criteria for landside foundation works design. | Lump Sum | -- | | |
| 8 | Clearing of UXO detected for land-based boreholes | PS | | 5,000.00 | |
| 8a | Clearing of UXO detected for marine boreholes | PS | | 10,000.00 | |
| | | | | Total | |

Evaluation criteria (e.g. SIG)

Post Qualification Information

TENDERER TO FILL IN THIS FORM:

| POST QUALIFICATION INFORMATION | | | |
|--------------------------------|---|-------|--------------------------|
| 1.1 | Constitution or legal status of Tenderer <i>[attach copy]</i> | | |
| | Place of registration | : | |
| | Principal place of business | : | |
| | Power of attorney of signatory of Tenderer | : | <i>[attach original]</i> |
| 1.2 | Years of relevant company experience <i>How many years of experience have your organisation got in work relevant to this project?</i> | | |
| 1.3 | Total annual volume of supplies made in the last two years, in SBD: 20xx/20xx 20xx/20xx | | |
| 1.4 | Experience with government funded projects <i>List below the names of projects and their values undertaken for SIG or other government organisations including RAMSI related projects or RAMSI support organisations. Add attachments if space does not allow. Be prepared, if asked, to provide referees that MID can contact in regard to any of these.</i> | | |
| | | Title | Type of work |
| | 1 | | SB\$ |
| | 2 | | SB\$ |
| | 3 | | SB\$ |
| | 4 | | SB\$ |
| | 6 | | SB\$ |
| | 7 | | SB\$ |
| | 8 | | SB\$ |
| | 9 | | SB\$ |
| | 10 | | SB\$ |
| | | | Attach if more |
| 2.1 | Relevant education and training <i>Attach list of key staff, their role in this project, CVs if any, and their formal qualifications</i> | | |
| | See attached list, CVs and qualifications. Attached? Yes/No | | |
| 2.2 | Applicable Work Experience <i>Applicable Work Experience (AWE) = x/y where x=Key Staff total number of years in construction business & y=number of key staff. This should be supported by the CVs above.</i> | | |
| | AWE: | | |
| 3.1 | Capacity to handle the work <i>Capacity of your firm to handle projects = x/y where x = SB\$ value of past and ongoing projects & y=number of those projects.</i> | | |
| | Capacity: | | |
| 4.1 | Workplan <i>Describe below the steps you would take to carry out this project, your management structure, access to resources and communications. Attach document if space does not allow. Be</i> | | |



Post Qualification Information

| | | | |
|-----|---|------------------|-----------------|
| | <i>prepared to discuss if you are called to a tender interview. Include Gantt chart</i> | | |
| | Attached? Yes/No | | |
| 5.1 | Proof of availability of finance <i>Show evidence of a security bond or ability to raise one, letter from bank attesting to funds available to cover the total of the priced BoQ.</i> | | |
| | Financial reports for the last two years : balance sheet, profit and loss statements, auditors' reports, etc. List them below and attach copies. | | |
| | Names, addresses and telephone, telex, facsimile numbers and email addresses of banks that may provide references if contacted by the Purchaser. | | |
| | Information on current litigation in which the Tenderer is involved. | | |
| | Other party(ies) | Cause of dispute | Amount involved |
| | Attach copy of documents Attached? Yes/No | | |
| 6.1 | Provincial Business licence | | |
| | Attach copy of documents Attached? Yes/No | | |
| 6.2 | Worker's Compensation insurance | | |
| | Attach copy of documents Attached? Yes/No | | |
| 7.1 | Additional Requirements <i>Tenderers should provide any additional information required in the Bid Data Sheet.</i> | | |

1.3 Technical Scoring Description

Evaluation criteria (e.g. ADB)

| EVALUATION CRITERIA | Max. Weight | Bidder 1 | | Bidder 2 | | Etc | |
|--|-------------|----------|-------|----------|-------|--------|-------|
| | | Rating | Score | Rating | Score | Rating | Score |
| I. Construction Approach and Methodology | 400 | | | | | | |
| a. Site Organization | 75 | | | | | | |
| b. Method Statements | 125 | | | | | | |
| c. Mobilization Schedule and Equipment | 75 | | | | | | |
| d. Construction Schedule | 125 | | | | | | |
| 2. Risk Assessment | 100 | | | | | | |
| 3. Key Personnel | 150 | | | | | | |
| i. Contractor's Representative /Project Manager | 40 | | | | | | |
| ii. Construction Manager | 30 | | | | | | |
| iii. Maritime Engineer | 20 | | | | | | |
| iv. Quality Assurance / Quality Control Manager | 15 | | | | | | |
| v. Environmental Manager | 15 | | | | | | |
| vi. Health and Safety Manager | 15 | | | | | | |
| vii. Maritime Site Supervision Engineer | 15 | | | | | | |
| 3. Quality Management System | 125 | | | | | | |
| 4. Health and Safety Management Plan | 125 | | | | | | |
| 5. Construction Environmental Management Plan | 100 | | | | | | |
| TOTAL | 1000 | | | | | | |

