



# INDEPENDENT REVIEWER ROLE FOR TUNNEL AND STATIONS PUBLIC PRIVATE PARTNERSHIP

## MARKET ENGAGEMENT

APRIL 2017



# Important Notice

## Purpose

This Market Engagement is issued by the Melbourne Metro Rail Authority (**MMRA**) on behalf of the State of Victoria (**State**). This Market Engagement is being distributed to seek information to help inform the process and timing of the procurement of Independent Reviewer services for the Tunnel and Stations Public Private Partnership (**PPP**), the largest package of the Metro Tunnel Project (**Metro Tunnel**)

## Confidentiality

The information subsequently supplied or given in connection with the Metro Tunnel by MMRA is confidential and accordingly any such information may not be published, reproduced, copied or disclosed to any person, other than the recipient's employees and professional advisers, or used for any purpose other than as contemplated by this Market Engagement.

The recipient must not make any public statement, press release or other communication relating to the information contained or subsequently supplied or given in connection with the Metro Tunnel without the prior written approval of the State.

## Disclaimer

This Market Engagement is not intended to form the basis of any investment decision. No part of this Market Engagement constitutes a recommendation, offer, invitation or solicitation in relation to the Metro Tunnel. Recipients must conduct their own independent review, investigations and analysis of the prospective scope and rely entirely on such reviews, investigations and analysis and not on this Market Engagement.

This Market Engagement has been provided to the recipient for information purposes only and upon the express understanding that the recipient will use it only for the purposes and on the conditions set out in this Market Engagement. MMRA reserves the right to decline to send further information to any respondent to this Market Engagement.

No guarantee, representation or warranty (express or implied) is given by or on behalf of the State (including without limitation its employees, agents, associates and advisors) as to the quality, accuracy, reliability or completeness of the information contained in this Market Engagement or any other information supplied by or on behalf of the State or that reasonable care has been taken in compiling or preparing any information.

## Acknowledgement

By retaining this Market Engagement and submitting a Market Engagement response, recipients acknowledge that they have read, understood and accepted the terms of this Market Engagement.

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# 1. INTRODUCTION

## 1.1 BACKGROUND

Melbourne is Australia's fastest growing city, with the population expected to almost double by the year 2050. Melbourne's public transport system needs to grow with it to maintain the liveability and prosperity of our growing city.

The Metro Tunnel is one of the largest transport infrastructure projects ever undertaken in Australia. It will start to transform Melbourne's rail network into an international-style metro system, improving access to, and connectivity with, the CBD and increasing the capacity, reliability and efficiency of train lines serving Melbourne's growth areas in the north, west and south-east.

The Metro Tunnel addresses existing capacity constraints in the City Loop, while also enhancing accessibility and intermodal connectivity into and throughout central Melbourne. Ultimately, the Metro Tunnel will support new patterns of economic development, residential growth and urban renewal, and deliver substantial economic benefits to the Victorian and national economies.

The Metro Tunnel will include:

- twin nine-kilometre rail tunnels from Kensington to South Yarra as part of a new Sunbury to Cranbourne/Pakenham line;
- rail tunnel entrances (portals) at Kensington and South Yarra;
- new underground stations at Arden, Parkville, CBD North (providing an interchange with Melbourne Central), CBD South (providing an interchange with Flinders Street) and Domain. The stations are designed to accommodate trains that are significantly longer than those that currently operate on the network;
- mechanical and electrical systems in the rail tunnels including lighting, tunnel ventilation and tunnel sub-stations;
- rail systems including high capacity signalling systems, power, traction power and communication;
- commercial opportunities including within stations and potentially over-site commercial and/or residential development;
- a series of early works to facilitate commencement of the main construction works for the delivery of the Metro Tunnel, including relocation and protection of utility services in conflict with the Metro Tunnel alignment, construction site preparation and some minor tram diversions; and
- a series of surface works to enable capacity uplifts across the broader network.

The Metro Tunnel has an estimated capital cost of \$10.9 billion. MMRA is responsible for the planning and implementation of the Metro Tunnel on behalf of the State.

