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VICTORIA

Report

of the

AUDITOR-GENERAL

June 1982

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SPECIAL REPORT OF THE AUDITOR-GENERAL OF VICTORIA

I present to the Legislative Assembly, pursuant to Section 48 of the Audit Act 1958, a report of an overview into contracts procedures in departments and authorities.

In 1981, I sought the secondment to my office of a senior professional engineer to assist in a study of the management controls in respect of public sector works contracts. This study was divided into three distinct stages -

- (a) the preparation of a questionnaire designed to cover each major phase of activity expected within a substantial works project;
- (b) a review of responses received from departments and authorities; and
- (c) an examination of the management controls in certain selected works contracts.

This report covers the first two stages of the study and is based on responses to the questionnaire received from senior nominated officers of each organisation.

The overview has established that major expenditures on works are being incurred within relatively small organisations which lack the necessary technical expertise and resources to properly control their projects. The larger organisations claim to have the experience and appropriate resources to manage major works, but there are sufficient discrepancies in the responses from many such organisations to suggest that improvements in procedures and controls are warranted.

The two key recommendations arising from audit observations on the responses to the questionnaire are -

- (i) the establishment of a technical advisory body; and
- (ii) the development and distribution by that body of a code of practice in respect of the management of works programs.

The adoption of the report's recommendations should, in my opinion, lead to a common high standard of performance and the better management of major capital projects throughout departments and authorities.

The third stage involving the examination of selected works contracts is well advanced and a further report covering the results of these examinations will be submitted in due course.

The magnitude of the works contracts study, encompassing the various departments and authorities subject to audit by my Office, necessarily placed demands on the time of officials of the respective organisations. I wish to record my appreciation for the co-operation and assistance extended by departments and authorities to my officers during the course of the two completed stages of the overall audit exercise.

I also express my thanks to Mr. Seabrook, the seconded officer, and members of my staff for their work on this important project.

B.J. WALDRON
Auditor-General

30 June, 1982.

WORKS CONTRACTS OVERVIEW

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CHAPTER 1 - INTRODUCTION

1.1 Background

Contractual procedures on works within the public sector of Victoria vary between organisations. Generally, these procedures are governed by enabling legislation and regulations of the specific organisation and any governmental and/or ministerial directives which may be issued from time to time. Within these overall guidelines, each organisation is at liberty to develop an individual approach to its procedural framework for controlling its works activity. The development and establishment of documented procedures is dependent, to a large extent, on the size of an organisation and the nature of the services that it provides. In large organisations, this documentation may be substantial while, in smaller organisations, little or no documentation may exist.

In Victoria, an amount in excess of \$750 000 000 is expended annually on works within departments and authorities.

1.2 Establishment of an Audit Review Group

During 1981, an Audit Review Group was established to conduct a major review of procedures in relation to government works contracts. The group consisted of senior officers from the staff of the Auditor-General and a senior professional engineer, on secondment to the Office of the Auditor-General, with extensive experience in the management of works and in town planning.

A Steering Committee of audit officers was also established to monitor, make recommendations and report at regular intervals to the Auditor-General as to the progress of the review.

For the purpose of the review, works contracts were defined as any form of agreement between any person or entity with a government department or statutory authority for:

- the purchase, erection of or alteration and improvement to buildings and properties;
- other works associated with buildings and properties; and
- the provision, alteration of furniture, fittings, plant, equipment, tools and vehicles and expenditure incidental to these purposes.

1.3 Objectives of the Review

The principal objective of the review was to determine whether the contracting arrangements by government departments and statutory authorities were entered into with appropriate authority and with due regard for economy in the spending of public funds and were consistently administered in compliance with all relevant statutes, regulations, policies, directives and guidelines.

This principal objective was supported by specific objectives covering the broad phases of a works program, namely, to determine whether:

there were adequate internal controls over contracts, including feasibility studies, the preparation of specifications, appointment of consultants and the preparation of the form of contract;

there were sound tendering procedures in practice;

there were proper controls over final approval and authorisation of contracts;

adequate controls existed to ensure that the final approved contract was in accordance with tender and specifications;

adequate safeguards were included within contracts in the event of non-fulfilment or non-performance of the contract;

there were adequate financial controls to ensure that payments were authorised and made within contract conditions and that expenditure was accounted for and recorded under appropriate classifications; and

on completion of projects, maintenance and post-contract arrangements were adequate.

1.4 Audit Approach to the Review

The review was divided into three distinct stages. In the initial stage, the resources of the review group were devoted entirely to developing and establishing a model questionnaire embracing all aspects of contractual activity from "cradle to grave". The questionnaire, titled "the Works Contracts Overview Questionnaire", constituted the base from which all further investigations proceeded. The second stage was the overview by questionnaire of government departments and statutory authorities, subject to audit by the Auditor-General. A detailed examination of management controls employed in certain selected works contracts represented the third stage of the project.

1.5 Distribution of Questionnaire

Prior to the distribution of the questionnaire, the permanent head or chairman of each organisation was formally advised of the proposed audit review of works contracts and each was requested to nominate a senior officer who would be responsible for the completion and return of the questionnaire.

The questionnaire was distributed to 116 departments and statutory authorities. (refer Appendix 2). Wherever practicable, the opportunity was taken by members of the review group to hand-deliver the questionnaire to the organisation's nominated officer and to explain its purpose and contents.

It is of interest to note that a number of organisations indicated in the discussions that they proposed to review and improve their contractual procedures following receipt and examination of the questionnaire.

1.6 Contents of Audit Questionnaire

The questionnaire was structured in such a manner as to cover each major phase of activity expected within a substantial works project. The main headings of the questionnaire were:

- General information
- Concepts
- Brief preparation and approval
- Preliminary design
- Detailed design
- Pre-tender call review
- Tender call and award
- Construction
- Maintenance and final acceptance
- Post contract

Although the questionnaire was extensive, it was designed in such a manner as to facilitate a prompt reply to each question. (refer Appendix 1).

1.7 Contents of this report

This report covers the results of the first two stages of the review only as the reports on the results of the examination of selected works contracts in the third stage have not been finalised.

Succeeding chapters in this report provide information as to audit observations, key recommendations and responses to the questionnaire. Audit observations are set out under the relevant objectives and cross-references are provided to the appropriate detailed comments and specific recommendations within chapter 4.

CHAPTER 2 SUMMARY OF OBSERVATIONS

Observations, arising from the analysis of the responses to the questionnaire, are summarised hereunder under the relevant objectives of the review. These observations are based on the written responses prepared and received from senior nominated officers of each organisation. It would have been impracticable and uneconomic to subject all responses to audit verification. However, from the selective review of contracts, the actual standard of performance by some organisations is lower than that claimed in the responses to the questionnaire.

2.1 Concept, Brief and Design of Project

Objective

To determine whether there were adequate internal controls over contracts, including feasibility studies, the preparation of specifications, appointment of consultants and the preparation of the form of contract.

Observations

- Because of lack of experience and resources, some organisations are forced to rely entirely on the expertise and experience of consultants. (4.1.3)
- Policies and procedures, particularly in smaller organisations, are inadequately documented. (4.1.4)
- Delegation is often of an informal and unsatisfactory nature as well as being inconsistent between similar organisations. (4.1.5)
- Many organisations fail to undertake feasibility studies and prepare impact statements. (4.2)
- The apparent lack of systematic review and approval of concepts could involve organisations in undue costs in respect of projects which do not proceed. (4.2)
- Although the brief should be regarded as an essential source document, many organisations indicate that a written brief is not always prepared. (4.3)
- The brief is often produced in a limited area of specialisation and is, on occasions, deficient in that it does not always require regular reporting of progress. Further, there is often a failure to take into account the economic aspects of measuring operational costs against the capital costs of the project. (4.3)
- Generally, management exercises little control over consultants appointed to design and oversee projects. (4.4.1)

- Consultants are not always appointed by formal contract. (4.4.1)
- A register of consultants is not always maintained. (4.4.1)
- Some organisations do not have the capacity to properly supervise consultants. (4.4.1)
- Performance criteria, including rate of return on capital, are insufficiently used, particularly with respect to cost planning. (4.4.2)
- Most respondents utilise one of the three standard types of contract documentation. However, a number of large organisations have their own form of documentation. Each type of document expresses certain differences in policies which result in inconsistencies in contractual arrangements between organisations. (4.4.3)
- A significant number of organisations indicate that they:
 - establish their own standards;
 - establish higher standards than those covered by normal standard documentation available; and
 - conform to requirements which involve expenditure greater than considered necessary. (4.4.4)
- A significant number of organisations state that consideration is given to deferred payment and leasing arrangements as an alternative to loan borrowing arrangements. (4.4.5)

2.2 Tendering Procedures and Award of Contracts

Objectives

To determine whether there were sound tendering procedures in practice.

To determine whether there were proper controls over final approval and authorisation of contracts.

To determine whether adequate controls existed to ensure that the final approved contract was in accordance with tender and specifications.

To determine whether adequate safeguards were made within contracts in the event of non-fulfilment or non-performance of the contract.

Observations

- A number of small organisations indicate that they do not review the need for a project before proceeding to the tender stage. (4.5.1)
- The responsibility for approving the form and type of tender call is inconsistent between organisations. (4.5.2)
- Weaknesses in the procedures and security at the opening of tenders are evident. (4.6.2)
- The evaluation of tenders is not always undertaken by persons possessing the appropriate expertise. (4.6.3)
- The responsibility for the evaluation and award of the contract is, in some organisations, held solely by one person. (4.6.3)
- There is often failure to provide sufficient information to unsuccessful tenderers. (4.6.4)
- Tender deposits are not always sought or, if received, held in a separate trust account. (4.6.5)
- Tendering procedures vary throughout government departments and authorities. (4.6.6)
- Contract documentation is not always subject to legal review before acceptance. (4.6.7)
- A register of security documents is not always maintained. (4.6.8)
- The level of the contract sum, at which the Minister approves and signs the contract, varies between organisations. (4.6.9)

2.3 Construction of Project

Objectives

To determine whether adequate safeguards were included within contracts in the event of non fulfilment or non performance of the contract.

To determine whether there were adequate financial controls to ensure that payments were authorised and made within contract conditions and that expenditure was accounted for and recorded under appropriate classifications.

Observations

- Many organisations fail to maintain financial records which provide for the dissection of costs. (4.1.2)
- Progress reports are not always acted upon on a regular basis or in a timely manner. (4.7.2)
- The finance division of an organisation is not always informed of a time variation to a contract. (4.7.3)
- Although some large organisations indicate that they have knowledge of instances where defective work has been "built over", small organisations disclaim knowledge of such action. This may be due to lack of expertise within small organisations in respect of construction works. (4.7.4)
- In some organisations, there is a lack of segregation of responsibilities in the processes of negotiation, reporting of financial and other effects and approval of variations. (4.7.5)
- In certain organisations, there is no division of responsibilities in respect of the measurement of works which sometime vary widely from the original bills of quantities. (4.7.6)
- Progress payments are not always in accordance with the terms of the contract. (4.7.7)
- Financial records are inadequate in some organisations. (4.7.8)
- The cost of prime-cost items often exceeds the amount allowed in the contract. (4.7.10)
- User groups and client organisations are not always represented at the formal inspection of completed works or advised of any defects or additional work outside the contract terms prior to the issue of the certificate of practical completion. (4.7.11)

.4 Maintenance Period, Final Acceptance and Post-Contract

Objective

To determine whether, on completion of projects, maintenance and post-contract arrangements were adequate.

Observations

- The formal identification of the commencement of the maintenance period is not always determined by the person specified in the contract. (4.8.1)
- Major defects, noted in the maintenance period, are sometimes corrected by a third party. (4.8.2)
- Final clearance is not always sought from the client organisation before the release of the balance of the contract sum. (4.8.3)
- Information provided to user groups in respect of warranties, maintenance and operational equipment associated with a completed project is sometimes inadequate. (4.9.1)
- Safety guidelines are not always provided when the facility becomes operational. (4.9.2)
- Organisations responsible for their own maintenance of completed projects are more satisfied with those arrangements than organisations which rely on another party for that maintenance. (4.9.3)
- There is no consistent policy in respect of insurance cover on completed works. (4.9.4)
- Many organisations do not maintain an asset register of completed works. (4.9.5)

CHAPTER 3 - RECOMMENDATIONS

The purpose of this chapter is to provide a synopsis of recommendations based on the audit observations as outlined in the previous chapter. These observations highlight specific areas where central action would appear warranted. In particular, the need for standards of practice in contractual matters and the establishment of a technical advisory body to provide specialist guidance to government departments and public authorities in this State is evident. Audit recommendations in this regard follow.