Evaluation criteria

(e.g. SIIP)

Response to key selection criteria:

| Key Selection criteria | Weighting | Brief Response |
|--|-----------|----------------|
| Project Specific experience – i.e., Geotechnical site investigations in both land and maritime environments in remote island locations and providing interpretive analysis of prevailing ground conditions to assist with the design of marine civil works in the South Pacific / Australasian region. | 20% | |
| Qualified and Experienced Personnel for each discipline: UXO detection and removal on land and seabed Field and laboratory testing; | 20% | |
| Qualified and Experienced Personnel for each discipline: Rotary drilling rig operations on land up to 30m depth; Marine rotary drilling rig operations in water up to 15m depth and up to 60m below seabed level; | 20% | |
| Qualified and Experienced Personnel for each discipline: Assessment of geotechnical parameters; Interpretation and factual reporting of geotechnical data for the provision of geotechnical design criteria for marine piling and landside foundation works; | 20% | |
| Company has ISO140001 Environmental Management accreditation | 10% | |
| Timeframe - the Tenderer shall submit a brief statement on approach to completing the Scope of Work within the allocated timeframe. | 10% | |

Scoring

2 Tender Selection Process

Evaluation of tenders will be based on their corporate and technical capabilities and their tender price, and with compliance with the Commonwealth Procurement Rules. Scoring by a SIIP Tender Evaluation Committee (TEC) will be based on the information contained in the Tenderer's submission. The TEC may seek further information to support their assessment by requesting additional documents, conducting interviews with tenderers, or contacting referees.



A conforming tender shall contain the following Annexes 2 to 6:

| Technical Proposal | |
|--------------------|--|
| Annex 2 | Tender Application Form Company Details, Insurances, and responses to evaluation criteria |
| Annex 3 | Previous work experience The Tenderers should provide two examples of current or previous work activities which highlight their ability to perform the require services. Each example is limited to one (1) A4 page and should be in the format provided. |
| Annex 4 | Resources Tenderers are required to identify resources (team composition) and outline the experiences and qualifications of each team member using the template provided. |
| Annex 6 | Delivery A statement the methodology and program on how the Tenderer propose to provide each of the activities/deliverables. |
| Financial Proposal | |
| Annex 5 | Commercial Proposal |

The scoring will be as follows:

| Section | Maximum Score |
|--------------------|---------------|
| Technical proposal | 70 points |
| Financial proposal | 30 points |

To calculate the technical score (Ts), the 70 points available will be weighted to each key selection criteria as listed in Annex 2. They will then be scored as follows:

| Score | 0 | 10-20% | 30-40% | 50-60% | 70-80% | 90-100% |
|---------|---------------------|--------|--------------|--------|-----------|-----------|
| Meaning | Poor/No information | Fair | Satisfactory | Good | Very good | Excellent |

Ts will be calculated by adding the scores awarded for each of the key selection criteria.

The financial score (Fs) will be calculated by applying the following formula:

$$\text{Score} = 30 \times \frac{\text{fee of lowest priced technically acceptable bid}}{\text{Tenderer's Fee}}$$

The highest combined score (Ts + Fs) will determine the first tenderer for negotiations.

Common mistakes to avoid

AVOID

- Not coming to pre-Tender meetings.
- More than one person doing the submission.
- Not reading Tender document carefully.
- Submitting information *not requested*.
- Not using the Tender Document Checklist.
- Forgetting to sign the Tender letter.

✓ DO

- Submit only information/details/documents that *are requested*.
- If unclear - ask questions during the tender period - very disappointing to see Tender submissions where the bidder clearly didn't understand what has been requested.

Not understanding Tender requirements leads to poor quality submissions.

The SIIP way (remove barriers)

- SIIP uses Australian tax-payer's money
- Commonwealth Procurement Rules
 - value for money
- Manage risks – qualification thresholds, insurance requirements, DDA
- Local market analysis at planning stage
- Target local content in every project
- Package works into smaller lots
- Opportunities for individual companies
- Encourage partnerships for larger or more complex works
 - tender eligibility and qualification criteria.

The SIIP way (remove barriers)

- Longer tendering lead times to allow alliance building – locally/regionally
- No \$ bid security required
- The local content offered will be scored – min score required or bid rejected
- Local Industry Participation Plan (LIPP) – mandatory tender requirement
- Make the LIPP a contract document
- Tender docs: free download from:
www.siip.sb/industry-opportunities
- Submit bids electronically in **WORD** tenders@siip.com.sb

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- Please ‘like’ social media pages on Facebook, LinkedIn & Twitter
- Register for SIIP *Talem* - enewsletter