

# Procurement guidelines for developer works

## FAQs for developers and water servicing coordinators

These guidelines outline the requirements for developers who procure services under Sydney Water's share of works.

### What are the key principles underlying Sydney Water procurement?

- Value for money
- Efficient and effective
- Probity and equity
- Effective competition

### What must I do as a developer?

In consultation with your water servicing coordinator, you must know what is required under the guidelines and follow all the steps when you procure any service or work as part of Sydney Water share of works. You must also seek our endorsement and approval, where required under the guidelines.

### What must I do as a water servicing coordinator?

You must know what is required under the guidelines and follow all the steps when the developer procures any service or work as part of Sydney Water share of works. You must certify that you have read and understood the requirements of the *Procurement guidelines for developer works*.

### What is the difference between a water servicing coordinator (application) and water servicing coordinator (delivery)?

The water servicing coordinator (application), applies to Sydney Water for a development.

The water servicing coordinator (delivery) performs duties during the delivery phase (after we have issued the Notice of requirements / Letter of requirements).

### Will the guidelines affect any funding I am to get from Sydney Water?

Yes. If you don't comply with the guidelines, we will not reimburse you for works or services you procure.

## **Are the thresholds in the guidelines for the whole cost of the works or only Sydney Water funding contribution?**

The thresholds in the guidelines only apply to Sydney Water's contribution. For example, if you have estimated that the construction cost of the works will be \$600,000 and we are providing the full \$600,000 (for example for a lead-in main or work under a commercial agreement), you must invite a minimum of five tenderers. But, if we are only providing part funding, which comes to less than \$500,000 (for example we are paying \$200,000 towards upsizing), you only need to invite a minimum of three tenderers.

## **The cost of engaging the water servicing coordinator, the designer and the constructor adds up to over \$500,000. Will I need to invite a minimum of five tenderers for each of them?**

No, the thresholds apply to each service you engage. For example, if you have a project estimate of \$1 million, but your water servicing coordinator will cost \$20,000, the designer \$180,000 and the constructor \$800,000 you must:

- invite suitable tenderer/s to engage the water servicing coordinator
- invite a minimum of three tenderers to engage the designer
- invite a minimum of five tenderers to engage the constructor.

## **Can Sydney Water tell me who I could engage in each step of the procurement process?**

The Sydney Water website has a list of providers, who you may invite to tender. You will need to assess all service providers yourself, enquire about their technical and financial capability and confirm that they have suitable resources and skills to do the work.

## **If I have a question about the *Procurement guidelines for developer works*, who should I ask?**

If you have any questions about the guidelines, ask your water servicing coordinator for help.

## **What must I do as a Tender Evaluation Committee Chair?**

As chair, you must understand and fulfil your role as outlined by the *Procurement guidelines for developer works* and the *NSW Code of Practice for Procurement*.

## **How do developers ensure that they meet requirements?**

Developers are obliged to be involved and comply with the tender process outlined in the tender evaluation plan. They should satisfy themselves that this tender process will deliver an outcome that meets their requirements. Once you call for tenders, the tender process cannot be altered.

## **What if my project estimate is considerably different to the tendered prices?**

The project estimate is critical in determining the number of tenderers you must invite. It should reflect the current market rates when the estimate is carried out. If there is a significant difference to the tendered prices, you must justify to Sydney Water why this is the case.

## **What if I only received one tender out of the three or five tenders that were called?**

The developer must obtain Sydney Water approval to proceed, if they receive only one tender.

## **Can I claim the variation costs without Sydney Water's approval?**

We will not reimburse any variation costs that we have not endorsed.

## **Am I eligible for part payment when the professional services are completed before construction?**

We will reimburse you at the end of the works when you submit the project completion package. We will not consider part payment before construction is complete.

## **What if I am planning and delivering infrastructure under a commercial agreement?**

If you have chosen to accelerate the servicing of your land under a commercial agreement, you may need to complete strategic and/or detailed planning work before applying for a Notice of requirements/Letter of requirements. You must meet the procurement guidelines to engage any professional services for this work. We will reimburse the costs of this work in line with the terms of the commercial agreement.

## **Who should sign the procurement checklists?**

The water servicing coordinator must certify the tender evaluation plan checklist and the tender evaluation report summary and checklist.

The Tender Evaluation Committee Chair must certify the Tender Evaluation Committee Chair declaration. Sydney Water will audit these documents

## **Will the summary and checklists be editable?**

The summary and checklists are in Microsoft Word editable format.