3.1 Key Recommendations

3.1.1 Code of Practice

Based on the responses to the questionnaire and discussions with the majority of organisations, it is recommended that a code of practice be established and distributed to all government departments and authorities for use in works programs.

This code of practice should be framed in such a manner as to enable standards, ranging from the conception of a works project through to its operational use, to be consistently applied throughout all departments and authorities within Victoria.

At present, a document of this nature does not exist. In audit opinion, the introduction of a code of practice would provide a useful guide to organisations, both large and small, in the management of works activities. Access to a specific document with which to measure and assess the managerial performance of works programs within an organisation should be of immense benefit to Parliament and would provide the Auditor-General with the means of monitoring accountability.

The standard guidelines within the code of practice should cover such matters as:

- documentation of policies and procedures;
- reporting criteria for the justification of the project;
- overall design criteria;
- delegation of authority;
- appointment and control of consultants;
- public and selective tendering procedures and award of contracts;
- contractual documentation, including conditions to safeguard the interests of the Crown;
- financial controls and the maintenance of financial records in respect of works projects;
- oversight of projects on location, including testing and measurement of works;
- maintenance and acceptance of completed projects;
- post-contract arrangements; and
- reporting criteria for operational performance of the project.

3.1.2 Technical Advisory Body

It is recommended that a technical advisory body be established, comprising suitably qualified persons, to assist and advise departments and authorities on procedural and technical matters involved in the management of capital projects.

This advisory group would be responsible for:

- developing and distributing appropriate standard procedural guidelines in respect of various stages of capital works;
- ensuring that such guidelines are regularly reviewed to conform with current practice;
- advising organisations on procedural and technical problems encountered during a project;
- ensuring that the standards for works projects are generally being complied with in a consistent manner throughout departments and authorities;
- providing advice on any documented deviations from the standard guidelines;
- developing and maintaining a register of professional consultants in the appropriate disciplines;
- providing a list of registered consultants to all departments and authorities at regular intervals;
- arranging assistance to organisations which have little or no expertise in works programs;
- providing advice on contract documents to ensure that the interests of the Crown are safeguarded at all times;
- disseminating government directives with respect to contracts; and
- liaising with Treasury to assist financial management of capital works.

3.2 Other Recommendations

Specific recommendations are contained in chapter 4 and are set out under discussion on each observation.

CHAPTER 4 - REVIEW OF RESPONSES TO QUESTIONNAIRE

The "Works Contracts - Overview" questionnaire was distributed to 116 government departments, statutory authorities, educational institutions and committees of management, of which 97 returned responses were analysed. In some organisations, more than one questionnaire was completed in order to cover the different facets of the responding organisation's activities. As a result, a total of 113 questionnaires were subject to audit analysis.

The analysis was divided into five categories of organisations, as shown below:

CATEGORY	ANNUAL EXPENDITURE ON WORKS	NUMBER OF ORGANISATIONS	COPIES OF QUESTIONNAIRE ANALYSED
Large	Over \$5 million	15	22
Medium	\$1 million to \$5 million	12	20
Small	Under \$1 million	20	20
Educational Instns.	-	34	35
Client Organisations	-	16	16
		—	—
		97	113
		—	—

An organisation was considered as a "client organisation" where respondents completed the concept, the preparation and approval of a brief and post-contract stages of a project and the design and construction of the project was undertaken on its behalf by another organisation. Educational institutions included schools, post-secondary education institutions and universities.

4.1 Organisational Arrangements

4.1.1 Responsibility for Works

Some "client" and other organisations indicated that other government organisations carried out works on their behalf. The reported degree of contractual control exercised by the principal organisation varied between respondents.

The Public Works Department clearly indicated that it had complete contractual control when carrying out works on behalf of government departments. Some departments considered that there was some form of contractual control exercised by them.

4.1.2 Cost Records

Observation

Many organisations fail to maintain financial records which provide for the dissection of costs.

It had been anticipated that sufficient information would be received in the responses to indicate the break-up of the total value and number of works carried out. Many organisations indicated that they were unable to respond to the statistical questions unless considerable time and effort were devoted to the matter. One large organisation, which did provide comprehensive information, demonstrated that, although its annual capital expenditure was approximately \$40 million, a sum of \$6 million only was spent on major contractual works. Some other organisations gave similar indications of the volume of major and minor works.

Generally, however, the statistics available were inadequate to determine the total share of government expenditure on major as against minor contracts for works.

Recommendation:

Cost ledgers should be maintained by organisations to record all financial transactions in respect of works projects. The ledgers should be kept in such a manner as to readily identify and/or ascertain costs associated with individual projects.

4.1.3 Assistance by Consultants

Observation

Because of lack of experience and resources, some organisations are forced to rely on the expertise and experience of consultants.

A number of organisations with involvement in "one-off" or occasional major works lack access to authoritative support in the control of professional consultants acting on their behalf. As a result, such organisations rely almost entirely on the experience and professionalism of consultants. The lack of expertise and authoritative support inhibits an organisation to a certain extent in specifying and obtaining the appropriate performance from consultants on technical matters.

Recommendation:

A technical advisory body should be responsible for establishing and maintaining a register of consultants in the appropriate disciplines and advising organisations on performance criteria expected of consultants.

4.1.4 Documentation of Policies and Procedures

Observation

Policies and procedures, particularly in respect of smaller organisations, are inadequately documented.

There was a tendency by smaller organisations not to maintain a file or like document for recording policies and/or procedures with respect to the control of building activities.

It was noted that schools councils had no policy documentation in relation to major construction works on school buildings irrespective of the fact that the responsibility for the works had been assigned, in some instances, by the Education Department to the school council. Further, the schools indicated that no guidance on these matters was provided by the Department.

In the medium to large-sized organisations, documentation on procedural control for their building activity was generally formalised. However, almost half of the respondents of medium-sized organisations indicated that no documentation of policies was retained.

Recommendation:

Policies and procedures should be adequately documented.

4.1.5 Delegation of Authority

Observation

Delegation is often of an informal and unsatisfactory nature as well as being inconsistent between similar organisations.

It was noted that a number of organisations claimed that the approval for various phases of works activity was delegated when, in fact, no written documentation for policies and procedures for exercising delegation was maintained by those organisations. It was obvious from the responses that the delegation was authorised by either some form of verbal instruction or in some other unsatisfactory and uncontrolled manner.

The responses of like organisations to the range of delegations reflected no logical foundation. Approval at the critical stages of works activity ranged from officer level in some organisations through to ministerial level in others. In one educational institution, the "buildings officer" was authorised to approve any works up to a value of \$125 000 whereas, in one large government department, ministerial approval was required for all schemes over \$10 000.

From the responses of many organisations, it was concluded that there was no further ministerial involvement in major works of the organisation after ministerial approval had been obtained for the allocation of funds to a specific project.

Recommendations:

Delegated approval authority within an organisation should be in writing and should be compatible with the requirements of a procedural manual on works.

The range of delegation should be commensurate with the level of responsibility held by the officer within the organisation.

Ministerial approval should be obtained at specific stages of major works activity.

4.2 The Concept Stage

Observations

Many organisations fail to undertake feasibility studies and prepare impact statements.

The apparent lack of systematic review and approval of concepts could involve organisations in undue costs in respect of projects which do not proceed.

The concept stage of works consists of the identification within a department or statutory authority of a need for some form of works and its general approval.

After a need for a specific project has been identified, the majority of respondents indicated that they examined various alternatives for the project. However, feasibility studies on the related projects were not prepared in all instances. Approximately 44 per cent. of the projects of small organisations did not have impact statements prepared to study the environmental consequences arising from the proposed project.

All organisations ensured that funds were available or would be available for the project. However, the existence of legal authority to undertake the project was not always checked by the organisation. In this regard, approximately 25 per cent. of small organisations check the legality of their proposals less than one-third of the time whilst 36 per cent. of "client" organisations stated that legal authority to construct works was not checked.

The responses indicated that a concept was often authorised to proceed to the preparation of the brief without any specific review being undertaken either by an independent or inter-departmental group. The review was usually undertaken internally by the permanent head of a department or by the board members of a public authority. Independent groups were not often utilised by the respondents. Authority to proceed to the brief stage was not usually approved by the Minister.

Broad financial constraints by way of legislation, regulation or government direction are generally imposed on an organisation. Although consultation with the Minister may occur, there was little evidence from the responses to indicate any suitable formal procedure for such consultation.

Recommendations:

Any proposed major project should be examined by an independent review group, appointed by the Minister, to ensure that the project is necessary and practicable. Such a review should ensure that major difficulties are avoided before further expenditure on the brief is committed.

Ministerial approval should be sought prior to the commencement of the major project brief. In addition to details and the estimated total cost of the proposed project, the Minister should be provided with a resume of the component costs of the project including all items not the responsibility of the Minister's organisation.

4.3 The Preparation and Approval of the Brief

Observations

Although the brief should be regarded as an essential source document, many organisations indicate that a written brief is not always prepared.

The brief is often produced in a limited area of specialisation and is, on occasions, deficient in that it does not always require regular reporting of progress. Further, there is often a failure to take into account the economic aspects of measuring operational costs against the capital costs of the project.

The brief stage consists of the processes of documenting the detailed aims, objectives and requirements of a project so that specialist personnel may commence formulating technical solutions to a project. Its development includes consultation with various specialist groups involved or affected by the proposed project and sometimes with the general public. Ideally, the preparation of the brief should be balanced by the various views of all parties and not dominated by sectional interests. A brief should be prepared and approved for all major projects.

Despite the importance of the brief as the guiding document in the design, tendering and construction of a project, respondents indicated that this document was not prepared in every instance for major projects.

Advice was usually sought from various parties directly involved in the design, supervision, construction or use of the facility. However, it would appear that little, if any, consultation took place with the general public.

Although most organisations indicated that adequate controls were exercised to ensure that sectional interests did not dominate the brief, some educational institutions failed to recognise the importance of establishing such controls.

A number of organisations responded negatively to the question concerning the documentation and approval of deviations from generally accepted standards e.g. Uniform Building Regulations. Consequently, it may be possible that these organisations are infringing building regulations etc. despite government directives that such regulations and controls are to be observed. Some organisations claimed no knowledge of the government directives and that there was a reliance on the professional consultants to ensure no deviations from standards.

Some respondents did not appear to appreciate the necessity to measure future operational costs against capital costs. In addition to the examination of problems concerning technical change, redundancy and changing population patterns, there is also a need to examine projected future costs of operation during the expected life of the project.

Most large organisations claimed that an overall time-table and budget limitation were included in their brief requirements for the project. However it was noted that these requirements were less evident in smaller organisations.

Generally, the Minister was not included in the decision making process for determining the standards and extent of expenditure on projects. The lack of policy statements could allow the standards for works to vary considerably.

Recommendations:

A written brief should be prepared for all major works projects.

The brief should be reviewed by an independent group and approved by the responsible Minister.

Any deviations in generally accepted standards should be approved by an independent review group.

4.4 The Design Stage

The preliminary design stage consists of the examination of technical alternatives to meet the requirements of the brief, to finalise a solution and to obtain a reasonable degree of accuracy in the extent, cost and timing of works.

The detailed design stage consists of the preparation of drawings, specifications and tender documents accompanied by accurate estimates of costs and time. It includes all necessary formal approvals and permits.

4.4.1 Consultants

Observations

Generally, management exercises little control over consultant appointed to design and oversee projects.

Consultants are not always appointed by formal contract.

A register of consultants is not always maintained.

Some organisations do not have the capacity to properly supervise consultants.

Respondents, other than certain major organisations, indicated that the facilities of the consulting industry were utilised for the design of projects in excess of \$250 000. The tendency to make use of consultants makes it important for an organisation to maintain adequate procedures for their appointment and oversight.

It was noted that a large proportion of the organisations had not maintained a consultants register or arranged formal contracts with consultants. There was a trend to retain the services of one consultant for all works. In audit opinion, the retention of a sole consultant for all works would inhibit the organisation's ability to compare the quality of technical performance provided by other consultants and could result in higher costs.

