

Dear Principal

Managing your own Building the Education Revolution project

The BER Program Office is re offering the opportunity to school Principals to self manage their Primary Schools for the 21st Century minor works projects.

The BER Program Office has updated the existing self management guidelines based on the former National School Pride guidelines which were provided to school Principals in 2009.

The attached provides further information to help you make an informed choice about whether this is what you want to do for your P21 project. You can choose to either manage all this work yourself, or have it all managed by your local Asset Management Unit, in consultation with the BER Program Office. It's your call.

The attached paper, *Self Management for BER Minor Works*, provides information on the legal and BER-related obligations that would apply if you were to manage your own BER project. It also provides some guidance on project management, and how to control the associated risks.

Importantly, there is no requirement to lodge a 10% security deposit for BER projects, nor will applications be assessed by the Infrastructure Co-ordinator General. If you want to manage your project, you can.

The Department has prepared the self management process in consultation with the NSW Secondary Principals' Council and the Primary Principals' Association.

Please email any questions on the document to BER@det.nsw.edu.au with 'local project management – question' as the subject. Then, if you decide that you want to manage your own BER project, please fill in the attached form and fax it to (02) 9561 1764, as soon as possible so we can move ahead with you project.

I look forward to continuing to work with you to get the best result for NSW public schools.

Angus Dawson
BER Program Director
June 2011

Application to self manage projects (minor works) funded under the Primary Schools for the 21st Century program

I, _____,
(print your name)

the Principal of _____,
(insert the name of your school)

apply to manage the following project(s) at my school:

1. _____
2. _____
3. _____
4. _____
5. _____

that will be funded under the Commonwealth Government's Primary Schools for the 21st Century Program.

- I have read the document *Self Management for BER Minor Works*.
- I understand and will satisfy the obligations on me, as a project manager, under Federal, State and local laws.
- I have read the document *Building the Education Revolution Guidelines* version 6 (15 March 2011) published by the Australian Government, and I understand the requirements of the Primary Schools for the 21st Century program.
- I have discussed this application with the President of my school's Parents and Citizens Association, who has agreed with my intention to manage the projects listed above.

Signed: _____
Principal's signature Date

Fax your completed form to (02) 9561 1764 as soon as possible

NSW DEPARTMENT OF EDUCATION AND COMMUNITIES

BUILDING THE EDUCATION REVOLUTION

SELF MANAGEMENT

for

BUILDING THE EDUCATION

MINOR WORKS

**PRIMARY SCHOOLS FOR
THE 21ST CENTURY PROGRAM**

CONTENTS

1	OVERVIEW	3
1.1	INTRODUCTION	3
1.2	Background to the BER program	4
1.3	The BER integrated program office	4
1.4	Objectives of this Document	4
1.5	How to Apply	5
1.6	WHAT HAPPENS NEXT	5
2	RESPONSIBILITIES.....	5
3	GUIDELINES FOR PROJECT MANAGEMENT	8
3.1	Project Program.....	8
3.2	Planning Stage	9
3.3	Procurement Stage.....	12
3.4	Construction Stage	15
3.5	Post Completion Stage.....	19
4	Risks and Mitigation	19
4.1	Risks.....	19
4.2	BER IPO Support	22
4.3	Obtaining Legal Advice.....	23
5	GUIDELINES FOR PROJECT MANAGEMENT	23
5.1	PROJECT PROGRESSION METHODOLOGY	23
	Appendix A: List of Reference Documents	29

1 OVERVIEW

This document is designed to help you, as a school Principal, to make an informed choice about whether to manage your BER minor works project under the Australian Government's Building the Education Revolution program.

Section 1 will give you an overview of how to apply for and manage P21 minor project works in your school.

Section 2 describes your responsibilities under State and Federal law and your obligations under the BER program.

Section 3 provides some guidelines for managing your responsibilities across each stage of the project process.

Section 4 includes a description of some of the risks you will face and suggests how to control them.

Section 5 provides a basic checklist of things to do to help you get started with managing your own project.

There is also an appendix:

- Appendix A provides a list of reference documents so you can find out more about some of the things covered in this document.

1.1 INTRODUCTION

This document has been prepared for principals who want to manage their own remaining P21 minor works projects as part of the Building the Education Revolution (BER) program.

It explains the responsibilities of the role you will be taking on, what you need to do to satisfy the various requirements and obligations of the program, and the support available to you.

