

## **PROCUREMENT OF CONTRACTS – DESIGN/CONSTRUCT MODEL**

### **1. Background**

1.1 In general, there are three approved models for the procurement of contracts for projects that have been supported by the Commonwealth Government through the Capital Grants Program (CGP) and other capital programs as announced from time to time.

1.2 These models have been:

- Open Public Tender,
- Limited Tender, and
- Project Management.

The first two models satisfy the need for an open, transparent and competitive process that will ensure value for money.

The Project Management model requires that a minimum of 3 quotes be obtained wherever possible for each of the main elements of a project. This process also ensures that the value for money condition is met.

1.3 There has been an increasing trend for schools to seek approval to employ a Design / Construct process in which a designer / builder is involved from the planning of a project through to its completion. Although some elements of construction may be competitively let out to other contractors, in the main the building company involved will undertake most of the construction or renovation of the building.

In September 2013 the SAIS BGA sought approval of the Department of Education for schools to employ this model and the following response was received from the Director of the Capital Grants Section, Darren Gaunt:

*“As discussed, in relation to the Design/Construct model we can see the value in continuing with the original designer and builder, particularly as the builder has a trusted relationship with the schools concerned and has delivered projects that meet the schools’ needs.*

*We will require assurance that the project continues to represent value for money so an independent quantity surveyor report should be obtained. In addition, we would require assurance that there are no conflicts of interest between the contractor and the school decision makers and governing officials. If you could provide us with both of these then we are happy for the process to proceed.”*

1.4 All schools are required to make a significant school contribution to any project and therefore expect to have reasonable control over the method chosen for the procurement of contracts.

### **2. Procedural Guidelines**

2.1 The SAIS BGA will require schools to employ an open and transparent procurement process in line with the Program Guidelines and advice received from the Department of Education.

2.2 Where a school seeks approval to employ the Design / Construct model the SAIS BGA will require the school to:

- Notify the SAIS BGA of this intention and provide a rationale for using this model,
- Provide details of the Company that will undertake the work,
- Provide an independent quantity surveyor report, and
- Provide assurance that there is no conflict of interest between the contractor and the school governing body or decision makers.

2.3 The SAIS BGA will ensure that the contractor price and the quantity surveyor's report represent value for money and are in line with the Standard Area Cost as determined by the Committee.

### 3. Related Policies

Nil

*Approved February 2014*

*To be reviewed February 2023*