Consultant's fees on any project of a reasonable magnitude are substantial. Therefore, it is important that adequate supervision of consultants is maintained by an organisation to ensure that government funds are efficiently utilised at all times. It was noted that small organisations seldom had suitably qualified personnel to undertake an oversight function. In these circumstances, access to an advisory body would be desirable.

Generally, there were no established procedures for the appointment of consultants. In some organisations, the appointment was approved by the executive head of the organisation whereas, in others, the authority had been delegated to a senior officer. In audit opinion, all appointments should be approved by the executive head or his delegate, based on the recommendations provided by a senior officer possessing the appropriate skills and experience with respect to the project.

Within the schools category, ministerial approval must be sought for the appointment of consultants for works in excess of \$10 000. However, only one school responded positively that it sought such approval.

The appointment of consultants was arranged by way of a formal contract within large organisations. However, only 75 per cent. of medium-sized organisations and 46 per cent. of small organisations used formal contracts when consultants were appointed. Responses from the educational institutions indicated inconsistencies in formal contracting arrangements for consultants.

Generally, there was a segregation of duties between those officers responsible for approving the use of outside design resources and those responsible for determining the details of the contracts involving consultants. Nevertheless, there were instances of no segregation of duties.

Approximately 12 per cent. of respondents indicated that the services of consultants could not be terminated. This inability to terminate the services of consultants in special circumstances indicated the need for formal contracts in all instances.

Recommendations:

A consultants register for each professional discipline should be maintained by a central advisory body and reviewed on a regular basis.

Selection of consultants should be subject to formal tendering procedures.

Appointment of consultants should be authorised by the executive head of the organisation and formalised by contract.

4.4.2 Financial Projections

Observation

Performance criteria, including rate of return on capital, are insufficiently used, particularly with respect to cost planning.

The majority of organisations indicated that some form of cost-planning, based on either present day or anticipated future costs, was used during the design of works. However, projections in respect of the rate of return on capital funds invested on a project were prepared only by 76 per cent. of large organisations and by 33 per cent. of smaller organisations.

Projections in the rate of return were not solely applied by organisations involved in commercial type activities. The need for these projections was also recognised in a number of education institutions.

Recommendation:

It is desirable that a suitable measure of cost performance be utilised to ensure proper financial management of resources.

4.4.3 Preparation of Tender and Contract Documentation

Observation

Most respondents utilise one of the three standard types of contract documentation. However, a number of large organisations have their own form of documentation. Each type of document expresses certain differences in policies which result in inconsistencies in contractual arrangements between organisations.

The standard format for tenders and contracts of either the Royal Australian Institute of Architects - Master Builders Association, or the Standards Association was generally used by the majority of small to medium organisations. Approximately 70 per cent. of the larger organisations prepared their own form of tender and contract documentation. Only a small number of organisations made use of the National Public Works Conference (NPWC) contract form.

A government directive has been issued requiring all government organisations to make use of the NPWC format unless some specific reason exists for its non-application.

Recommendation:

All government organisations should abide by the government instruction to make use of the NPWC form of contract. Advice and instruction on the utilisation of this document should be prepared by an appropriate advisory body and issued to all government departments and statutory authorities.

4.4.4 Establishment of Standards

Observation

A significant number of organisations indicate that they:

- establish their own standards;
- establish higher standards than those covered by the normal standard documentation available; and
- conform to requirements which involve expenditure greater than considered necessary.

Approximately 50 per cent. of large organisations, 33 per cent. of medium-sized organisations and several educational institutions claimed that the standards established for their works were higher than those required by standard regulation or the relevant profession. In those circumstances where no known standards applied, the majority of organisations established their own standards.

On the other hand, there were indications from various respondents that the obligation to conform with standards and/or local requirements could result in greater expenditure by the organisation than was considered necessary.

Recommendation:

Where no standard or regulation exists and a standard is required for a number of similar organisations, an advisory body should co-ordinate the establishment of common standards.

The advisory body should continually review the use of standards higher than those established for commercial use.

4.4.5 Funding Arrangements

Observation

A significant number of organisations state that consideration is given to deferred payment and leasing arrangements as an alternative to loan borrowing arrangements.

Approximately half of the organisations considered deferred payment or leasing arrangements as an alternative to loan borrowing arrangements.

Recommendation:

A definitive policy should be established for leasing or deferred payment arrangements.

4.5 Pre-Tender Call Review

The pre-tender call review is the final check that works are required in the form proposed prior to the calling of tenders and proceeding with the work. This review embraces checks on time and cost estimates and ensures that all necessary approvals have been obtained.

4.5.1 Review Procedures

Observation

A number of small organisations indicate that they do not review the need for a project before proceeding to the tender stage.

Prior to tender call, it is important that all relevant impact statements have been prepared and agreement reached with the appropriate parties to ensure that the project will not encounter unnecessary opposition during its construction. Medium to large organisations claimed that all appropriate action was taken in this regard. However, it was evident from the responses of the smaller organisations that these procedures, including a review of the need for a project, were not always undertaken.

Most organisations ensured that the relevant contractual documentation was checked by architects, engineers or surveyors prior to the calling of tenders. However, there was generally a low response from organisations concerning the need for perusal of the contractual documents by the legal profession.

Recommendation:

All documentation, including justification for the project, should be examined by suitably qualified and experienced persons before the calling of tenders to ensure that the interests of the Crown are protected.

4.5.2 Authorisation of Tender Form

Observation

The responsibility for approving the form and type of tender call is inconsistent between organisations.

It was noted in some responses that the form and type of tender call was left to consultants to decide. Other respondents indicated that there was no ministerial involvement although the related legislation required such involvement.

Recommendation:

The opportunity to undertake governmental works should be subject to open competition between contractors by way of public tender or selective tendering after public advertisement. Only in exceptional circumstances should the tender call be treated differently. All such exceptions should be subject to Ministerial approval.

4.6 Tender Call and Award

The tender call and award stage consists of the processes from the calling of tenders to the signing of contracts.

4.6.1 Document Deposits

With the exception of a number of small organisations, lists were maintained of persons who had obtained documents from the organisation with respect to a tender. Only a small number charged a deposit for the documents and generally no register was maintained to record such deposits. Deposits were refunded within a reasonable period after the return of the documents.

4.6.2 Tender Procedures and Security

Observation

Weaknesses in the procedures and security at the opening of tenders are evident.

A tender box for the lodging of tenders by prospective contractors was maintained by the majority of large organisations. Approximately one-half of the small organisations retained such a box. There were few significant instances where the tender box and the tenders contained therein were not opened by two responsible officers of the organisation.

Details of the tenders were usually summarised at the time of opening and the tender documents placed in a secure location. It was noted that the public was usually excluded when the tenders were opened.

In some instances, late and informal tenders, which should normally be returned or rejected, were accepted. Approximately one-third of all organisations accepted alternative tenders for consideration.

The submission of late or informal tenders is a matter of concern. Such practices inhibit the concept of proper tendering and provide the opportunity for tender submissions to be adjusted.

Recommendation:

A tender box should be located in a prominent position within an organisation for the depositing of tenders by prospective contractors.

Clear guidelines for the opening and recording of tenders should be provided.

The submission of late or informal tenders should not be permitted in the interests of fair competition.

Clear guidelines on the submission and acceptance of alternative tenders should be provided.

Where practicable, the general public be provided with the opportunity of attending the opening of tenders.

4.6.3 Evaluation of Tenders

Observation

The evaluation of tenders is not always undertaken by persons possessing the appropriate expertise. The responsibility for the evaluation and award of the contract is, in some organisations, held solely by one person.

An evaluation of the competence and financial standing of a contractor was usually carried out by several officers where such evaluations were undertaken. It was evident that the evaluation was not always formally documented or conducted by persons possessing the appropriate financial and technical expertise. In addition, there were isolated instances where the senior officer of an organisation undertook the dual functions of evaluating tenders and approving the award of the contract.

It is important to evaluate the competence and financial standing of prospective contractors, in particular, small companies and individuals with a record of poor performance and a history of submitting several tenders under alternative names.

Recommendation:

Officers evaluating tenders should possess appropriate financial and technical skills.

The functions of evaluation of tenders and award of the contract should be segregated.

The evaluation of tenders should be formally documented.

4.6.4 Advice Letters

Observation

There is often failure to provide sufficient information to unsuccessful tenderers.

Unsuccessful tenderers were usually informed of the award of the contract but there were differing views as to whether the contract sum and the name of the successful contractor should be disclosed within the advice letter.

This degree of secrecy in advice letters, as reported by some respondents, is not justified. The fact that such information is public knowledge, shortly after the works commence, destroys any justification for secrecy. The cost of tender preparation for major works is substantial. Consequently, any tenderer is entitled to be informed directly of the details of the award of the contract rather than obtaining this information from a third party.

Recommendation:

The disclosure of appropriate details of the successful contract should be provided in the advice letter to the unsuccessful tenderers.

4.6.5 Tender Deposits

Observation

Tender deposits are not always sought or, if received, held in a separate trust account.

Tender deposits were not always sought when tender documents were lodged with the organisation. Of the 37 respondents which indicated that a tender deposit register was maintained, only 13 had separate interest-bearing accounts.

Recommendation:

The need for tender deposits should be investigated.

Tender deposits, where received, should be lodged in an interest-bearing account and the accumulated interest administered in accordance with the terms specified in the tender documents. A register of tender deposits should be maintained.

4.6.6 Tendering Methods

Observation

Tendering procedures vary throughout government departments and authorities.

Methods of tendering throughout all organisations varied. The adoption of either public, selective or negotiated tendering procedures was dependent upon the size, cost and nature of the works to be undertaken. There was a prevalence of selective tendering, although major works in excess of \$2 million were generally subject to public tender by large organisations.

In some educational institutions, public tendering procedures were not applied in any of their works programs. One organisation reported that all large works were subject to negotiation with individual contractors.

Recommendation:

Specific guidelines should be established for tendering procedures for contracts.

4.6.7 Review of Contract Documentation

Observation

Contract documentation is not always subject to legal review before acceptance.

Contract documentation was usually reviewed by professionals in the technical disciplines, but, in a number of organisations, reviews by persons qualified in law were rarely performed.

A letter of acceptance usually constitutes the necessary authority for contractors to commence works, pending the signing of the formal contract document. However, it was noted that the contents of a letter of acceptance prepared by many organisations were seldom subject to legal review despite the fact that such letter may bind both parties to the contract.

Letters of acceptance may be satisfactory where contracts are proceeding without any qualifications to the original tender documents. However, qualifications to tenders are reasonably common and, consequently, the letter of acceptance in respect of the tender offer may form a different basis to the original contract document.

Recommendation:

All contract documentation, including the letter of acceptance, should be subject to legal examination.

4.6.8 Security Deposits

Observation

A register of security deposits is not always maintained.

Nearly all large organisations sought a security deposit from a contractor before work commenced on a project. In other organisations, approximately one-half sought such deposits. A register was not maintained in all instances although the organisations requiring security deposits responded that the securities were held in a safe place. An interest-bearing account was not always utilised when cash was received as security.

Security deposits were either returned at the completion of the contract or progressively released to the contractor as the retention sum increased during the progress of the contract.

Recommendation:

An adequate register should be kept for security deposits and, where applicable, interest-bearing accounts utilised.

4.6.9 Contract Approval

Observation

The level of the contract sum, at which the Minister approves and signs the contract, varies between organisations.

Few organisations indicated that the responsible Minister signed contract documents. Ministerial approval was often required for the acceptance of a tender in excess of \$10 000. In some organisations, approval for contracts up to \$125 000 had been delegated to mid-level officers. In other organisations, committees had been delegated the power to award a contract up to a relatively high sum.

Recommendation:

Levels of approval responsibility should be rationalised. The desirability of committees entering into contracts which effectively commit the Crown to all expenditure entered into under a contract should be reviewed.

Guidelines on the acceptance of tenders and award of contracts should be established.

Construction Stage

The construction stage covers that period from the time the contractor is granted or takes possession of the site to the time when payment is made on the issue of the certificate of practical completion.

4.7.1 Site Supervision

Generally, all organisations required site supervision of their projects. The supervisors were usually employed by the organisation although there were instances where consultants were appointed to act as supervisors of the project. Tertiary qualifications for supervisors were considered to be of secondary importance, the main requirement being "on the job" practical experience coupled with trade training.

