

Prequalification Scheme for Traffic Signal Contractors

Guidelines and Conditions

Transport for NSW | September 2023



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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) is based on a three year assessment cycle. It is the responsibility of contractors applying to renew their prequalification to submit their renewal application to TfNSW at least 6 weeks prior to the expiry date to allow sufficient time for the assessment to be completed.

1.2 HOW THIS SCHEME WORKS

This Prequalification Scheme applies to both traffic signal construction and reconstruction (see below for definitions of “construction” and “reconstruction”) which are:

- carried out directly for TfNSW; or
- to be offered to TfNSW for final acceptance by other organisations (e.g. 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.

Regardless of 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, available at:

<https://info.buy.nsw.gov.au/policy-library/policies/supplier-code-of-conduct>.

1.3 CONFIDENTIALITY OF APPLICATIONS

The prequalification of contractors for TfNSW traffic signal 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 management 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:

<https://www.transport.nsw.gov.au/operations/roads-and-waterways/business-and-industry/partners-and-suppliers/tenders-and-11>.

1.4 DEFINITIONS

TfNSW: means Transport for NSW. For the purpose of administering the Prequalification Scheme, it means the Commercial, Performance & Strategy Branch of TfNSW’s Infrastructure & Place Division.

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

Application Form: means the Prequalification Scheme for Traffic Signal Contractors Application Form document.

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 works.

2 PREQUALIFICATION SCHEME REQUIREMENTS

2.1 TECHNICAL, OPERATIONAL AND MANAGERIAL CAPACITY

To be considered for prequalification, the Applicant must:

1. have demonstrated experience in civil and electrical installation, preferably of traffic signals in a road traffic environment;
2. have appropriately trained and qualified employees and have demonstrated capability within the Applicant organisation to prepare traffic control plans to comply with TfNSW Specification G10 Traffic Management and TfNSW Traffic Control at Work Sites manual for the control of traffic at work sites;
3. have a manager active in the construction operations;
4. hold a current NSW Electrical Contractor Licence as required by NSW Fair Trading under the Home Building Act 1989 (NSW);
5. 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's business must have strong financial viability over both the short and long term. An 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 (except for the lowest level) are the same as in the National Prequalification System for Civil (Road and Bridge) Construction, and are shown in the table below:

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:

- lesser of 5x working capital and 12.5x net tangible assets;
- Quick Ratio ≥ 0.8 ;

with further upwards or downwards adjustments, 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 assessor may result in an application being refused or the existing prequalification rescinded.

The required financial capacity for a contract will be stated 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 QUALITY MANAGEMENT SYSTEM

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

The Applicant's quality management system must be Type QMS4 in accordance with Specification TfNSW Q4.

2.4 WORK HEALTH AND SAFETY MANAGEMENT SYSTEM

The NSW Government's Work Health and Safety Policy requires Government agencies to only use those contractors that can demonstrate WHS management capability.

Applicants' WHS management systems must meet the requirements of Work Health and Safety Regulation 2017 (NSW), with particular emphasis on Chapter 6 - Construction Work, and comply with NSW Government's Work Health & Safety Management Guidelines for Construction Procurement, available at: https://info.buy.nsw.gov.au/_data/assets/file/0014/622013/Work-Health-Safety-Management-Guidelines-for-Construction-Edition-6_Dec2019.pdf.

(Refer also NSW Government Code of Practice – Construction Work, available at: https://www.safework.nsw.gov.au/_data/assets/pdf_file/0014/52151/Construction-work-COP.pdf)

Applicants will be required to demonstrate:

- a capability to produce Work Health and Safety Management Plans in accordance with TfNSW Specification G22 – Work Health and Safety (Construction Work); and
- for works valued over \$1 million, possession of either:
 - a WHS Management System with 3rd party certification to AS/NZS ISO 45001 from a JAS-ANZ accredited organisation.; 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 management 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 management system on contract works. Suitable evidence would be internal or external system audits, copies of site specific WHS Management Plans, 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:

- Clauses 78 to 80 of the NSW WHS Regulation (Falls) and the NSW Government Code of Practice – Managing the Risk of Falls at Workplaces.
- Clauses 157 and 158 of the NSW WHS Regulation (Electrical work on energised electrical equipment – when permitted).