We hope this document will build your understanding of what's required under the program and support your capacity to manage your share of the BER program to the benefit of your school and local community.

We will give you support if you decide to proceed, and this support is detailed later in this paper. We'll also be relying on you to give us feedback as you go so that we can help you with any problems along the way.

We recognise that some principals have experience in managing construction projects and others do not. We apologise in advance if we cover material that is already well understood by some.

1.2 BACKGROUND TO THE BER PROGRAM

The Building the Education Revolution program is a \$14.7 billion national investment from the Commonwealth to improve the quality of facilities in Australian schools. The Commonwealth aims to build learning environments to help children, families and communities participate in activities that will support achievement, develop learning potential and bring communities together.

There is one remaining program in the BER:

- Primary Schools for the 21st Century (P21), which provides up to \$3 million for each primary school to build or refurbish libraries, halls, classrooms or existing facilities.

1.3 THE BER INTEGRATED PROGRAM OFFICE

The Department established the BER Integrated Program Office (IPO) to be the one-stop shop for all three BER programs.

The staff of the IPO includes building experts from our department, school principals, private sector specialists and staff from the former Department of Commerce. The team works from Clarence Street in Sydney.

The NSW Government established the Nation Building and Jobs Plan Taskforce, which has now been incorporated in the NSW Premier's Department.

The role of the Taskforce was to coordinate all of the work that is being undertaken in NSW as part of the Commonwealth stimulus. This is mainly building work in schools and public housing, but there's also some work being undertaken to improve roads and other infrastructure.

1.4 OBJECTIVES OF THIS DOCUMENT

This document will help you understand the obligations you will take on if you choose to manage your own remaining P21 minor works.

School principals understand the importance of maintaining a safe workplace. If you are going to be managing construction work on your school site you will have to think about how to identify and mitigate a new range of risks.

Even simple construction work like painting carries risk, make sure painters working up ladders are working safely and your students and teachers are not at any risk from the works. As a general rule of thumb the more complex the work the more risks that attach to it.

1.5 HOW TO APPLY

If you want to self manage the remaining P21 minor works at your school please:

- read this document
- complete and sign the application form in the covering letter with this document.

Signed forms need to be faxed to (02) 9561 1764 as soon as possible.

1.6 WHAT HAPPENS NEXT

The Department will arrange for the relevant funds to be transferred into your school bank account as a tied grant.

If you change your mind at any stage, or if you are unable to meet the requirements, the IPO will take over the management of your projects. If this occurs you will have to repay any unspent funds. Also, the IPO may not be able to make up any delays that might have occurred, which may put at risk all of the funding for your projects.

2 RESPONSIBILITIES

This section gives you an idea of what's required to manage a construction project and the rules and laws that will apply to you.

Many of these rules are actually State or Federal laws which apply to everyone, regardless of where they are undertaking building works.

Some of the rules apply specifically to BER work, and these rules are set by the Australian Government.

The rest of the rules are set by the Department of Education and Communities (DEC) and they apply to all work undertaken on public education land, regardless of who is providing the funding.

2.1.1 Laws that apply to all work undertaken with public funds

There are steps you need to follow so that you can demonstrate that you have used public funds appropriately.

- The NSW Government Capital Procurement and Tendering requirements specify that you will need to get three quotes if what you need costs more than \$30,000. Later in this document we explain this in more detail.
- You will need to comply with the department's financial delegations. If you decide to manage your own BER projects, we will work with your local School Education Director and/or Regional Director in relation to the financial delegation. In some cases this could be signed off by the BER Program Director or the BER Deputy Program Director.

2.1.2 Laws that apply to all construction in NSW

You will need to ensure your projects comply with the Building Code of Australia (BCA). This sets standards for buildings used by the public. There are strict safety conditions for school buildings that cover things like the number of safe accesses from each room, fire safety, the amount of ventilation and the type of glass that is used in the windows. In some instances the Department has more stringent requirements than the BCA, due to the age of our students.

Special Note on Occupational Health and Safety

School principals understand the importance of maintaining a safe workplace and protecting students from being injured. If you are going to be managing construction work on your school site you will have to think about how to identify and control a new range of risks.

All construction work carries risk. Even a simple activity like painting involves making sure painters working up ladders are safe, proper barricading prevents access to the work area and paint fumes and other chemicals don't affect people.

Occupational health and safety is regulated by state legislation. In NSW the laws are quite strict and require the person in charge of the workplace (in this instance it will be primarily you and not the department or our contractors) to do everything within their power to make sure the workplace is safe.