A number of organisations indicated that the services of an independent technical review group were used to ensure that the supervisory procedures were adequate and operating satisfactorily.

Recommendation:

The services of an independent technical group should be utilised to overview site supervision.

4.7.2 Progress Reports

Observation

Progress reports are not always acted upon on a regular basis or in a timely manner.

Reports were usually obtained from site supervisors on either a weekly, monthly or pre-determined basis. However, in some of the smaller organisations there was no requirement for regular reports.

Although provision was claimed to be made for a rapid re-appraisal of the project when problems were encountered, it was evident that an organisation's reaction time was dependent on the regularity of reporting.

The majority of organisations indicated that action was taken in the event of failure by the contractor to meet the contractual obligations. Less attention was given to the contractor's failure to comply with time requirements.

Recommendation:

Regular reports should be required from site supervisors and any critical comment on the contract acted upon promptly.

4.7.3 Contract Period

Observation

The finance division of an organisation is not always informed of a time variation to a contract.

The majority of departments and authorities recognised the need for documentation when there were variations of time to a contract arising from on-site problems. It was noted that, in a number of instances, the documents relative to the time variation were not forwarded to the finance division of the organisation for appropriate notation even though cash flow implications could arise.

Where an extension of time was granted, checks were usually imposed to ensure that the contractor extended any security guarantee, insurance and relevant permits. A number of educational institutions were the exceptions.

Recommendations:

The finance division of an organisation should be formally advised of the consequences of any approved time variation to a contract.

Security guarantees, insurances and permits should be extended where an extension of time has been granted to a contractor for the completion of a project.

4.7.4 Testing

Observation

Although some large organisations indicate that they have knowledge of instances where defective work has been "built over", small organisations disclaim knowledge of such action. This may be due to lack of expertise within small organisations in respect of construction works.

Within most large organisations, written reports relating to quality tests on materials used in projects were usually provided by the laboratory staff. In other organisations, the tests were performed either by field staff, supervisory consultants, research consultants or by laboratory staff of the contractor. Respondents indicated that corrective action was always taken following the receipt of an unsatisfactory report.

Several large organisations admitted to the knowledge of defective works being "built over" while the subject of unsatisfactory test results on the work. Most small organisations indicated no knowledge of such practice.

Recommendation:

All test reports and the appropriate follow-up action should be recorded permanently on file.

4.7.5 Variations

Observation

In some organisations, there is a lack of segregation of responsibilities in the processes of negotiation, reporting of financial and other effects and the approval of variations.

Variations to a project may occur within or without the provisions of a contract. In both situations, it was noted that variations were initiated by any of the interested parties involved in the progress of the project e.g. user groups, supervisors, consultants or contractors. In some instances, an independent financial assessment on the implications of such variation was not prepared prior to the negotiation of the adjusted contract sum. It was noted that some reports were prepared and approved by the same person or specialist group.

A number of organisations reported that negotiations on variations were not finalised prior to commencement of such work or finance division notified.

Recommendation:

The functions of evaluation and approval of variations should be separated.

The finance division should be advised of the financial aspects of all variations.

4.7.6 Measurement of Works

Observation

In certain organisations, there is no division of responsibilities in respect of the measurement of works which sometimes vary widely from the original bills of quantities.

The standard of oversight on the measurement of works in a project was, to some extent, dependent on the size of the organisation. Within the large organisations and some educational institutions the preparation of the bills of quantities was checked by an independent group which did not always include an estimator.

The responses indicated a large tolerance usually ranging in the vicinity of plus or minus 10 per cent., of actual measured quantities against those estimated, before an investigation was initiated. One large organisation indicated that investigations were not commenced unless the under-supply exceeded 20 per cent. The high tolerance rate of plus or minus 10 per cent. raises the question as to why the original estimated bills of quantities should vary so considerably from the actual, although it is acknowledged that in certain areas, e.g. foundation works, discrepancies of this order may be encountered.

It was noted that the regular and final measurement of works was not adequately supervised. The majority of organisations reported that one representative only was present when measurements were made. This representative was usually the site supervisor and an independent check was seldom made.

Recommendations:

Estimated bills of quantities should preferably be checked by an independent estimator.

The tolerance rate permitted in any variation to bills of quantities should be fixed and consistent throughout all departments and authorities. A tolerance rate in excess of the allowable rate should be subject to investigation.

Where practicable, the measurement of works should be supervised by at least two suitably qualified persons.

4.7.7 Progress Payments

Observation

Progress payments are not always in accordance with the terms of the contract.

All organisations indicated that most works contracts contained provisions for progress payments to the contractors at certain stages of the works. In some instances, the contracts were subject to deferred payment financing.

Several organisations indicated that, on occasions, progress payments had not been made in accordance with the terms of the contract. Payments had occasionally been made prior to the receipt of the certificate and, in one instance, an advance payment had been made without documentation. Complaints from contractors concerning delays in payments were reported by all organisations many of which were acknowledged as justifiable.

Most forms of contract allow payment to a sub-contractor only in the event of default by the principal contractor. Organisations indicated that payment direct to a sub-contractor had been made in isolated instances although no provision was contained in the contract. Such practices could involve contractual risk.

Recommendations:

Progress payment certificates should be the bases for payments to the principal contractor.

Progress payments should be processed promptly.

Payments to sub-contractors should only be made in accordance with the terms of the contract.

4.7.8 Financial Records

Observation

Financial records are inadequate in some organisations.

Two organisations with substantial work programs reported that separate financial records were not maintained for each project. The majority of organisations maintained separate records but, in a number of instances, no reconciliation was effected between those records and the financial ledger.

Some organisations indicated that there was no regular flow of information to the finance division to assist in control of budget, commitment and anticipated cash flow.

Recommendation:

Separate cost records should be maintained for each project and reconciled regularly with the financial ledger.

The finance division should be regularly advised on all financial matters.

4.7.9 Cost Escalation Claims

Although, approximately one-third of the organisations indicated that provision was made in the contract for the inspection of the contractor's records supporting cost-escalation claims and verification, few inspections were made.

The functions of investigating contractors' claims and authorising payment were not usually segregated.

Recommendation:

Cost-escalation claims should be independently verified before payment.

4.7.10 Prime-Cost Items

Observation

The cost of prime-cost items often exceeds the amount allowed in the contract.

Generally, the responsibility for the selection of prime-cost items e.g. doors, windows, seats etc. was left to the professional officers or consultants of the organisation. Most organisations recognised that there was a need to check the authenticity of claims and to ensure that any unexpended prime-cost allowance was deducted from the contract sum. However, control over the actual cost of the prime-cost items was not rigorously enforced. More than half of the respondents indicated that the selection of a prime-cost item was not altered even though the cost exceeded the allowance.

Recommendation:

The prime-cost items selected should be checked to ensure that the actual cost of the items purchased approximates the allowable sum in the contract.

4.7.11 Completion of Works

Observations

User groups and client organisations are not always represented at the formal inspection of completed works or advised of any defects or additional work outside the contract terms prior to the issue of the certificate of practical completion.

Approximately 90 per cent. of all respondents indicated that there was a formal inspection of works prior to the issue of the certificate of practical completion. This inspection was usually carried out by the site supervisor or a senior member of the supervising team. A few respondents indicated that a copy of the certificate was not forwarded to the organisation.

Only half of the respondents advised that the inspection was undertaken by someone independent of the supervising team. The user group or client organisation was seldom represented.

Most Organisations ensured that claims against the contract were settled prior to the release of any retention sum. In some instances, payments for additional work outside the contract terms were authorised without reference and approval from the client organisation.

Recommendations:

Advice of defects, noted in the completed works, should be directed by the supervisor to the client and user group as well as the contractor.

User groups and client organisations should be given the opportunity of inspecting and commenting upon the completed works.

Additional works outside the contract terms should always be approved by the client organisation.

4.8 Maintenance and Final Acceptance

The maintenance and final acceptance spans a period from the issue of the certificate of practical completion to the final acceptance of the completed works by the organisation.

4.8.1 Commencement of Maintenance Period

Observation

The formal identification of the commencement of the maintenance period is not always determined by the person specified in the contract.

Most organisations indicated that the commencement of the maintenance period of completed works was formally identified by an architect or some other technically qualified person. This formal identification was determined in some small organisations by other persons contrary to the normal contract documentation.

Recommendation:

The identification of the commencement date of the maintenance period should be determined independently by the person nominated in the contract.

4.8.2 Defects in Completed Works

Observation

Major defects, noted in the maintenance period, are sometimes corrected by a third party.

The majority of organisations claimed that any defects in the completed works were corrected by the contractor early in the maintenance period. If necessary, the maintenance period was extended if major defects had to be rectified. The larger organisations were more likely to have found it was necessary for major defects, which became evident during the maintenance period, to be corrected by someone other than the contractor.

4.8.3 Final Settlement

Observation

Final clearance is not always sought from the client organisation before the release of the balance of the contract sum.

Most organisations claimed that the statement of the contract was reconciled with the financial records before the final settlement was effected.

The non-release of any sums, held by way of security deposits or retention sums, is the last occasion, prior to arbitration when an organisation has the power to formally establish a case with a contractor for disputed works. Less than half of the organisations sought final clearance from the controlling body of the organisation before releasing the outstanding balance.

Recommendation:

The final settlement of a contract should be cleared with the controlling body of an organisation.

4.9 Post-Contract

The post-contract stage covers the occupation and commissioning of the facility, its continual upkeep and maintenance.

4.9.1 Warranties, Maintenance and Operational Manuals

Observation

Information provided to user groups in respect of warranties, maintenance and operational manuals of equipment associated with a completed project is sometimes inadequate.

Generally, warranties, maintenance and operational manuals were supplied to the constructing organisations at the completion of a project. It was noted that few organisations sought a surety for a warranty given for an extended period.

User groups and client organisations appeared to be overlooked when warranties and operational manuals were distributed at the completion of the works. The provision of this information is essential to these organisations to ensure that warranties are invoked should any defect become evident during the warranty period.

In a number of organisations, particularly some engineering-oriented organisations, it was noted that operational instructions were not obtained for equipment supplied.

Recommendations:

User groups and client organisations should be supplied with maintenance and operational manuals and a copy of any warranties.

Sureties should be obtained from any company which provides a warranty on equipment for an extended period.

4.9.2 Safety and Emergency Guidelines

Observation

Safety guidelines are not always provided when the facility becomes operational.

The user groups and client organisations were not provided with the relevant information in respect of safety and emergency guidelines.

Recommendation:

All organisations using a facility should be provided with the appropriate instructions on safety and emergency measures.

4.9.3 Maintenance of Works

Observation

Organisations responsible for their own maintenance of completed projects are more satisfied with those arrangements than organisations which rely on another party for that maintenance.

Generally, maintenance of a facility was carried out by day-labour or a contractor on behalf of an organisation. Where works were undertaken for a client organisation by another, any maintenance on the facility was usually undertaken by the latter. There were instances of the client organisation conducting its own maintenance.

From the responses it would appear that no clear policy exists in relation to maintenance programs on a preventative or breakdown basis. Some organisations had established a preventative program whereas others had a policy of effecting repairs when breakdowns in the specific equipment of the facility occurred.

Funds for maintenance were usually allocated on an annual basis.

Recommendation:

A clearly defined maintenance policy should be established by each organisation to ensure that assets are efficiently maintained during their operational life.

4.9.4 Insurance of Completed Works

Observation

There is no consistent policy in respect of insurance cover on completed works.

Generally, all assets held by statutory authorities were claimed to be adequately insured against loss or damage. Assets controlled by a department were not usually covered by insurance, government policy being that, in the event of loss by fire etc., the cost of replacement will be met from the Public Account at the time of loss or damage.

Recommendation:

A cost benefit review should be undertaken to ascertain if there are savings to be derived from insuring all government assets as measured against the present replacement cost method at the time of loss or damage.

4.9.5 Asset Registers

Observation

Many organisations do not maintain an asset register of completed works.

Completed works may contain numerous items of expensive equipment. From the responses, it was evident that an asset register was not always maintained. Generally, large organisations maintained asset registers while small organisations did not.

Recommendation:

An asset register should be maintained by all organisations irrespective of size.