## 1.2 METRO TUNNEL STATUS UPDATE

Significant progress has been made in relation to the Metro Tunnel project. Key areas of progress include:

- the Metro Tunnel Business Case was publically released on 23 February 2016. <http://metrotunnel.vic.gov.au/resources/business-case>;
- the Metro Tunnel project has undergone an extensive and robust planning assessment process. As part of this, MMRA published an Environment Effects Statement (**EES**) to satisfy legislation governing the construction of major projects in Victoria. In December 2016, the

Minister for Planning released his assessment under the Environment Effects Act 1978, which concludes the EES process for the project;

- the procurement and delivery phases of the Metro Tunnel works have commenced (refer below); and
- significant geotechnical investigations have been completed including in relation to the Yarra River and at key sites in St Kilda Road, the CBD, Parkville and North Melbourne. Further information on the geotechnical drilling program can be found at <http://mmrailproject.vic.gov.au/planning/geotechnical-investigations>.

Additional information in relation to these milestones and the status of the Metro Tunnel can be found at <http://metrotunnel.vic.gov.au/>.

## 1.3 METRO TUNNEL PROCUREMENT

The Metro Tunnel is being delivered through a series of works packages. A summary of the scope of works, procurement model and current status of each works package is provided below.

Works package		Procurement model	Procurement status
<b>Early Works</b>	Utility service relocations and works to prepare construction sites	Managing Contractor	Contract awarded June 2016 to John Holland. Enabling works commenced.
	Tram infrastructure works	Franchisee Works (Yarra Trams)	To be engaged in early 2017.
	Construction power	Utility Service Provider Works	Engaged in early 2017.
<b>Tunnel and Stations</b> Main tunnelling works, five underground stations, station fit-out, mechanical and electrical systems and specific maintenance services for the infrastructure delivered by the package and commercial opportunities at the new stations		Availability based Public Private Partnership ( <b>PPP</b> )	Three shortlisted respondents have been announced for the Tunnel and Stations PPP tender process and the Request for Proposal has been released. Proposals are due on 6 April 2017. It is expected that the preferred bidder will be appointed mid-2017.
<b>Rail Systems</b> Rail systems design including conventional signalling, high capacity signalling, train and power control systems and operational control systems, installation works, rail systems integration and commissioning		Competitive Alliance	Two shortlisted respondents have been announced for the Rail Systems Alliance ( <b>RSA</b> ) tender process and the Request for Proposal has been released. It is expected that a contract will be awarded in the second half of 2017.
<b>Rail Infrastructure</b> Works at the eastern and western portals including cut and cover tunnelling, decline structures, turn backs and local reconfiguration and realignment of existing lines as well as a range of other works across the wider network		Competitive Alliance	The Expression of Interest for the Rail Infrastructure Alliance ( <b>RIA</b> ) is expected to be issued to market in the second half of 2017.

Further information can be found at <http://metrotunnel.vic.gov.au/about-the-project/project-delivery>.

## 1.4 INDEPENDENT REVIEWER SCOPE OF WORKS

The scope of the Independent Reviewer role is to perform functions including:

- reviewing design packages to assess compliance with the Project Scope and Technical Requirements and Project Agreement;
- monitoring and reporting to the State regarding the progress of the Tunnel and Stations works;
- inspecting the Tunnel and Stations works for quality of construction;
- attending and certifying tests;
- certifying the achievement of project milestones, including certifying the completion and integration of some works performed by the alliance work packages;
- reviewing proposed remediation plans and monitoring their implementation;
- issuing directions in relation to interference, obstruction and nuisance;
- attending project meetings;
- receiving and reviewing Project Co's design and construction monthly progress reports;
- reviewing management plans and design and construction programs, including departures, updates and/or claims;
- identifying defects and assessing the rectification of defects;
- determining claims for extensions of time for the Tunnel and Stations and time / delay impacts associated with works by the alliance packages;
- determining / assessing delay mitigation cost impacts associated with interface works between Project Co and the alliance packages;
- reviewing Project Co's compliance with local content requirements;
- reviewing and approving key environmental management documentation as required by the Environmental Management Framework;
- monitoring compliance with environmental requirements and management plans;
- monitoring compliance with health and safety requirements and management plans; and
- preparing additional reports if requested by the State or Project Co.

This scope also involves providing Independent Reviewer services for those Tunnel and Stations PPP works that interface with other Metro Tunnel works packages. For example, the Independent Reviewer will be responsible for determining whether contractually binding interface milestones between the Tunnel and Stations PPP and the RSA and RIA have been met, and if they have not been met, determining the cause of the delay.