This is a serious obligation, and you need to keep in mind that you will be responsible for the safety of visiting workers as well as your usual teaching and school support staff, students and school visitors.

Later in this document we offer some ideas about how you can manage this responsibility.

You will also need to ensure that you:

- Comply with any relevant council planning laws.
- Ensure that only appropriately qualified and licensed trades people undertake the work.

2.1.3 Rules set by DET for all work on school premises

The Department has its own rules that cover what can be built on land that is being used for public education. For instance, we have [schools facility standards](#) to make sure that everything built in public schools supports the effective delivery of the curriculum and is fit for purpose. We developed and refined the standards in consultation with teachers, parents and principals. You would need a good reason to depart from them, and approval to do so. Contact your local Asset Management Unit in relation to the school facilities standards. Furthermore:

- All building work carried out on public education sites needs to be approved. The IPO will arrange to inspect (where necessary) and approve these works when we approve your application to manage your own projects.
- Your project will need to be insured, maintained, secured and integrated into the existing school infrastructure.
- Where appropriate, you will need to provide work as executed drawings and asset data to the IPO.
- You will need to ensure strict compliance with the [DET Child Protection Policy](#).

2.1.4 Rules set by the Australian Government.

The Australian Government has set rules that apply to all projects funded under the BER program, covering things such as the type of projects that can be funded, the timing of construction and reporting obligations. You will need to:

- complete the project including all financial aspects by end of June 2012
- complete the project within the approved funding allocation, including all associated works to enable the project to become operational
- meet the BER Guidelines regarding the types of work that can be funded and timelines
- comply with the Australian Government reporting guidelines. They are at the end of this document. These are not onerous but they are important.

3 GUIDELINES FOR PROJECT MANAGEMENT

This section gives you more detail about the tasks that may be associated with managing your BER work. It explains your responsibilities across each stage of the project process.

Planning	Procurement	Construction	Post-Completion
Develop and Maintain Project Program			
Reporting			
Risk Assessment	Tender Documentation Preparation	Budget Control	Certification of Compliance
Scope of Works	Insurance Sourcing	Management of Contractors	
Development Applications	Appointment of Consultants	Management of Consultants	
Design Approval		Project Variations	
Budget Preparation		Occupational Health and Safety	
		Progress Payment Management	
		Workers Compensation, Pay-roll Tax and Industrial Relations Management	
		Child Protection Legislation	

3.1 PROJECT PROGRAM

You should prepare and maintain a project program. The detail required will depend on the complexity of the work you're doing. You can appoint a contractor who is in charge of the worksite who will be able to help you meet some of these obligations.

This program should address:

- Scheduling and deadlines
- Reporting requirements and how these requirements will be met

3.1.1 Scheduling and Deadlines

Establish and maintain timetables for:

- Works on site and co-ordination of various trades & contractors
- Deliveries of materials, furniture, equipment, machinery, technology, consumables
- Decanting or relocations of school class / facilities / existing equipment or asset as the project requires
- Site inspections by various parties
- Site meetings
- Briefing meetings with consultants, contractors and tenderers.

3.1.2 Reporting Requirements

- You will need to keep records and make reports of the progress of your work to the department and the Australian Government.
- Proper and timely reporting is critical as the Department will not receive any funding if the project is not completed in accordance with the BER Guidelines. This is a significant financial risk to the State Government. A failure to report properly may mean that the Department has to assume control of the project to mitigate the project risk.
- Some of the types of information that would be required are as follows:
 - Forecast commencement
 - Forecast completion
 - Budget and projected expenditure
 - Facility type completed
 - Sustainability aspects
 - Financial acquittal date.

Sample of the Progress Report For Self-Managed BER P21 Minor Capital Works is found in the attachment window below or [click here](#).

3.2 PLANNING STAGE

Good project planning is critical and will help reduce the risk of you not finishing the work in time or of it not being what you set out to achieve.

3.2.1 Risk Assessment

You should undertake a comprehensive risk assessment to identify issues which could impact on the successful delivery of the Project.

The assessment will identify:

- the nature of the risk
- the likelihood of this risk arising
- the potential impact of the risk
- the way in which the risk will be mitigated or controlled.

Section 4 of this document addresses this in more detail.

From this risk assessment you'll need to put in place a system to manage and assign responsibility for any defined risks. Where your school site or the nature of the planned works suggests a significant level of risk, we strongly recommend you appoint a specialist project manager.