WORKS CONTRACTS OVERVIEW

QUESTIONNAIRE

1981

OFFICE OF THE AUDITOR-GENERAL

WORKS CONTRACTS - OVERVIEW
QUESTIONNAIRE

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1. INTRODUCTION

- 1.1 This questionnaire is the first stage in the study of the current contractual procedures of Departments and Authorities in respect of works.
- 1.2 This questionnaire is directed at Government Departments and Statutory Authorities, the accounts of which are audited by the Auditor-General.
- 1.3 Whilst the extent of the questionnaire is considerable, it has been designed to facilitate a quick reply to each question. Where frequency responses are sought the answers should not be the subject of extensive research. Approximations based on experience are sufficient.
- 1.4 In several questions frequency responses are sought. For your information, the specific properties of each expression are as follows:
- | | | |
|--------------|---|--------|
| Always | - | 100% |
| Frequently | - | 67-99% |
| Occasionally | - | 34-66% |
| Seldom | - | 1-33% |
| Never | - | 0% |
- 1.5 Wherever appropriate replies to questions should be answered by placing a tick (✓) in the appropriate box.
- 1.6 Answers of a statistical nature may be approximate. Narrative answers should be brief and concise. Responses, except where specified, should be for current procedures.
- 1.7 Works are defined as the purchase erection of and alternations and improvements to buildings and properties, other works and expenditure associated with buildings and properties, the provision, alteration etc. of furniture, fittings, plant, equipment tools and vehicles and expenditure incidental to these purposes.
- 1.8 Contracts in respect to works are defined as any form of agreement between any person or entity with a Government Department or Statutory Authority e.g. consultants, providers of contract labour, supplies and materials as well as builders and contractors.
- 1.9 Grants and subsidies paid by a Department/Authority to assist in works undertaken by another organisation and which remain the property of that organisation are not to be included for the purposes of this overview.
- 1.10 Where diverse activities in respect to works are administered by separate Divisions/Branches/Sections of a Department or Authority separate questionnaires may be completed by each appropriate area of activity.

In such cases this questionnaire may be photocopied or additional copies obtained by telephoning Mr. L. Fewster on 651-1296.

- 1.11 Sections 5 to 10 inclusive are only to be answered by a Department/Authority that carry out design and construction in their own right or on behalf of other Departments/Authorities.
- 1.12 It would be appreciated if replies are returned to the Office of the Auditor-General, 1 Macarthur Street, Melbourne, 3002 by

QUESTION

REPLY

2. GENERAL INFORMATION

NAME OF DEPARTMENT/AUTHORITY

.....

DIVISION/BRANCH/SECTION

.....

ADDRESS

.....

.....

NAME OF CONTACT PERSON

.....

TELEPHONE NO.

.....

2.1 Does the Department/Authority enter into any works contract of any form in its own right?

Yes () No ()

2.2 Does the Department/Authority use another organisation to carry out works on its behalf?

Yes () No ()

2.2.1 If Yes, who enters into the contractual arrangements for the works?

Department/Authority ()
Other Organisation ()

2.2.2 Does the Department/Authority for whom the works are being undertaken have any involvement in the contractual arrangements?

Yes () No ()

2.2.3 If Yes, what is the extent of control by the Department/Authority?

Physical Inspection ()
Financial Control ()
Contract/Financial Audit ()
Other (Please specify)

2.3 If answers to both 2.1 and 2.2 are No, only answer Section 11.

2.4 If answer to 2.1 was Yes, what was:

2.4.1 Number and total value of contracts entered into by the Department/ Authority during the past 3 years? (Financial or calendar year which ever is most convenient)

<u>Year</u>	<u>No. of Contracts</u>	<u>Total Value of Contracts</u>
....	\$.....
....	\$.....
....	\$.....

2.4.2 If practical, break up the number of contracts into the following categories for the latest year above?

<u>Value of Contract</u>	<u>No. of Contracts</u>
To maximum of \$10 000
\$10 001-\$250 000
\$250 001 - \$2 000 000
In excess of \$2 000 000
TOTAL

2.5 If answer to 2.2 was Yes, what was the number and total value of contracts during the past 3 years?

<u>Year</u>	<u>No. of Contracts</u>	<u>Total Value of Contracts</u>
....	\$.....
....	\$.....
....	\$.....

2.6 Does the Department/Authority document its policies on works?

Yes () No ()

2.6.1 If Yes, please advise file or publication number and name.

File or Publication No. Name

2.7 Are the Department/Authority procedures on works documented?

Yes () No ()

2.7.1. If Yes, please advise file or publication number and name

File or Publication No. Name

2.8 In relation to works contracts, are there delegations of authority for:

2.8.1 Scheme or Brief Approval? Yes () No ()
2.8.2 Funds Approval? Yes () No ()
2.8.3 Design Approval? Yes () No ()
2.8.4 Construction Approval? Yes () No ()
2.8.5 Payments Approval? Yes () No ()

2.9 What are the levels of delegated authorities for:

2.9.1 Scheme or Brief Approval?

Range of Delegation \$
Title of Delegate
Classification

2.9.2 Funds Approval?

.....
.....
.....
.....

2.9.3. Design Approval?

.....
.....

	<u>Range of Delegation</u>	<u>Title of Delegate</u>	<u>Classification</u>
2.9.4 Construction Approval?	\$

2.9.5 Payments Approval?

2.10 Does the Department/Authority maintain a register/s of all contracts entered into?

Yes () No ()

3. CONCEPT

The concept stage consists of the identification within a Department/ Authority of a need for some form of works and its general approval.

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
3.1 Once a need has been identified are alternative options analysed?	()	()	()	()	()
3.2 In respect of any concept:					
3.2.1 Are feasibility studies prepared?	()	()	()	()	()
3.2.2 Are impact statements prepared?	()	()	()	()	()
3.2.3 Are appropriate statutory authorities consulted?	()	()	()	()	()
3.2.4 Is the legal authority checked?	()	()	()	()	()
3.2.5 Is the availability of funds ascertained?	()	()	()	()	()
3.3 Are any of the Department/Authority's concepts subject to review by:					
3.3.1 Parliamentary Committee?	()	()	()	()	()
3.3.2 Cabinet?	()	()	()	()	()
3.3.3 Minister?	()	()	()	()	()
3.3.4 Interdepartmental Committee?	()	()	()	()	()

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
3.3.5 Outside Consultants?	()	()	()	()	()
3.3.6 Permanent Head/Chairman?	()	()	()	()	()
3.3.7 Board/Commission?	()	()	()	()	()
3.3.8 Interdepartmental/Authority Committee?	()	()	()	()	()
3.3.9 Other? (Please specify)	()	()	()	()	()
3.4 Who authorises the concept to proceed to the next stage:					
3.4.1 Governor in Council?	()	()	()	()	()
3.4.2 Cabinet?	()	()	()	()	()
3.4.3 Treasurer?	()	()	()	()	()
3.4.4 Minister?	()	()	()	()	()
3.4.5 Permanent Head/Chairman?	()	()	()	()	()
3.4.6 Board/Commission?	()	()	()	()	()
3.4.7 Other? (Please specify)	()	()	()	()	()

4. BRIEF - PREPARATION AND APPROVAL

The brief stage consists of the processes of documenting the detailed requirements so that specialist personnel can commence formulating a technical solution.

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
4.1 Once a concept has been approved, is a brief or document prepared in writing?	()	()	()	()	()
4.2 Is the brief prepared in conjunction with:					
4.2.1 Those who will occupy and/or utilize the facility?	()	()	()	()	()
4.2.2 The general public who will use the facility?	()	()	()	()	()
4.2.3 Those who will manage the facility?	()	()	()	()	()
4.2.4 Those who will design the facility?	()	()	()	()	()
4.2.5 Those who will supervise the construction of the facility?	()	()	()	()	()
4.2.6 Those representing the financing source?	()	()	()	()	()
4.2.7 Any other parties? (Please specify)	()	()	()	()	()
4.3 Is there any control to ensure that sectional interests do not dominate the brief?	Yes ()	No ()			
4.4 Are deviations from the generally accepted standards (e.g. Uniform Building Regulations and					

4.5 Are capital costs versus maintenance and operational costs considered and reasons for the decision incorporated in the brief?
 Yes () No ()

4.5.1 If Yes to the above question, what is the normal criteria for determining the cost:
 - minimum capital cost? Yes () No ()
 - minimum ownership cost? Yes () No ()
 - minimum operational cost? Yes () No ()
 - aesthetic considerations? Yes () No ()
 - standard of service to public? Yes () No ()
 - Other? (Please specify)

4.6 Are the following matters included in the brief:

4.6.1 Overall time table? Yes () No ()

4.6.2 Budget? Yes () No ()

4.6.3 Method of reporting progress against time table and budget? Yes () No ()

4.7 Who finally approves the brief:

4.7.1 Governor in Council? () () () () () ()

4.7.2 Cabinet? () () () () () ()

4.7.3 Treasurer? () () () () () ()

4.7.4 Minister? () () () () () ()

4.7.5 Permanent Head/Chairman/Board? () () () () () ()

4.7.6 Other? (Please specify)

5. PRELIMINARY DESIGN

The preliminary design stage consists of the examination of technical alternatives to meet the requirements of the brief, to finalise a solution and obtain a reasonable degree of accuracy in the extent, cost and timing of works

	<u>\$1-\$10 000</u> %	<u>\$10 001-\$250 000</u> %	<u>\$250 001-\$2 000 000</u> %	<u>In Excess of \$2 000 000</u> %
5.1 What proportion of the works program, including works for other Departments/ Authorities is designed in this stage by the following:				
5.1.1 Department/Authority's own staff?	-----	-----	-----	-----
5.1.2 Another Department/authority?	-----	-----	-----	-----
5.1.3 Outside consultants?	-----	-----	-----	-----
5.1.4 Outside consultants working on the Department/Authority's premises under detailed supervision of the Department/ Authority's staff?	-----	-----	-----	-----
5.1.5 Other? (Please specify)	-----	-----	-----	-----
	-----	-----	-----	-----
	100%	100%	100%	100%

5.2 If the services of consultants are retained, does the Department/Authority maintain a register of such consultants from which selection is made?

Yes () No ()

Classification

Title

5.3 Who approves the use of any outside design resources?

5.4 Are formal contracts entered into when outside design resources are utilised?

Yes () No ()

Classification

Title

5.4.1 Who determines the details of the contract?

5.4.2 Can these contracts be terminated?

Yes () No ()

5.5 Is cost planning used progressively during the preliminary design of the works?

Yes () No ()

5.6 Are selected contractors brought in at this stage to assist in:

5.6.1 Specialist Design?

Yes () No ()

5.6.2 Cost Planning?

Yes () No ()

5.7 If Yes, are they paid separately for this work?

Yes () No ()

5.8 Is the work of the consultants subject to supervision by the Department/Authority's staff of the same discipline?

Yes () No ()

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
5.9 During preliminary design are written reports regularly prepared in respect of:					
5.9.1 Design progress?	()	()	()	()	()
5.9.2 Cost Planning?	()	()	()	()	()
5.9.3 Anticipated problems and their effect on the project?	()	()	()	()	()
5.10 Are projections of funding requirements for the total project prepared?	Yes ()	No ()			
5.10.1 If Yes, what is the basis for calculating the projections:					
- Present day values?	Yes ()	No ()			
- Anticipated future costs?	Yes ()	No ()			
5.11 Are projections of the rate of return prepared for the project?	Yes ()	No ()			
5.11.1 If Yes, what is the basis for calculating the projections:					
- present day returns?	Yes ()	No ()			
- anticipated future returns?	Yes ()	No ()			
5.12 On completion of the preliminary design, is a review made to ensure that the need for the works still exists?	Yes ()	No ()			

5.13 On completion, is the preliminary design examined to ensure that it conforms:

Yes () No ()

5.13.1 To the brief?

Yes () No ()

5.14 Who authorises the project to proceed to detailed design?

Title

Classification

6. DETAILED DESIGN

The detailed design stage consists of the preparation of drawings, specifications and tender documents accompanied by accurate estimates of costs and time. It includes all necessary formal approvals and permits.

