

PROCEDURAL GUIDELINE – CAPITAL GRANT PROGRAM

APPROVED PROJECT COST

1. Background

When recommending projects to the Commonwealth Government for approval, previous practice has been to include Construction Contingencies, Design Contingencies and Country Loading as part of the Approved Project Cost.

Contingency amounts provided in a QS may not be utilised during the construction of a project and if included as part of the Approved Project Cost it potentially inflates what the actual project cost may be. The project application submitted for consideration must include these amounts for review by the Finance Group, however, the Construction Contingency amount, as supported by a QS and after consultation with the school, may not be included in the Approved Project Cost recommended for approval. Other Contingency amounts may also be removed however this will be considered on a case-by-case basis by the BGA.

This guideline reduces the risk of schools losing part or all the approved grant funds when the Approved Project Cost is not expended due to Construction Contingency amounts not being utilised.

Any contingency or other costs that are expended over and above the Approved Project Cost are considered as school contribution to the project. Details of this expenditure are reported on the submission of the Progressive Expenditure Statements to the BGA and the school is required to detail how they expect to cover any additional costs, e.g. loan, cash reserves etc.

2. Procedural Guidelines New Applications

- 2.1 The SAIS BGA considers each project on an individual basis.
- 2.2 Schools are required to submit a project showing all contingency cost for the financial evaluation by the Finance Group.
- 2.3 When ranking projects for approval the project costs will be shown including and excluding contingency costs and/or country loading as per the Application.
- 2.4 QS report will be used as verification of such costs.
- 2.5 The Approved Project Cost submitted to DoE would be **exclusive** of Construction Contingency and or Design Contingency after consultation with schools.
- 2.6 Other Contingency Amounts may be excluded at the BGA's discretion.

3. Procedural Guidelines Existing Projects (prior to 2022)

- 3.1 The SAIS BGA considers each project on an individual basis.
- 3.2 Where a project has been approved with a project cost including Construction Contingences a variation may be submitted to DoE to request an adjustment of the Approved Project Cost **prior** to final project costs being submitted.
- 3.3 The QS report that was submitted with the application to be used as verification of such costs.
- 3.4 The Approved Project Cost submitted to DoE would be adjusted to exclude the contingency amounts for their approval.

4. Related Policies

Nil

*Approved 15 September 2021
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