You might need to conduct what is known as a 'section 149 Certificate Review', or have it conducted for you. This specialist study will identify requirements related to heritage and bushfire, hazardous materials and endangered species. You can talk to your local AMU about whether you will need to get this done.

3.2.2 Scope of Works

You will need to review the scope of works to ensure it complies with relevant law and regulation and, as necessary, our requirements such as the school facilities standards and information technology standards, and the P21 guidelines.

You should consider previously identified risks that could affect the cost, delivery and scope of works. Remember you have to meet the cost of addressing the identified risks within the project budget. You should allow a minimum contingency of ten percent and all associated consultants' fees. It's important to document this review and all procurement processes as this information will be audited by the Department as part of their school audits. This is so that the Department can be sure that you have identified and addressed all of the laws and other rules with which you have to comply.

Making sure this record is correct and up to date is also important because the NSW Audit Office and the ICAC may choose to audit your documents as well, in much the same way as they can audit any area of the Department.

You should cross-check your scope of works against the State Environmental Planning Policy 2007. This instrument simplifies planning approval if your scope of works complies.

A link for the details of the policy is at the end of this document. These guidelines set out the requirements you need to meet with respect to impacts on any local stormwater management services, road systems, sewerage system, water connections, traffic management, heritage items or areas, flood liable land and bush fire liable land.

3.2.3 Development Applications

From all this, you'll need to decide whether you need to lodge a development application for your work.

If you don't obtain consent when you should, this could result in your local council requiring the building work to be removed and the asset returned to its original state.

Where a development application is required, the regional Asset Manager has delegated authority to sign the application for the landowner, before returning it to the school for forwarding to the local council. Local councils are required to approve most applications within 40 days, however, where agreement on consent conditions cannot be reached, the process can take considerably longer.

The State Environmental Planning Policy (Infrastructure) 2007 provides guidance on exempt development and associated conditions. You may need to factor the time and cost of development approval into the project delivery program. The cost of a development application depends on the nature and value of the work. A project valued at \$150,000 could attract a fee of \$1,500 or more.

3.2.4 Design Approval

You may be asked to provide the IPO with designs of what you want to build so that they can get the work approved as suitable for a school. If you are, for example, building covered walkways to a new toilet block, you will probably need to submit your design plans so the IPO can approve them.

3.2.5 Budget preparation

You should prepare, and maintain, a project budget estimate, to make sure the total estimated cost fits within your school's funding allocation. Budget headings could include the following items:

- Builder's preliminaries & site establishment
- Budget estimate costs for works – by each trade
- Authorities & certifier's fees
- Project manager's fees
- Other consultant fees
- Builder's / head contractors fees & margins
- Legal fees
- Other suppliers' & contractors' works – items not covered under the head contract, such as furniture, décor, equipment and machinery
- Relocation & decanting costs

- Advertising and project & contract administration costs (including out of pocket expenses)
- Miscellaneous costs or margins or allowances
- Contingency sum
- GST should be added at the end and included within the allocated funding, although you will be able to claim this back.

3.3 PROCUREMENT STAGE

There are different procedures for procurement of the following:

3.3.1 Goods & Services

3.3.2 Minor Works

It is important that the procurement process ensures best value for money and meets probity and auditing requirements, including which type of contract you should use.

3.3.1 Goods & Services

In general, you must use State or DEC contracts where they are available, subject to the following:

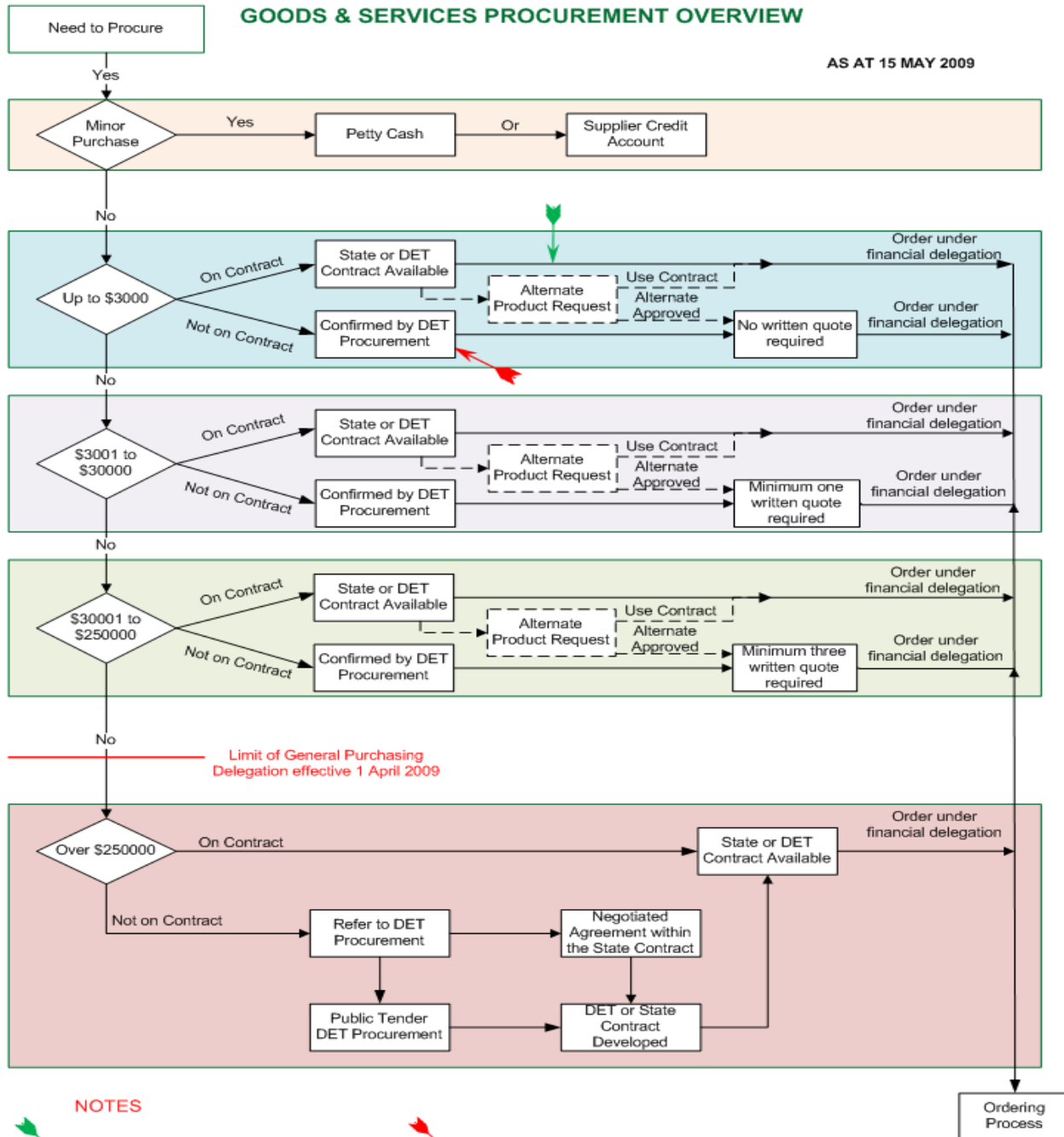
- If you can demonstrate that a directly equivalent product can be purchased at less overall cost through an alternative provider and value for money can be established, then approval will be given for its purchase. You will need to contact the DEC Procurement Support Centre at detbuy@det.nsw.edu.au.
- If the products or services are not available currently through a State or DEC Contract, DEC Procurement will assess the request and, if it is demonstrated that this will provide value to other buyers within DEC, may seek to have the product or service provided within an existing contract, or may raise a new contract.

The DEC procurement office can help you with this.

Refer to 'Good & Services Procurement Overview' flowchart on page 13.

GOODS & SERVICES PROCUREMENT OVERVIEW

AS AT 15 MAY 2009



NOTES

State or DET Contracts must be used where available (Premiers Memorandum 2006-11NSW Procurement Reform) subject to Alternate Product provisions of paragraph 2.1.4 and 2.1.6 above.

The Procurement Directorate exists to provide advice on value for money and to identify potential risks in procurement. Where not in contract purchases are to be undertaken, purchasing officers are to ensure that the purchaser receives value for money based on fair competition and ethical dealing. The Procurement Directorate is available to assist with determining your best purchase option.