6.1	What proportion of the works program including works for other Departments/ Authorities is designed in this stage by the following:	\$1-10 000 %	\$10 001-250 000 %	\$250 001- \$2 000 000 %	Over \$2 000 000 %
6.1.1	Department/Authority's own staff?	-----	-----	-----	-----
6.1.2	Another Department/Authority?	-----	-----	-----	-----
6.1.3	Outside Consultants?	-----	-----	-----	-----
6.1.4	Outside consultants working on the Department/Authority's premises under detailed supervision of the Department/ Authority's staff?	-----	-----	-----	-----
6.1.5	Other? (Please specify)	-----	-----	-----	-----
		100%	100%	100%	100%

6.2 If the services of consultants are retained, does the Department/Authority maintain a register of such consultants from which selection is made?

Classification

Title

6.3 Who approves the use of any outside design resources?

6.4 Are formal contracts entered into when outside design resources are utilised?

Yes () No ()

6.4.1 Who determines the details of the contract?

Classification

Title

6.4.2 Can these contracts be terminated?

Yes () No ()

6.5 Is cost planning used progressively during the detailed design of the works?

Yes () No ()

6.6 Are selected contractors brought in at this stage to assist in:

6.6.1 Specialist Design?

Yes () No ()

6.6.2 Cost Planning?

Yes () No ()

6.7 If Yes, are they paid separately for this work?

Yes () No ()

6.8 Is the work of the consultants subject to supervision by the Department/Authority's staff of the same discipline?

Yes () No ()

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
6.9 During detailed design are written reports regularly prepared in respect of:					
6.9.1 Design progress?	()	()	()	()	()
6.9.2 Cost Planning?	()	()	()	()	()
6.9.3 Anticipated problems and their effect on the project?	()	()	()	()	()
6.10 Are projections of funding requirements for the total project prepared?	Yes ()	No ()			
6.10.1 If Yes, what is the basis for calculations of the projections:					
- Present day values?	Yes ()	No ()			
- Anticipated future costs?	Yes ()	No ()			
6.11 Are projections of the rate of return prepared for the project?	Yes ()	No ()			
6.11.1 If Yes, what is the basis for the calculations of the projections:					
- Present day returns?	Yes ()	No ()			
- Anticipated future returns?	Yes ()	No ()			
6.12 Who decides by what contractual means the works are to be constructed (i.e. day labour, sole contractor, multiple contractors etc.)?					

Title

Classification

6.13 Who decides on the type of tender (i.e. quotes, public, selective, negotiated tendering etc.)?

<u>Title</u>	_____	<u>Classification</u>	_____
	_____		_____

6.13.1 Is this decision documented?

Yes () No ()

6.14 Who decides the form of contract to be used (i.e. fixed price, lump sum, rise and fall etc.)?

<u>Title</u>	_____	<u>Classification</u>	_____
	_____		_____

6.14.1 Is this decision documented?

Yes () No ()

6.15 Is a standard format used for a tender and contract

Yes () No ()

6.15.1 If Yes, what standard is used:

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
- Department's/Authorities own standard?	()	()	()	()	()
- NPWC?	()	()	()	()	()
- SAA?	()	()	()	()	()
- Other? (Please specify)	()	()	()	()	()

6.15.2 Is this documentation regularly reviewed?

Yes () No ()

- 6.16 Could any of the clauses of the standard contract considered to be unfair by contractors? Yes () No ()
- 6.16.1 If practical, please provide clause Nos.

- 6.17 Are higher standards established by the Department/Authority for works already covered by Australian and/or Victorian standards and regulations? Yes () No ()
- 6.18 Where no standards exist, does the Department/Authority establish its own standards? Yes () No ()
- 6.19 Is the Department/Authority obliged at times to conform with either specifications or local requirements which involve greater expenditure than it considers necessary? Yes () No ()
- 6.20 Could specifications contain clauses considered to be unfair by contractors? Yes () No ()
- 6.21 During the detailed design stage is consideration given to:
6.21.1 Responsibility for obtaining permits? Yes () No ()

- 6.21.3 Value of liquidated damages? Yes () No ()
- 6.21.4 Provision for a deferred payment financing arrangement? Yes () No ()
- 6.21.5 Provision for leasing arrangements? Yes () No ()
- 6.21.6 Provision for direct payment to nominated subcontractor? Yes () No ()
- 6.21.7 Provision for direct contract payment to subcontractors? Yes () No ()
- 6.21.8 Extent of site possession? Yes () No ()
- 6.21.9 The need to analyse the tenders? Yes () No ()
- 6.21.10 Desirability of inclusion of prime cost sums? Yes () No ()
- 6.21.11 Insurance cover? Yes () No ()
- 6.21.12 Provision for bulk purchases? Yes () No ()
- 6.21.13 Sales tax exemptions? Yes () No ()
- 6.21.14 The need to audit the contractor's books? Yes () No ()
- 6.21.15 Method of Construction? Yes () No ()
- 6.22 Are these considerations documented and approved by responsible officers? Yes () No ()

7. PRE-TENDER CALL REVIEW

The pre-tender call review is the final check that the works are required in the form proposed. This review also embraces checks on time and cost estimates and ensures that all necessary approvals have been obtained.

7.1 At the end of the detailed design stage, does the Department/Authority ensure that:

- 7.1.1 the need as per Brief is still existent? Yes () No ()
- 7.1.2 the design conforms to the Brief? Yes () No ()
- 7.1.3 an up to date cost estimate is available and that it conforms to the feasibility projection? Yes () No ()
- 7.1.4 funds are available for the project? Yes () No ()
- 7.1.5 legal authority for the project still exists? Yes () No ()
- 7.1.6 all legislative requirements have been met? Yes () No ()
- 7.1.7 the design conforms to all appropriate regulations? Yes () No ()
- 7.1.8 all necessary permits have been obtained or are obtainable? Yes () No ()
- 7.1.9 the design conforms to the permit

7.1.10 all necessary impact statements have been prepared and agreement reached so that the project will not encounter unnecessary opposition?

Yes () No ()

7.1.11 all specific preliminary requirements of the project have been attained (e.g. availability of land)?

Yes () No ()

7.1.12 draft contractual documents are perused by the following:

- legal?

Yes () No ()

- architects, engineers, surveyors etc.?

Yes () No ()

7.2 Following this review, who authorises the tender call:

7.2.1 Cabinet?

()

Frequently

()

Occasionally

()

Seldom

()

Never

()

7.2.2 Minister?

()

()

()

()

()

7.2.3 Permanent Head/Chairman/?

()

()

()

()

()

7.2.4 Board/Commission?

()

()

()

()

()

7.2.5 Other? (Please specify)

()

()

()

()

()

8. TENDER CALL AND AWARD

The tender call and award stage consists of the processes involved from the calling of tenders to the signing of the contract.

8.1 Who is responsible for authorising the format details of a public tender i.e. tender advertisement in newspapers etc. (including closing date of tenders)?

Title

Classification

8.2 If tenders are to be selective, who approves the contractors to be invited to submit bids?

8.3 If tenders are to be negotiated, who approves of the selected contractor?

8.4 If additional information is given to a prospective tenderer, is this additional information recorded and also provided to other prospective tenderers?

8.5 Is a list of persons who have obtained tender documents retained?

8.6 Does the Department/Authority charge a deposit for tender documents?

Yes () No ()

Yes () No ()

Always

Occasionally

Seldom

Never

() () () ()
() () () ()
() () () ()
() () () ()

- 8.7 Is a register of document deposits maintained? Yes () No ()
- 8.7.1 What is the average time for the refund of document deposits following the return of the plans etc.?
----- weeks
- | | <u>Always</u> | <u>Frequently</u> | <u>Occasionally</u> | <u>Seldom</u> | <u>Never</u> |
|--|---------------|-------------------|---------------------|---------------|--------------|
| 8.8 Is a secure tender box used for lodgement of tenders? | () | () | () | () | () |
| 8.9 Is the tender box opened in the presence of at least two responsible officers? | () | () | () | () | () |
| 8.10 Are the tenders opened in the presence of at least two responsible officers? | () | () | () | () | () |
| 8.11 Is the public allowed to attend at the opening of tenders? | () | () | () | () | () |
| 8.12 Are the tenders immediately summarised? | () | () | () | () | () |
| 8.13 Following the opening of tenders are all of the names of tenderers and the total value of each quote released for public information? | () | () | () | () | () |
| 8.13.1 Alternatively, is there a partial release of information? | () | () | () | () | () |
| 8.14 Are tender documents maintained in a secure situation prior to the award of the contract? | () | () | () | () | () |

8.15 Are late or informal tenders ever accepted?

<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
()	()	()	()	()
()	()	()	()	()

8.16 Are alternative tenders accepted?

8.16.1 If Yes, is an attempt made to reduce them to a common basis for comparison purposes?

Yes () No ()

8.17 Who evaluates the tenders?

<u>Title</u>	<u>Classification</u>
_____	_____
_____	_____
_____	_____
_____	_____

8.18 Who evaluates and arranges a negotiated contract?

8.19 Does the evaluation of a tender or a negotiated contracts include a comparison with:

<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
()	()	()	()	()

8.19.1 the current cost estimate?

8.19.2 the appropriate components of the original project estimate suitably updated?

()	()	()	()	()
-----	-----	-----	-----	-----

8.20 Is a written evaluation made of the competence and financial standing of a tenderer in relation to a proposed contracts?

Yes () No ()

<u>Title</u>	<u>Classification</u>			

<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
8.20.1 If Yes, by whom is the evaluation carried out?	()	()	()	()
8.21 Is the lowest tender always accepted for:				
8.21.1 A public tender?	()	()	()	()
8.21.2 A selective tender?	()	()	()	()
8.22 Where lowest tender is not accepted, are reasons documented?	()	()	()	()
8.23 Is the tender price ever adjusted:				
8.23.1 If an error is found in a price schedule forming part of the tender?	()	()	()	()
8.23.2 At the request of the tenderer?	()	()	()	()
8.24 Is it normal to require tender deposits/securities? If Yes,	()	()	()	()
8.24.1 Is a register of tender deposits/securities maintained?	Yes ()	No ()		
8.24.2 Are tender deposits maintained in a separate account?	Yes ()	No ()		
8.24.3 Is the account interest bearing?	Yes ()	No ()		
8.24.4 Are tender securities maintained in a safe place?	Yes ()	No ()		

8.24.5	Are tender deposits ever forfeited?	Yes () No ()		
8.24.6	What is the average time from closing of tenders to the return of deposits/ securities to unsuccessful tenderers?	----- weeks		
8.25	If a tender deposit is required but is not received, is the tender considered informal?	Yes () No ()		
8.26	Who approves the award of the contract where:	<u>Title</u>	<u>Classification</u>	
8.26.1	Contract value does not exceed \$10,000?	-----	-----	
8.26.2	Contract value \$10,001-\$250,000?	-----	-----	
8.26.3	Contract value \$250,001-\$2,000,00?	-----	-----	
8.26.4	Contract value exceeds \$2,000,000?	-----	-----	
8.27	What proportion of works contracts are awarded after obtaining offers by the following means:			
	Public Tender Call?	\$1-10 000	\$250 001-	Over
	Selective Tender Call? (including quotes)	%	\$200 000	\$2 000 000
	Negotiated Tenders?	-----	-----	-----
	Retailer's/Wholesalers/Manufacture's price list?	-----	-----	-----
	Other? (Please specify.)	-----	-----	-----
		100%	100%	100%

8.28	Who is required to notify:	<u>Title</u>	<u>Classification</u>
8.28.1	The successful tenderer?	_____	_____
8.28.2	The unsuccessful tenderers?	_____	_____
8.29	Is the unsuccessful tenderer informed in writing of:		
8.29.1	The award of the contract?	Yes () No ()	
8.29.2	The name of the contractor?	Yes () No ()	
8.29.3	The value of the contract?	Yes () No ()	
8.30	Is the letter of acceptance subject to:		
8.30.1	Legal check?	Yes () No ()	
8.30.2	Other professional check?	Yes () No ()	
8.31	Is the letter of acceptance considered sufficient authority for the contract work to commence?	Yes () No ()	
8.31.1	If Yes, how soon after the letter of acceptance is the formal contract signed and sealed?	----- weeks	
8.32	How frequently are letters of intent used to enter into contracts?	<u>Always</u>	<u>Occasionally</u> <u>Seldom</u> <u>Never</u>
		() () ()	() () ()
8.33	Who authorises the use of a letter of intent?	<u>Title</u>	<u>Classification</u>
		_____	_____