## 1.5 REQUISITE EXPERIENCE

The Independent Reviewer is expected to have extensive experience (preferably both international and local) in all aspects of major rail projects and PPPs, including:

- urban design and public realm;
- civil and structural works;
- signalling, communications, security and control systems and equipment;
- station works;
- mechanical engineering;
- fire and life safety;
- mechanical systems and control;
- electrical power systems;
- security;
- road works and tram works;
- utilities;
- geotechnical and ground conditions;
- systems engineering;
- project management;

- environmental management;
- sustainability management;
- occupational health management;
- design management;
- property and land management;
- transport management;
- construction management;
- transition and acceptance; and
- accreditation and rail safety.

## 1.6 KEY REQUIREMENTS

The Independent Reviewer is required to have a proven record of outstanding performance in delivering certification and monitoring services on major and/or complex metropolitan rail projects, and projects delivered via a PPP delivery model.

MMRA accepts that a single organisation may not, of itself, have all of the capability and experience needed to deliver the Independent Reviewer scope. MMRA requests that organisations respond to this Market Engagement if they can meet **any** of the key requirements. Part of the purpose of this Market Engagement is to provide an opportunity for respondents to commence discussions between potential joint venture partners who, together, may meet that scope, noting that MMRA will not be facilitating any such discussions. If parties have already come together to form consortia for the Independent Reviewer role then joint submissions will also be acceptable.

Ultimately, however, MMRA will require respondents to a Request for Proposal to show that they are able to meet all relevant requirements.

The key requirements include:

- demonstrated understanding of complex rail projects in a dense urban environment;
- significant experience in the development, implementation and maintenance of robust monitoring plans;
- demonstrated ability to optimise the activities necessary to undertake the services in order to provide the best value for money to the State and to Project Co;
- proven mature management systems, procedures and processes incorporating aspects of quality, safety, risk, environment, sustainability and community;
- the ability to develop effective working relationships with the State and Project Co;
- the ability to resolve differences of opinion between the parties in a timely manner;
- an appropriate depth of personnel to ensure the relevant skills and necessary experience are provided for the duration of the Independent Reviewer's appointment; and
- a majority of the Independent Reviewer's key people based in Melbourne for the duration of the services.

## 1.7 PROCUREMENT PROCESS

The process to appoint the Independent Reviewer is expected commence immediately after a preferred respondent on the Tunnel and Stations PPP is nominated, with formal appointment to occur as soon as possible thereafter. It is currently expected that a preferred respondent will be nominated between late July and mid-September 2017.

The appointment process is intended to ensure that the Independent Reviewer is appointed as soon practically possible to establish the foundation for a successful project, minimise the risk of future disputes between the parties and support an efficient project delivery. This may involve the review of

certain accelerated design works and other aspects of the Tunnel and Stations PPP or RSA works, prior to the Tunnels and Stations PPP contract being awarded.

Members of the unsuccessful Tunnel and Stations PPP respondents' respective consortia will be permitted to tender for the role of Independent Reviewer. Members of the Tunnel and Stations PPP and RSA's preferred respondents' consortia will not be eligible to act as the Independent Reviewer.

The preferred RIA respondent may be permitted to act as the Independent Reviewer subject to demonstrating that appropriate probity measures are in place.

## 1.8 MMRA ADVISERS

The following advisers have been appointed to assist MMRA in relation to the Metro Tunnel and are not available to be engaged by the Independent Reviewer:

Role	Advisers
Technical, Planning and Engaging Adviser (including design)	Aurecon Jacobs Mott McDonald JV
Legal Advisers	Herbert Smith Freehills
Commercial and Financial Adviser	KPMG
Project Estimator	Aqenta
Independent Construction Adviser	Advisian*
Probity Adviser	O'Connor Marsden and Associates
Probity Auditor	Pitcher Partners

\* Advisian can participate in the Market Engagement process and may participate in the upcoming procurement process subject to the State approving appropriate probity arrangements.



## 2. PURPOSE OF MARKET ENGAGEMENT

### 2.1 PURPOSE OF MARKET ENGAGEMENT

The purpose of this Market Engagement is to allow MMRA to:

- develop an understanding of organisations that are interested in the Metro Tunnel project and have the requisite experience, skills and capacity to perform the Independent Reviewer role; and
- provide an opportunity for respondents to this Market Engagement to commence discussions between potential joint venture partners, noting that MMRA will not be facilitating any such discussions.