3.3.2 Minor Works

The NSW Government Procurement System for Construction guidelines must be followed. The following principles apply to construction project delivery and personnel:

- effective planning is fundamental to project success, and decisions taken at the earliest stages of project development will have the most impact on the constructed works and its delivery and operation
- design and construction management activities must only be undertaken by skilled and experienced agency personnel or expert advisers engaged by the agency
- tenders must not be called for any work until at least a detailed estimate has been prepared of the cost of the work and sufficient funds are available
- contracts must only be entered into with and by appropriate legal entities
- all personnel and organisations involved in the design and construction for the project, including any volunteers, must be appropriately qualified and insured prior to commencing work
- the ownership of new built assets on NSW government land vests in the NSW Government even when funds are donated by others for the assets.

The detailed milestones and actions are available to the schools at:

[http://www.procurement.nsw.gov.au/PDF/construction_procurement_valued_to_\\$1m-v2-final-Ja.aspx](http://www.procurement.nsw.gov.au/PDF/construction_procurement_valued_to_$1m-v2-final-Ja.aspx)

If a school needs advice when delivering their project they can contact their local Asset Management Unit for expert advice.

3.3.3 Insurances

Contractors are required to provide a certificate of currency for works and public liability insurance and workers compensation insurance prior to commencing work on the site. You will need to make sure all these documents are in place.

Depending on the nature of the work, the contractor may also be required to hold professional indemnity and asbestos liability insurance. You should stipulate these requirements when you are seeking quotes.

You will need to sight the original certificates of currency to ensure that they are current and appropriate to the works being undertaken. Copies of these certificates of currency should be kept in the project file. The Asset Management Directorate website provides checklists for reviewing insurances.

3.3.4 Appointment of Consultants

You may need to identify, appoint and manage the activities of architects, project managers, engineers or other consultants. Ensure that you follow the procurement guidelines above when doing this.

3.4 CONSTRUCTION STAGE

3.4.1 Management of the Contract

The “Contract Principal” is the person who has the authority to enter into the contract.

Where you manage the procurement you will be named as the “Contract Principal”.

The “Contract Principal” has certain legal responsibilities which you need to be aware of and comply with. You can pass on some of these responsibilities by ensuring that the contract document formally appoints the successful tenderer as the “Principal Contractor” and controller of the work site/s.

The “Contract Principal” should appoint a “Principal’s Representative” who manages the contract and has regular face to face contact with the contractor. The activities of the “Principal’s Representative” are outlined in the section titled *Manage the Contract* within the Project Progression Methodology included at Appendix A.

3.4.2 Budget Control

You will need to manage the budget, including:

- Calling for tenders and quotations
- Letting contracts and placing orders
- Checking invoices and progress claims against actual work done or supplies delivered
- Processing of progress claims and invoices ready for payment
- Assessing, approving, vetoing claims for cost variations
- Preparing monthly financial reports and summaries to BER & Australian Government may be required.

It's really good practice to prepare and maintain a cost tracking document (a standard excel spreadsheet will probably suffice) that reports the following financial information:

1. Total BER funding allocated to the school
2. Breakdown of original budget estimate items
3. Approved cost variations (by trade)
4. Actual contract sums or approved quoted sums
5. Committed sums (i.e. items that are covered under contract or an order)
6. Payments made to date
7. Balance of costs to be paid
8. Estimated completion cost (this is the sum of (6) and (7) above, PLUS any other costs you think may be incurred).

The information you need to report to the Australian Government each month will essentially come straight from your spreadsheet.

3.4.3 Project Variations

At some stage you or one of your contractors may need to vary what they are providing or doing. Usually every time you vary a project it will have an impact on the budget.

Obviously you shouldn't approve variations unless you have adequate funds in the project to meet the cost.

You should design your budget with a contingency of ten percent of the building cost as a safeguard against possible variations such as site conditions, unidentified underground services or inadequacy of existing utility services. We recommend a higher contingency for complex projects and difficult or remote sites.

If any party considers that they are being asked to undertake works or services outside their scope of appointment, then that party must issue a variation and seek approval from the 'Contract Principal' to the perceived change in duties for this to be recognised.

You will be responsible for the management of any extension of time claims. For the claim to be successful it has to be in accordance with the terms of the contract and beyond the control of the contractor.

3.4.4 Occupational Health and Safety Requirements

The responsibilities of a Contract Principal on the work site, under the OH&S Regulation 2001 include:

- Ensuring OH&S induction training is undertaken (clause 213);
- Preparing, maintaining, updating and making available an OH&S management plan to deal with its responsibilities (clauses 226 & 229);
- Ensuring that each subcontractor provides written safe work method statements before commencing work and reviewing them to ensure they comply (clauses 227 & 229);
- Directing and monitoring compliance with the safe work method statements and legislation and taking action to comply (clauses 227 & 229); and
- Keeping a register of, and other records in relation to, all hazardous and other substances on the work site (clauses 228 & 229).

