

Media Release

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ARA releases new guide to make the most of rail construction investment

Early industry engagement, streamlined processes and national consistency are among the recommendations outlined in the Australasian Railway Association's (ARA) new guide to make the most of the \$155 billion in rail investment to come over the next 15 years.

Best Practice Principles for Rail Construction Procurement was released today, drawing on extensive industry insight and experience to improve tender processes for rail construction projects.

ARA Chief Executive Officer Caroline Wilkie said the guide provided practical recommendations to improve procurement processes and make sure governments get the most out of stimulus funding as part of the nation's economic recovery.

"Tendering costs are estimated to be about 1-2 per cent of a project's total costs in Australia – up to four times the global benchmark," Ms Wilkie said.

"Increasing costs and complexity associated with tender processes can be huge barriers for some contractors to even consider bidding for a project.

"With \$155 billion in rail investment planned in the next 15 years, it is essential government procurement processes foster innovation and ensure value for money as new projects are confirmed.

"Failure to address these issues could see fewer contractors bidding for projects, reducing competition and driving costs higher."

The guide sets out simple recommendations to streamline tender processes, ranging from national pre-qualification schemes that allows data to be collected once for all tenders to flexible risk mitigation measures that consider the project's unique requirements.

Ms Wilkie said standardised documentation was a quick and easy way governments could take cost and time out of the procurement process.

“Major project procurement must encourage innovation and invite bidders to put forward new solutions that get the best for the client and the best for the community,” Ms Wilkie said.

“The guide brings together the lived experience of industry leaders to provide recommendations that are practical and will drive real improvements in tender processes.”

The guide follows the release of a [Tendering Framework](#) for rollingstock and signalling tendering earlier this year.

Best Practice Principles for Rail Construction Procurement is available [here](#).

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