8.34	Who has the authority to sign the contract:	_____	<u>Classification</u>
8.34.1	Contract value not exceeding \$10,000?	_____	_____
8.34.2	Contract value \$10 001-\$250 000?	_____	_____
8.34.3	Contract value \$250 001-\$2 000 000?	_____	_____
8.34.4	Contract value exceeding \$2,000,000?	_____	_____
8.35	Are all discussions, agreed with the prospective contractor, documented?	() () () ()	<u>Always</u> <u>Frequently</u> <u>Occasionally</u> <u>Seldom</u> <u>Never</u>
8.36	Is the final contract vetted by a person with legal qualifications to ensure that the interests of the Department/Authority are safeguarded?	Yes () No ()	() () () ()
8.37	Prior to signing the contract, who ensures that contract documentation is complete (including provision by contractor of securities and insurances)?	_____	<u>Classification</u>
8.38	Who supervises and witnesses the signing of the contract by the contractor?	_____	<u>Classification</u>
8.39	Who signs the contract on behalf of the Department/Authority?	_____	<u>Classification</u>

8.40 Is stamp duty paid by the Department/
Authority on contractual documents? Yes () No ()

8.41 Are the details of the anticipated contractual
commitments, including rise and
fall provisions, forwarded to the Finance
Division for appropriate recording? Yes () No ()

8.42 Is a security deposit required from the
contractor? Yes () No ()

<u>Title</u>	<u>Classification</u>
8.42.1 If Yes, who receives the security deposit in the first instance?	_____
_____	_____

8.42.2 Is a register maintained of all security
deposits received? Yes () No ()

<u>Title</u>	<u>Classification</u>
8.42.3 Who maintains the register?	_____
_____	_____

8.42.4 Are security deposits maintained
in a separate account? Yes () No ()

8.42.5 Is the account interest bearing? Yes () No ()

8.42.6 Are securities (bank guarantees,
bonds etc.) maintained in a safe place? Yes () No ()

- 8.43 Is action taken if the contractor fails to lodge the security deposit within the prescribed time? Yes () No ()
- 8.44 Is the security deposit retained until the finalisation of the contract? Yes () No ()
- 8.45 Alternatively, is it released to the contractor when the retention sum exceeds the amount of the deposit? Yes () No ()
- 8.46 Are Government directions on preferences observed? e.g. bricks Yes () No ()
- 8.47 Are claims made for reimbursement of expenditure resulting from Government preference schemes? Yes () No ()

9. CONSTRUCTION

The construction stage covers that period from the contractor being granted or taking possession of the site to the payment made on issue of the certificate of practical completion.

SITE SUPERVISION

	<u>Always</u> ()	<u>Frequently</u> ()	<u>Occasionally</u> ()	<u>Seldom</u> ()	<u>Never</u> ()
9.1 Are site supervisors employed?					
9.2 Who determines whether on-site supervisors need to be employed:					
9.2.1 Department/Authority?	()	()	()	()	()
9.2.2 Contractor?	()	()	()	()	()
9.2.3 Consultants?	()	()	()	()	()
9.3 Who employs them:					
9.3.1 Department/Authority?	()	()	()	()	()
9.3.2 Contractor?	()	()	()	()	()
9.3.3 Consultants?	()	()	()	()	()
9.4 What qualifications are required:					
9.4.1 Practical experience?	()	()	()	()	()
9.4.2 Trade Training?	()	()	()	()	()
9.4.3 Trade Qualifications?	()	()	()	()	()
9.4.4 Tertiary Qualifications?	()	()	()	()	()

Title _____ Classification _____

9.5 To whom do the on-site supervisors report?

REPORTS

9.6 Are written reports of the on-site supervisor submitted to management of the Department/Authority?

Yes () No ()

9.6.1 If Yes, how frequently are such reports submitted?

Daily ()
 Weekly ()
 Monthly ()
 Other - (Please specify)

9.6.2 Who is responsible to act on these reports?

Title _____ Classification _____

9.7 If the above reports contain indications of major problems, are there procedures to enable a rapid reappraisal of the project to be made?

Yes () No ()

9.7.1 If Yes, what is the average reaction time period taken to issue revised instructions?

1 Day ()
 1 Week ()
 1 Month ()
 Other - (Please specify)

9.8 Is action taken by the Department/Authority in the event of failure by the contractor to meet his contractual obligations as to:

- 9.8.1 Time? () () () () () ()
- 9.8.2 Quality of product? () () () () () ()
- 9.8.3 Quantity of product? () () () () () ()

9.9 When action is taken, does such action include:

- 9.9.1 Letter of complaint? () () () () () ()
- 9.9.2 Formal action under the contract resulting in recovery of damages? () () () () () ()
- 9.9.3 Taking work wholly or partly out of the hands of the contractor? () () () () () ()
- 9.9.4 Cancellation of contract? () () () () () ()

CONTRACT PERIOD

- 9.10 Is the contractor required to formally request adjustment of the contract period? Yes () No ()
- 9.11 Are possible reasons for variations in the period of the contract documented as they occur? Yes () No ()
- 9.12 Are formal variations to the period of the contract documented? Yes () No ()

9.13 Who approves variations to the contract period?

<u>Title</u>	<u>Classification</u>
_____	_____
_____	_____

9.14 Are the consequences of such variations to the contract period advised formally to:

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
9.14.1 The client?	()	()	()	()	()
9.14.2 The Finance Division?	()	()	()	()	()
9.14.3 Other? (Please specify)	()	()	()	()	()

9.15 If extension of time is granted, are checks made to ensure that the contractor extends the following:

9.15.1 Security Guarantees?	()	()	()	()	()
9.15.2 Insurances?	()	()	()	()	()
9.15.3 Permits and Statutory Approvals?	()	()	()	()	()

TESTING

9.16 Is it the policy of the Department/Authority to ensure that adequate checks/tests are carried out throughout construction?

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
	()	()	()	()	()

9.17 Are the checks/tests performed by:

9.17.1 Field staff of the Department/ Authority?	()	()	()	()	()
--	-----	-----	-----	-----	-----

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
9.17.2 Laboratory staff of the Department/ Authority?	()	()	()	()	()
9.17.3 Supervisory consultants?	()	()	()	()	()
9.17.4 Outside research consultants?	()	()	()	()	()
9.17.5 Contractor?	()	()	()	()	()
9.18 Are written reports of such checks/ tests submitted to management by:					
9.18.1 Field staff of the Department/Authority?	()	()	()	()	()
9.18.2 Laboratory staff of the Department/ Authority?	()	()	()	()	()
9.18.3 Supervisory consultants?	()	()	()	()	()
9.18.4 Outside research consultants?	()	()	()	()	()
9.18.5 Contractors?	()	()	()	()	()
9.19 Does management take the following action in the event of an unsatisfactory report:					
9.19.1 Letter of complaint?	()	()	()	()	()
9.19.2 Ensure that the work is rectified?	()	()	()	()	()
9.19.3 Ensure removal of defective work and replacement?	()	()	()	()	()
9.19.4 Formal action under contract resulting in recovery of damages?	()	()	()	()	()

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
9.19.5 Taking work wholly or partially out of the hands of the contractor?	()	()	()	()	()
9.19.6 Cancellation of contract?	()	()	()	()	()

- 9.20 Have instances occurred when defective work has been covered up or built over whilst the subject of unsatisfactory tests?
- 9.21 Does the Department/Authority have an independent internal technical audit group who ensures that the supervisory procedures are adequate and are operating?

Yes () No ()

<u>Title</u>	<u>Classification</u>
_____	_____
_____	_____

VARIATIONS

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
9.22 Who initiates variations within the contract provisions:					
9.22.1 User group?	()	()	()	()	()
9.22.2 Design team?	()	()	()	()	()
9.22.3 Supervision team?	()	()	()	()	()
9.22.4 Contractors?	()	()	()	()	()
9.22.5 Other? (Please specify)	()	()	()	()	()

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
9.23 Who provides the technical report for any such variation:					
9.23.1 Design Team?	()	()	()	()	()
9.23.2 Supervision Team?	()	()	()	()	()
9.23.3 Jointly by the two above?	()	()	()	()	()
9.23.4 Other? (Please specify)	()	()	()	()	()
9.24 Who examines and reports on the financial implications of a variation which is within the contract provisions:					
9.24.1 Supervisor?	()	()	()	()	()
9.24.2 Quantity Surveyor/Estimator?	()	()	()	()	()
9.24.3 Jointly by the two above?	()	()	()	()	()
9.24.4 Other? (Please specify)	()	()	()	()	()
9.25 Does the Department/Authority negotiate a price for a proposed variation prior to commencement of work by the contractor?	()	()	()	()	()

<u>Title</u>	<u>Classification</u>
9.25.1 By whom are the negotiations conducted?	_____

	<u>Title</u>	<u>Classification</u>				
		<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
9.26	Who is responsible for finally approving the variation on receipt of technical and financial submissions?	()	()	()	()	()
9.27	Who initiates variations outside the <u>contract sum</u> :					
	9.27.1 User group?	()	()	()	()	()
	9.27.2 Design team?	()	()	()	()	()
	9.27.3 Supervision team?	()	()	()	()	()
	9.27.4 Contractor?	()	()	()	()	()
	9.27.5 Other? (Please specify)	()	()	()	()	()
9.28	Who provides the technical report for any such variation					
	9.28.1 Design Team?	()	()	()	()	()
	9.28.2 Supervision Team?	()	()	()	()	()
	9.28.3 Jointly by the two above?	()	()	()	()	()
	9.28.4 Other? (Please specify)	()	()	()	()	()

9.29 Who examines and reports the financial implications of a variation which is outside the contract sum:

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
9.29.1 Supervisor?	()	()	()	()	()
9.29.2 Quantity Surveyor/Estimator?	()	()	()	()	()
9.29.3 Jointly by the two above?	()	()	()	()	()
9.29.4 Finance Division?	()	()	()	()	()
9.29.5 Other? (Please specify)	()	()	()	()	()

9.30 Does the Department/Authority negotiate a price to a proposed variation prior to commencement of work by the contractor?

() () () () ()

9.30.1 By whom are the negotiations conducted?

<u>Title</u>	<u>Classification</u>
_____	_____
<u>Title</u>	<u>Classification</u>
_____	_____
_____	_____
_____	_____

9.31 Who is responsible for finally approving the variation on receipt of technical and financial submissions?

	<u>Title</u>	<u>Classification</u>
_____	_____	_____
_____	_____	_____

9.32 Who is responsible for issuing directions to ensure that any variations both inside and outside the contract provisions are authorised without undue delay?

9.33 Does the Department/Authority have procedures to ensure that details of the approved variations are forwarded to the Finance Division for notation?

Yes () No ()

MEASUREMENT OF WORKS

9.34 Are the bills of quantities/ estimates checked independent of the supervisory staff?

<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
()	()	()	()	()

9.35 Are the bills of quantities/estimates endorsed by an independent estimator?

()	()	()	()	()
-----	-----	-----	-----	-----

9.36 What percentage tolerance is permitted on actual measured quantities against the original estimated quantities before an investigation is instituted?

