

## Question on Notice

No. 302

Asked on 20 March 2024

**MR J KRAUSE** ASKED MINISTER FOR TRANSPORT AND MAIN ROADS AND MINISTER FOR DIGITAL SERVICES (HON B MELLISH)—

### QUESTION:

With reference to the government's announcement on 7 December 2023 that the preferred manufacturers had been awarded for 200 rail replacement buses—

Will the Minister advise (a) when the contracts were signed with each of the builders, (b) the names of the bus manufacturers invited to tender for the work (as asked in Question on Notice No. 1210 of 2023) and (c) why an 'open offer method' for the process was not adopted (as asked in Question on Notice No. 1210 of 2023)?

### ANSWER:

I thank the Member for Scenic Rim for the question.

The Queensland Government has committed to build 200 rail replacement buses locally. These buses will be used to ensure South East Queensland public transport users can travel across the network during track closures. All 200 buses are expected to be delivered by the end of 2024.

- (a) The contract for Volvo Group Australia Pty Ltd was executed on 27 November 2023, while the contract for Scania Australia Pty Ltd was executed on 30 November 2023. Volvo is set to build 165 chassis diesel buses with Volgren Bodies, and Scania will build 35 chassis diesel buses with BusTech bodies.
- (b) There were three bus manufacturers invited to tender for the work: Penske (MAN) Australia Pty Ltd, Scania Australia Pty Ltd and Volvo Group Australia Pty Ltd.
- (c) The procurement was a limited Invitation to Offer to three suppliers. This approach allowed the Department of Transport and Main Roads (TMR) to engage with those suppliers that were able to provide an effective and efficient delivery methodology and to deliver buses which align to TMR's existing fleet, reducing ongoing maintenance and whole-of-life costs. The limited supply market strategy was to drive value-for-money and competitive tension among market leaders, while delivering on the key objective of sustaining the local bus manufacturing (body builders) industry by fast tracking orders to meet significant internal demand.

To meet the strategic procurement objective of supporting local manufacturing, the Principal Contractor was required to engage a body builder with a local Queensland presence.