

QUEENSLAND SUPPLIERS IMPRESS YET AGAIN

IPSWICH COURT HOUSE CASE STUDY

The companies

Havendeen Roofing Contractors Pty Ltd was established in 1995 by owner Mike Keeling, capitalising on his background in the plumbing and roofing trades. The company employs 26 people with plumbing and roofing skills at its premises near Beenleigh, south of Brisbane. It has worked on commercial and government projects of various sizes, including shopping centres for the Westfield Group, the redevelopment of the RAAF's Amberley air base near Ipswich, and projects for Queensland Rail and Queensland Health.

NWCI (Aust) Pty Ltd, also based near Beenleigh, is a privately owned firm, established 20 years ago, that specialises in interior commercial fitouts. Depending on workflow, NCWI employs between 100 and 300 people, including carpenters, plasters and labourers.

The opportunity

The Queensland Government is undertaking a \$111 million redevelopment project to establish a new legal precinct in the Ipswich CBD, west of Brisbane. It has engaged national engineering and construction company Abigroup Contractors Pty Ltd to deliver the project. The Ipswich site, previously housing a TAFE college, is being transformed to incorporate a \$92 million, five-storey courthouse that will accommodate four District Courts and eight Magistrates' Courts, including one purpose-built for Murri Court and Drug Court hearings.

Currently Ipswich is served by only four Magistrates and two District Courts. The new legal precinct will also house regional offices for the Director of Public Prosecutions, the State Reporting Bureau and the Dispute Resolution Branch, and a marriage room for civil ceremonies. A new \$18.9 million 24-hour police station and watchhouse will form part of the new precinct. The government has described the complex as the biggest infrastructure development in central Ipswich for more than a decade.

Steve Jones, Government Projects Manager for ICN Queensland, said after being chosen by the government as main contractor, Abigroup submitted its trades schedule to ICN, listing all the supply packages it needed to complete the Ipswich project. "We then selected the ones we call 'contestable' contracts," Dr Jones said. "They are called contestable because they could be sourced from Queensland, interstate, such as over the border in New South Wales, or even overseas," he said. "It's ICN's job to try to make sure that doesn't happen and that Queensland content is maximised where possible." Dr Jones said after ICN provided Abigroup with a list of potential suppliers for each trade package, the company considered those along with companies it already knew about before making its tender list selections.

In the case of firms like Havendeen Roofing and NWCI, ICN had provided their names to Abigroup "because they are all good Queensland companies, supplying from a Queensland base".



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Havendeen Roofing secured the roofing supply contract. Mr Keeling said: “We submitted a price, it was reviewed and we won the job – three bags full.”

NWCI Contracts Administrator Danny Simpson said his firm had secured contracts with Abigroup in the past, most recently the University of Queensland’s new clinical research building at Royal Brisbane Hospital. “ICN was also involved with this project and identified Havendeen as having good capability to supply” Mr Simpson said.

Stephen Mathers, Abigroup Design Manager, said his company was engaged to undertake the Ipswich project in early 2007 and work was expected to be completed by August 2009. He said Havendeen Roofing had secured its contract as one of the packages for finishing works that were decided after priority contracts were let. Initially, contracts were required for the structural content. “That’s fairly urgent so we let those contracts first,” he said. “Even though they are documented before they are let, some of the finishing trade packages are not let straight away, although we try to get them out as soon as we can.” Mr Mathers said the timing was to accommodate any change in requirements flowing from the design-and-construct process used on projects like the Ipswich legal precinct.

The benefits

Mr Mathers said the ICN selection process, handled on Abigroup’s side by its contract administrators, enabled the company to choose firms capable of delivering the required trade packages. He said Abigroup had previously worked with and was familiar with the capabilities of Havendeen Roofing and NWCI.

Dr Jones said a benefit of using ICN’s services was the organisation’s ability to give Queensland firms a chance to be considered by larger companies for subcontracting work. He noted that even in cases where suppliers had worked with a contractor in the past, a nomination by ICN essentially “pre-qualified” potential suppliers on behalf of the contractor, helping them to maintain or re-establish relationships.

Mr Keeling said Havendeen Roofing’s work on the Ipswich project, providing roofing, guttering and flashing, was worth about \$300,000. “It’s probably a medium-sized job for us.”

But he said it was helpful in maintaining ongoing work for the company’s current staff while waiting for other jobs in the pipeline to start. Staffing levels varied according to the state of the building market and work flows. “At peak times we have employed up to 40 people, but at present we are waiting on more jobs to come through,” he said. “Being nominated by ICN helps us to keep our profile in front of projects and this follows through to increased jobs when we win contracts.”

NWCI’s Mr Simpson said the Ipswich contract “was a good one to pick up”, even though it involved a lot of complex interior work to install doorways, doors, ceilings and walls. “It was a bit of a ‘marquee’ project for us. The courts precinct is one of the biggest jobs in Ipswich in recent times. It was good to pick up a job of that size because we don’t do any advertising. We usually pick up jobs by reputation and word of mouth,” Mr Simpson said.

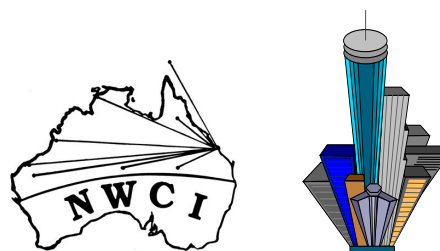
According to the Manufacturing Sector Impacts Report 2007, compiled by ICN and Australian Economic Consultants Group, every \$1 million of manufacturing business retained in Australia or freshly generated by Australian companies creates 12 full-time jobs. Every \$1 million of manufacturing business retained or generated by Australian manufacturers also generates \$394,000 in taxes and charges, which benefits Australians as the government can reinject it into the economy in areas such as health and education.

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Abigroup
Constructing Australia's Future