You can pass on these responsibilities by appointing the contractor who is in control of the construction and work site as the 'Principal Contractor', but in doing so you must only contract with a contractor with demonstrated OH&S procedures, systems and a successful track record in managing similar projects safely.

Under the NSW Government's *OH&S Management Systems Guidelines 4th Edition June 2004*, you must also review the principal contractor's safety management to see that it complies with the OH&S Regulation 2001 and Guidelines, before they commence work.

You will also need to make sure the work area is suitably fenced or secured to prevent students, teachers and visitors entering the work area or an area where deliveries are being made. You will also need to regularly review the contractor's safety management to make sure your contractor is complying with OH&S requirements.

The OH&S regulations and the Department of Education and Communities Local Workplace Safety Procedures for Contractors can be accessed from the relevant websites, which are listed in Appendix A.

3.4.5 Progress Payment Management

The Building and Construction Industry Security of Payment Act 1999 NSW (as amended in 2011) gives a claimant a statutory right to make progress payment claims and receive payments. The details of this legislation are available on the relevant websites, which are provided as links at the end of this document.

You will be responsible, as the 'Contract Principal', for making progress payments to the contractor within the time specified in the contract and the Building and Construction Industry Securities of Payment Act 1999. You'll need to confirm that the value of the work completed is equal to the value of the work claimed by the contractor.

Before certifying any payment of works, you'll need to confirm that the contractor has met their requirements in terms of payment of employees, subcontractors, workers compensation premiums and tax.

To reduce this risk you should have your contractor sign a statutory declaration with each payment claim under the contract. A copy of a suitable statutory declaration can be obtained from the Asset Management Unit.

3.4.6 Workers Compensation, Pay-roll Tax and Industrial Relations Management

Under S175B of the Workers Compensation Act 2000, section 31G-31J of the Pay-roll Tax Act 1971, and section 127 of the Industrial Relations Act 1996, the "Principal Contractor" may be liable for the payment of a sub-contractor's workers' compensation premiums, pay-roll tax and remuneration.

If there is a default by your "Principal Contractor", you may, as the "Contract Principal", be liable for these costs.

To reduce this risk you should have your contractor sign a statutory declaration that these payments have been made each time they give you a payment claim under the contract. A suitable statutory declaration can be obtained from the Asset Management Unit.

3.4.7 Child Protection Legislation

You must make sure the contractor does not employ or permit on site persons who may pose a risk to children. You should regularly review your contractor's compliance with child protection legislation. You can find our departmental guidelines on [child protection checks](#) on the intranet site.

3.5 POST COMPLETION STAGE

3.5.1 Certification of Compliance

Before accepting the finished work you need to undertake a pre-completion inspection to identify any omissions and defects that require remedial work.

When the work is done you should get a certificate of compliance confirming that the building work has been completed correctly as required by plans, specifications, and conditions, the Building Code of Australia, and any relevant regulations or standards. Either your local council or a private accredited certifier can issue a compliance certificate. If you use a private accredited certifier make sure they've been engaged before your project starts.

You will also need to ensure the contractor provides "as built" drawings and copies of all relevant warranties, approvals, licences and guarantees. The contractor should also provide you with all training and operational documentation in accordance with all relevant demonstration of systems. If any defects arise during the defects liability period you can then refer them to the contractor for resolution.

Ask IPO or AMU for help if you need it.

4 RISKS AND MITIGATION

4.1 RISKS

All building work carries risk. Identifying risks prior to the start of a project is a crucial first step in managing those risks.

The tables below highlight examples of the potential risks and possible mitigating steps for those risks. These aren't a comprehensive list of risks and you will need to review your own situation carefully.

Any principal who volunteers to manage their own BER project will have their project responsibilities become part of their duties. The same high standards of performance expected from principals in their regular duties will also be expected in relation to project management responsibilities, such as budgeting and reporting.

4.1.1 Financial Risks for the Principal

In extreme cases you may become personally liable for any prosecution costs or fines resulting from failure to comply with any Authorities or Government Acts, laws, statutes, by-laws, conditions or Australian Standards. This liability can even extend to you where the school's agents or contractors are responsible. In any event, the Department will assist and support you. However none of us will work outside of the law.

