



NORTH EAST LINK - PROCUREMENT

Client: VIDA Roads (part of the Victorian Infrastructure Delivery Authority, formerly NELP)

Location: VIC, Australia

Project value: \$26 billion

Contract form: Public-Private Partnership (PPP) and Alliance

Project lifecycle stage: Procurement

Duration: 2017 – ongoing

At a glance: North East Link is Victoria's largest ever road project. It is a mixture of an availability-based PPP under the Partnerships Victoria framework and a range of collaborative contracts with a total budget in excess of \$ 26 billion. The project:

- Completes Melbourne's orbital road network by connecting the Eastern Freeway to the M80 Ring Road, featuring twin tunnels and new interchanges at key arterial roads.
- Includes major upgrades to the Eastern Freeway, introducing express lanes and collector-distributor roads to ease current bottlenecks and accommodate future traffic demand.
- Includes enhancements to the M80 Ring Road, adding capacity and delivering a free-flow interchange with North East Link and the Greensborough Bypass.

As part of the works, North East Link, the Eastern Freeway, and the M80 Ring Road will become fully integrated smart motorways, equipped with ramp metering, lane-use management, and vehicle detection systems to improve safety and efficiency.

Objectives

The Victorian Government set out to deliver the missing link between the Eastern Freeway and the M80 Ring Road to reduce congestion and freight traffic on local roads. The States largest ever project initiative, the North East Link Project (NELP), was procured across a number of separate works packages which range from a collaborative PPP to Alliance contract models, across both greenfield and brownfield assets.

The State required support to set the necessary foundation for these contract models during procurement to ensure successful delivery.

Our services

SmedTech was engaged by NELP at the project's inception in January 2017 and has provided ongoing technical support and strategic direction throughout the project's lifecycle. During the Procurement Phase, spanning across five project packages and bridging different contract models, SmedTech supported the State through:

Delivery Strategy:

- SmedTech worked with the NELP project team to develop the delivery strategy, which identified how the project would be delivered across the corridor, including the project packaging, responsibilities across the asset lifecycle, the broad risk allocation and the primary mechanisms for ensuring integration across the corridor. The strategy, which included a number of separate packages with varying responsibility for design, delivery and operations was tested with the industry throughout its development to understand the market's appetite.

Project requirements documentation:

- SmedTech was responsible for the development and drafting of the project requirements documentation for each of the project packages.
- SmedTech established a robust and comprehensive process for the development of the principles on which the requirements for each package are based, considering its delivery model. From this basis we worked with each of the technical, communications, environment, planning, property, legal and commercial teams to develop the project requirements, including the governance processes for the review, management and endorsement of the documentation.



Tendering, negotiation and contract award:

SmedTech worked as part of the NELP project team to bring the first package of works to the market as a PPP. We led the technical elements of procurement, including:

- Structuring of the technical aspects of the tender process and development of tender documentation.
- Engagement with tenderers through interactive workshops and responding to Q&A's.
- Management of the projects requirements documents through addendums and release of new versions.
- Undertaking an update of all the project documents mid-way through the procurement when the decision was made to significantly alter the delivery strategy – resulting in an Incentivised Target Cost (ITC) model imbedded in the PPP and a range of new interfaces and responsibilities.
- Participating in assessment and evaluation of tenders.
- Leading the negotiation phase for the technical elements and producing the final documentation for contract award.

Following the PPP package, we supported the State through the procurement of the four Alliance packages from tender release, through the RFP period, tender evaluation, negotiation and up to final updating of contract documents for contract execution.

Our impact

SmedTech's engagement on the NEL Project enabled the State to have the confidence and certainty required during Procurement to ensure that the project can produce successful outcomes during Delivery. SmedTech played a key role in:

- Supporting the project team to successfully achieve contract close on \$26b of project works across 5 packages.
- Worked with the NELP team and advisors to develop a brand-new contracting model with an ITC model within the PPP contract and achieved contract close on this \$11.9b contract whilst in COVID-19 lockdowns.
- Our SmedTech team hit every milestone program date that was set for us by the NELP team.
- Developing interface structures to allow the tunnel PPP contract to integrate with the adjacent Alliance contracts at highly complex technical interchanges at tunnel portals.

Due to our role on this project, we were a finalist in the Infrastructure Partnerships Australia Advisor Excellence Award for 2022.