2.5 ENVIRONMENTAL MANAGEMENT SYSTEM

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

2.6 TRIAL INSTALLATION

2.6.1 General

Each successful Applicant will initially be granted provisional prequalification status. The Applicant must then complete a trial installation, which will form the basis for an evaluation of the Applicant's work performance and eligibility for full prequalification status.

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 allowed by TfNSW to submit tenders for trial installation work until they have submitted to TfNSW their quality management system which will be used in the trial installation work.

During the trial installation period, the Applicant must:

- (a) competitively tender for, win and complete the installation of at least one new traffic signal site that includes vehicle detectors (the "trial site");
- (b) operate a quality management system approved by TfNSW;
- (c) prepare and work to an agreed Inspection and Test Plan for each trial site;
- (d) satisfy the requirements set out in Clause 2.6.2 below.

In the event that there are not enough contracts which are suitable as trial installations being advertised by TfNSW, an Applicant may seek permission from TfNSW to tender for work for other organisations, such as Councils, or as a subcontractor on TfNSW contracts.

2.6.2 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 need not be limited to, the following aspects:

- time management;
- standard of work;
- quality management system;
- management of subcontractors;
- 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

Contractors may apply for prequalification or upgrade at any time.

3.1 SUBMISSION OF AN APPLICATION FORM

To meet TfNSW's contract requirements for Workers Compensation insurances, Applicants for prequalification must be an incorporated company. Sole traders or unincorporated partnerships are not eligible to apply for prequalification.

Contractors may apply for prequalification by completing the Application Form and attaching all of the information required therein. The Application Form, these Guidelines and all referenced specifications are available from the TfNSW website at:

<https://www.transport.nsw.gov.au/operations/roads-and-waterways/business-and-industry/partners-and-suppliers/tenders-and-37>.

The completed Application Form and accompanying information are to be forwarded either by email, or saved on to a USB memory stick and posted to the address shown below at the end of this clause.

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:

Pre-Qualifications Officer
Commercial, Performance & Strategy Branch
Infrastructure & Place Division
Telephone (02) 8843 3159
Email: catherine.thai@transport.nsw.gov.au
or
tuan.tran@transport.nsw.gov.au
or
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 Senior Manager, Policy and Governance, Commercial, Performance & Strategy Branch of TfNSW's Infrastructure & Place Division.

TfNSW may appoint an external consultant to assist with 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 2.6). 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 and submission of Work-As-Executed Drawings 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:

1. past performance on similar works;
2. technical capacity;
3. resources (human, plant, equipment), including the employment of a licenced electrician or electricians with experience in traffic signals;
4. financial capacity;
5. quality management;
6. work health and safety management;
7. environmental management; and
8. production of Work-As-Executed drawings.

4.2 SERVICE STANDARDS

TfNSW will conform to the following service standards with regard to applications under the Prequalification Scheme for Traffic Signal Contractors:

1. receipt of applications will be acknowledged within five (5) working days;
2. complete applications will be processed within six (6) weeks of receipt of all required information; and
3. contractors will be advised of the outcome of an appeal within ten (10) working days of the Contractor Review Committee convening.

5 RENEWING AND REVIEWING PREQUALIFICATION

5.1 RENEWING PREQUALIFICATION

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

It is the responsibility of contractors to submit their renewal application to TfNSW at least 6 weeks prior to the expiry date to allow sufficient time for the assessment to be completed so that there is no lapse in registration. TfNSW will **not** give temporary registration for tendering or working on specific contracts.

5.2 REVIEWING AND SUSPENDING PREQUALIFICATION

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

- unsatisfactory performance by the contractor on TfNSW or other Government contract works; or
- material adverse change in the contractor's technical, financial, managerial or organisational capability; or
- the 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 management;
- management and suitability of personnel;
- management of subcontractors, consultants and suppliers;
- work 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 Construction Pre-Contracts, Commercial, Performance & Strategy Branch of TfNSW's Infrastructure and Place Division 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 will comprise:

- Director Construction Pre-Contracts, Commercial, Performance & Strategy 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 will have a right of appearance before the Review Committee if the Applicant so desires.

The Committee will be convened to review the appeal 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 CIRCUMSTANCES

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.