It should be noted that the Market Engagement process is not a pre-qualification for the formal Independent Reviewer procurement process, which is expected to commence in mid-2017.

The information provided by respondents in the Market Engagement Response Schedule (Appendix A) will be used by MMRA to inform the process and timing of the procurement of the Independent Reviewer.

## 3. INSTRUCTIONS FOR REGISTERING INTEREST

### 3.1 GENERAL INSTRUCTIONS

MMRA is now seeking Market Engagement responses from suitably experienced and qualified contractors and advisers who may be interested in tendering for the Tunnel and Stations PPP Independent Reviewer role.

Responses to this Market Engagement should be provided in accordance with the information outlined in the Market Engagement Response Schedule. No other information is to be submitted.

Responses to this Market Engagement are to be submitted by email to [MMRA-Procurement@ecodev.vic.gov.au](mailto:MMRA-Procurement@ecodev.vic.gov.au).

Respondents may submit their responses at any stage from the release of this Market Engagement.

### 3.2 ADDITIONAL INFORMATION FOR RESPONDENTS

Respondents to this Market Engagement should note:

- MMRA may have discussions with organisations that do not submit a response to this Market Engagement;
- Market Engagement responses should contain the minimum information set out in the attached Market Engagement Response Schedule;
- a decision not to submit an Market Engagement will not preclude an organisation from participating in the formal procurement process; and
- current participants in a Metro Tunnel procurement process (including for the Tunnel and Stations PPP and RSA) must continue to satisfy confidentiality and probity requirements and terms and conditions.

# APPENDIX A: RESPONSE SCHEDULE

The response is to be limited to six pages in total. Only the six page Response Schedule will be considered.

Responses should address each of the following:

## 1 Contact details

Key Contact:	
Name	
Title	
Phone	
Mobile	
Email	
Office Address	

Alternate Contact:	
Name	
Title	
Phone	
Mobile	
Email	
Office Address	

## 2 Business Overview

Brief overview of the respondent's business including:

- (a) major areas of operation;
- (b) capacity relative to the estimated scope of the Tunnel and Stations PPP Independent Reviewer role; and
- (c) the regions in which the respondent operates.

**3 Organisation Key Financials and Employee Information**

	Australia	Total
Annual turnover (\$AUD)		
Profitability (net profit after tax) (\$AUD)		
Number of employees		

**4 Relevant Major Transport Infrastructure Experience**

Brief description of no more than four recent relevant major transport projects that the respondent has been engaged on, including the project name, value, client organisation and the respondent’s specific role. Relevant projects include involvement in the current Tunnel and Stations PPP and/or RSA procurement processes.

**5 Relevant PPP Experience**

Brief description of no more than four recent relevant PPP projects that the respondent has been engaged on, including the project name, value, client organisation and the respondent’s specific role. Relevant projects include involvement in the current Tunnel and Stations PPP.

**6 Relevant Independent Reviewer Experience**

Brief description of no more than four recent relevant projects that the respondent has been engaged on as the Independent Reviewer, including the project name, value, client organisation and the respondent’s specific role.

**7 Involvement on other Victorian infrastructure projects**

Brief outline of the respondent’s current role on any other Victorian infrastructure projects. This should also identify if the respondent is intending to participate in the RIA procurement process.

**8 Key Skills and Capabilities**

Indicate the key skills and capabilities that the respondent offers.

Experience / Capability	(Y / N)	Comments
Urban design and public realm		
Civil and structural works		
Signalling, communications, security and control systems and equipment		
Stations		
Fire and life safety		
Mechanical systems and control		
Electrical power systems		
Security		
Road works and tram works		
Utilities		
Project management		
Environmental management		
Sustainability management		

Occupational health management		
Design management		
Property and land management;		
Transport management		
Construction management		
Transition and acceptance		
Accreditation and safety		

**9 Further Information**

Brief description of any additional information that would be beneficial to understand in relation to the respondent in the context of the Metro Tunnel Independent Reviewer role.

**10 Acknowledgement**

I, ***[insert name]***, on behalf of, ***[insert company name]***, acknowledge that I have read the 'Important Notice' on page 2 of the Market Engagement document, I agree to comply with the terms contained therein and warrant that I have the authority to make this acknowledgement on behalf of ***[insert company name]***.

Signature

\_\_\_\_\_

Position

\_\_\_\_\_

Date

\_\_\_\_\_