+ _____ %
- _____ %

9.37 When final quantities are to be measured how many representatives of the supervisor are present?

Number -----

9.38 When day to day quantities are measured how many representatives of the supervisor are present?

Number -----

9.39 Are any independent checks made on

PAYMENTS

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
9.40 Do works contracts provide for progress payments?	()	()	()	()	()
9.41 How often are works contracts subject to deferred payment financing?	()	()	()	()	()
9.42 How often are works contracts subject to leasing arrangements?	()	()	()	()	()
9.43 Are there instances where progress payments are not made in accordance with the conditions of the contract?	()	()	()	()	()
9.44 Are any complaints received from contractors regarding delays in progress payments?	()	()	()	()	()
9.44.1 How often are these complaints justified?	()	()	()	()	()
9.45 Are there occasions when payments are made in advance of receipt of progress payment certificates?	Yes ()	No ()			
9.46 Are the reasons for any advance payments documented on file?	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
	()	()	()	()	()
9.47 Are there instances where retention sums are banked in a joint account?	Yes ()	No ()			
9.47.1 If Yes, is the account interest bearing?	Yes ()	No ()			

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
9.48 How frequently do you pay sub-contractors direct where:					
9.48.1 Provision is made in the contract?	()	()	()	()	()
9.48.2 there is no provision in the contract?	()	()	()	()	()
9.49 How frequently have direct payments to sub-contractors been:					
9.49.1 The subject of correspondence and dispute?	()	()	()	()	()
9.49.2 the subject of industrial action?	()	()	()	()	()
<u>PROJECT BUDGETARY CONTROL</u>					
9.50 Is a master record of the total estimated project costs maintained?	Yes ()	No ()			
9.51 Is a master record of the total project commitment maintained?	Yes ()	No ()			
9.52 Are these records continually updated with changing circumstances i.e. inflation etc. if the project extends over a period of years?	Yes ()	No ()			
9.53 Is progressive expenditure on contracts under the project monitored against the estimated project costs?	Yes ()	No ()			
9.54 What percentage tolerance of diversions from the estimated project cost is					

FINANCIAL RECORDS

- 9.55 Does the Department/Authority maintain separate financial records for each contract? Yes () No ()
- 9.56 If Yes, do the financial records include provision for:
- 9.56.1 details of payments associated with the contract? Yes () No ()
- 9.56.2 Amounts charged and to be recouped from the contract sum? Yes () No ()
- 9.56.3 total contract sum and variations thereto? Yes () No ()
- 9.56.4 progressive accumulated totals? Yes () No ()
- 9.57 Are the above records regularly reconciled with the Finance Division ledger? Yes () No ()
- 9.58 Is a separate record maintained of direct payments to sub-contractors? Yes () No ()
- 9.59 Is this record reconciled with the financial record of contract? Yes () No ()

COST ESCALATION CLAIMS (RISE AND FALL)

- 9.60 Is it the policy of the Department/ Authority to provide in the contract that inspections are permitted of the contractor's records to verify claims? Yes () No ()

9.61 If No, does the Department/
Authority request adequate evidence from a
contractor to support a cost escalation
claim?

Yes () No ()

9.62 Who examines and reports upon
the results of formulae used to support
escalation claims?

Title

Classification

9.63 Who authorizes payments in respect of
cost escalation claims?

Title

Classification

PRIME COST ITEMS

9.64 Who is responsible for selecting
the prime cost items?

Title

Classification

9.65 Is selection permitted to remain
if the amount to be expended exceeds the
prime cost sum?

Always

() ()

Frequently

() ()

Occasionally

() ()

Seldom

() ()

Never

9.66 Is the authenticity of prime cost
claims checked?

Yes () No ()

9.67 Are checks imposed to ensure that prime cost
items are received and used on
the work related to the contract?

Yes () No ()

9.68 Are checks imposed to ensure that unexpended prime cost amounts are deducted from the contract sum?

Yes () No ()

PROVISIONAL (CONTINGENCY) SUM

9.69 Is it policy to provide for a provisional (contingency) sum in a contract?

Yes () No ()

9.70 If Yes, is the provisional (contingency) sum a fixed percentage of the contract sum?

Yes () No ()

Classification

Title

9.71 Who authorises payments from the provisional (contingency) sum?

9.72 Is the provisional (contingency) sum included in the contract sum?

Yes () No ()

9.73 Are checks imposed to ensure that any unexpended portion of the provisional (contingency) sum is deducted from the contract?

Yes () No ()

COMPLETION OF WORKS

9.74 Is the Finance Division informed when the works are completed?

Yes () No ()

9.75 Does the Department/Authority receive a certificate of practical completion?

Yes () No ()

- 9.76 Is there a formal inspection of works prior to the issue of the certificate of practical completion? Yes () No ()
- 9.77 Who makes the inspection:
- 9.77.1 A person independent of the supervision staff? Always () Frequently () Occasionally () Seldom () Never ()
 - 9.77.2 Site supervisor? Always () Frequently () Occasionally () Seldom () Never ()
 - 9.77.3 Senior member of the supervision staff? Always () Frequently () Occasionally () Seldom () Never ()
 - 9.77.4 Representatives of the user groups? Always () Frequently () Occasionally () Seldom () Never ()
 - 9.77.5 Other? (Please specify) Always () Frequently () Occasionally () Seldom () Never ()
- 9.78 Does the contractor also receive a copy of the certificate of practical completion? Yes () No ()
- 9.79 Is a list of defects and omissions also provided? Yes () No ()
- 9.80 Is a partial release of the retention sum (if any) authorised? Yes () No ()
- 9.81 Is a check made to ensure that all claims against the contract have been settled prior to the release of the retention sum? Yes () No ()
- 9.82 Are there controls to ensure that payments in respect of works outside the contract are not also included in the progress payment of the contract? Yes () No ()

9.83 Who authorises payments in respect of works done outside the terms of the contract?

Title

Classification

10. MAINTENANCE AND FINAL ACCEPTANCE

Maintenance and final acceptance covers that period from the certificate of practical completion to final acceptance.

<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
()	()	()	()	()

10.1 Is the commencement of the maintenance period formally identified?

<u>Title</u>	<u>Classification</u>
_____	_____

10.2 Who is responsible for authorising the commencement of the maintenance period?

<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
()	()	()	()	()

10.3 Are minor omissions and defects required to be rectified early in the maintenance period?

10.4 Have any major defects, which became evident during the maintenance period, been corrected by others during the past 3 years?

Yes () No ()

10.5 Is there a formal inspection at the completion of the maintenance period?

Yes () No ()

<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
()	()	()	()	()

10.6 If Yes, who makes the formal inspection:

10.6.1 a person independent of the supervision staff? () () () () ()

10.6.2 the site supervisor? () () () () ()

10.6.3 senior member of supervision staff? () () () () ()

10.6.4 representatives of the user groups? () () () () () ()

10.6.5 Others? (Please specify)..... () () () () () ()

10.7 Is a certificate of completion issued at the end of the maintenance period? Always Frequently Occasionally Seldom Never
 () () () () () ()

10.8 Who authorises the release of any remaining security deposits and retention sums? _____
Title Classification

10.9 Does the Finance Division complete a reconciliation statement of the contract before final payment? Yes () No ()

10.10 Is the maintenance period extended if a major defect occurs during the maintenance period? Yes () No ()

10.11 If Yes, does the extension apply to:
 10.11.1 the whole contract? Yes () No ()

10.11.2 the defective portion only? Yes () No ()

10.12 Are appropriate maintenance manuals and instructions obtained for all equipment? Yes () No ()

10.13 Are all warranties on the equipment lodged with the manufacturer in the name of the Department/Authority? Yes () No ()

10.14 Are the warranties invoked during their currency? Yes () No ()

10.15 Are sureties obtained where warranties are given for an extended period e.g. 10 years?

Yes () No ()

10.16 Are all appropriate clearances obtained from relevant parties before final certificate?

Always

()

Frequently

()

Occasionally

()

Seldom

()

Never

()

11. POST-CONTRACT

The post contract stage covers the occupation and commissioning of the facility, its continual upkeep and maintenance.

11.1 What is the average time for effectively putting the completed works to use? ----- weeks

11.2 Is the user group provided with an operational manual which includes provision for:

11.2.1 information on warranties? Yes () No ()

11.2.2 operational instructions on equipment? Yes () No ()

11.2.3 maintenance instructions on equipment and buildings? Yes () No ()

11.2.4 emergency and safety matters? Yes () No ()

11.3 Is the maintenance of the works of Department/Authority carried out:

11.3.1 directly by day labour or a contractor? () () () ()

11.3.2 by another Government Agency? () () () ()

11.3.3 jointly with another Government Agency? () () () ()

11.3.4 Other? (Please specify)

Always Frequently Occasionally Seldom Never

11.4 Where maintenance is the Department/
Authority's responsibility, is it
carried out on the basis of:

	<u>Always</u>	<u>Frequently</u>	<u>Occasionally</u>	<u>Seldom</u>	<u>Never</u>
11.4.1 preventative maintenance?	()	()	()	()	()
11.4.2 break-down maintenance?	()	()	()	()	()
11.5 Are maintenance funds allocated annually for each completed work?	()	()	()	()	()

11.6 Are the allocated funds considered
adequate?

Yes () No ()

11.7 Is there a specific person responsible
for maintenance of completed
works?

Yes () No ()

11.7.1 If Yes, does the person hold
appropriate qualifications?

Yes () No ()

11.8 Does the Department/Authority consider
that the maintenance of the works
is adequate?

Yes () No ()

11.9 Are adequate insurance policies
maintained on completed works?

Yes () No ()

11.10 Does the Department/Authority
maintain an Asset/Properties
Register for completed works?

Yes () No ()

LIST OF ORGANISATIONS ISSUED WITH THE QUESTIONNAIRE

Agriculture, Department of
Arts, Ministry for the
Conservation, Ministry of
Country Roads Board
Education Department
Forests Commission
Health Commission
Labour and Industry, Department of
Lands and Survey, Department of
Local Government Department
Minerals and Energy, Department of
Premier, Department of the
Property and Services, Department of
Public Works Department
Railways
Road Safety and Traffic Authority
Community Welfare, Department of
Ministry for Economic Development
S.R. and W.S.C.
Transport, Ministry of
Transport Regulation Board
Treasury
Youth, Sport & Recreation, Department of
Law Department
Consumer Affairs Office
Planning, Department of
Police and Emergency Services, Ministry of
Albury-Wodonga (Vic.) Corporation
Cancer Institute Board
Council of Adult Education
Country Fire Authority
Victorian Egg Marketing Board
Emerald Tourist Railway Board
Exhibition Trustees
Gas and Fuel Corporation
Port of Geelong Authority
Grain Elevators Board
Latrobe Valley Water and Sewerage Board
Melbourne & Metropolitan Board of Works
Melbourne & Metropolitan Tramways Board
Melbourne Underground Rail Loop Authority
Melbourne Wholesale Fruit & Vegetable M.T.
Metropolitan Fire Brigades Board
Metropolitan Fire Brigades Superannuation
Port of Portland Harbor Authority
Port of Melbourne Authority
State Electricity Commission
State Insurance Office
Swan Hill Pioneer Settlement
Totalizator Agency Board

Trotting Control Board
 Upper Yarra Valley Authority
 Victorian Arts Centre Trust
 Victorian Dairy Industry Authority
 Victorian Government Travel Authority
 Victorian Public Offices Corporation
 Dandenong Valley Authority
 Victorian Brown Coal Council
 Country Grain Handling Improvement Auth.
 Geelong Grain Handling Improvement Auth.
 Portland Grain Handling Improvement Auth.
 Victorian Film Corporation
 Railway Construction and Property Board
 Urban Land Authority
 Trustees of the National Gallery
 Building Trustees of the State Library etc.
 Rural Finance Commission
 Geelong Performing Arts Centre
 Victorian Post-Secondary Ed. Commission
 Institute of Educational Administration
 West Gate Bridge Authority
 Albert Park Committee of Management
 Buchan Caves Committee of Management
 Mt. Buller Alpine Reserve Comm. of M/Ment
 Mt. Hotham Alpine Reserve Comm. of M/Ment
 Olympic Park Committee of Management
 Sir Colin Mackenzie Fauna Park
 Yarra Bend Park Trust
 Institute of Catholic Education - H.O.
 I.C.E. - Christ College
 I.C.E. - Mercy College
 I.C.E. - Aquinas College
 S.C.V. - Hawthorn
 S.C.V. - Coburg
 S.C.V. - I.E.C.D.
 S.C.V. - Burwood
 S.C.V. - Frankston
 S.C.V. - Rusden
 S.C.V. - Melbourne
 S.C.V. - Toorak
 Ballarat School of Mines
 University of Melbourne
 Monash University
 La Trobe University
 Deakin University
 Footscray Institute of Technology
 Warrnambool Institute of Adv. Education
 Royal Melbourne Institute of Technology
 Ballarat College of Advanced Education
 Lincoln Institute of Health Sciences
 Gippsland Institute of Advanced Education
 Caulfield Institute of Technology
 Victorian College of Pharmacy
 Preston Institute of Technology

Swinburne Institute of Technology
Victorian College of the Arts
Prahran College of Advanced Education
Bendigo College of Advanced Education
State Library & National Museum Building Committee
Ministry of Water Resources & Water Supply
First Mildura Irrigation Trust
Mildura Urban Waterworks Trust
Sandringham Primary School
Hurstbridge Primary School
Ballarat Special School
Footscray Technical School