Risk	Likelihood	Impact	Control the risk by:
Injury to students, teachers or support staff.	Low	Significant	Preparation of appropriate, comprehensive OH&S plan. Advice from experienced Project Manager. Engage experienced contractor with demonstrated satisfactory safety management.
Injury to construction worker	Low	Medium	As above.
Other prosecution costs or fines	Low	Significant	Legal Advice (locally procured). Comprehensive review of all applicable regulations, in coordination with the development of the scope of works

4.1.2 Financial Risks for the Project

The Department may be exposed to financial costs if your project runs over budget, runs late and puts at risk Commonwealth funding, or if you go beyond the BER guidelines and the project is no longer eligible for Commonwealth funding.

Due to the risk to the Department if the project runs late and does not receive BER funding, the IPO will have to monitor your progress. If it appears that the project may run over time or budget then the IPO may step in and assume control over the work.

There is also the outside possibility of legal action relating to the project from other external parties such as members of the public, students, teachers, parents, tenderers, and parties under an existing contractor, consultant or supplier contract.

Risk	Likelihood	Impact	Control the risk by:
Costs exceeding Government Funding	Medium	Significant	Well defined scope of works. Contingencies of at least 10% factored into budget. Fixed price contracts.
Costs of legal action	Low	Significant	Appropriate preliminary consultations. Legal advice (locally procured) in preparation of contracts. Appropriate tendering.
Contractors are paid late	Medium	Significant	Defined process on how to manage contractors' payment claims.
Project runs late	Medium	Significant	Manage extension of time claims.
Unforeseen conditions affect the contractor.	Medium	Significant	Complete detailed investigations into the contractor's suitability.

4.1.3 Programming Impact Risks

There are a number of things that could put your project at risk of running late.

- Possible delays to approval of development application prior to the construction phase
- Possible delays to issuing of contracts and orders which would negatively impact on scheduled delivery times
- Possible delays to construction due to the unavailability of materials or suitable tradesmen, problems with deliveries to a remote site, difficult site topography, poor site access, inclement weather or industrial disputes
- The inability (for any other reason) of the project meeting all agreed BER milestones and deadlines.

The timetable for the BER is very tight in order to create and support jobs as fast as possible. You'll need to keep a close eye on progress and minimise delays.

Risk	Likelihood	Impact	Control the risk by:
Delays due to development application delays	Medium	Medium	Early submission of applications (as soon as possible after scope agreed) Employment of Project Manager with experience in Development Applications
Weather related delays	Low	Low to Significant	Use of tarpaulins Weekend work or overtime Insurance (for more devastating weather events such as flooding)
Delays due to lack of appropriate tradespeople	Low	Medium to Significant	Contract with "Managing Contractor" to manage sub-contractors

4.1.4 Quality Assurance Risks

There's a risk the project won't be completed to the quality you expect. This may mean all or part of the work isn't suitable for your intended purposes. In extreme cases, there is a risk of having to demolish unsatisfactory projects.

Poor quality work or materials may also mean your project isn't very durable. An example would be the use of a cheap but inappropriate type of paint that will require repainting more quickly than it should.

The department tries to minimise these risks through our school facilities standards, school maintenance standards and information technology standards. All BER funded projects will need to meet with these standards unless you get the approval of the IPO.

Risk	Likelihood	Impact	Control the risk by:
Works of poor quality	Low	Significant	Contractual obligation of Primary Contractor to meet with the DEC Standards
Works considered unsafe	Low	Significant	Contractual obligation of Primary Contractor to meet with the DEC Standards

4.1.5 Risks under the Management of the Construction Contract

Effective contractual arrangements are the framework for the successful completion of the project. These will help you manage risks including:

- Liabilities emanating from the school’s or other parties’ non-compliance with conditions under the various contractor and consultant contracts.
- Liabilities emanating from the “Principal Contractor” defaulting under the Workers Compensation Act, Pay-Roll Tax Act, Security of Payments Act 1999 or Industrial Relations Act.

Risk	Likelihood	Impact	Control the risk by:
Default of Principal Contractor	Low	Significant	Careful drafting and review of tender submissions. Requirement of contractors to lodge financial guarantees.

4.1.6 Occupational Health and Safety Risks

Occupational health and safety is a critical consideration when undertaking a project. You can’t take the safety of students, staff and visitors too seriously.

Engaging an experienced contractor with a good track record for safety management who then implements a well thought out and enforced OH&S management plan is the best means of minimising the risk of accidents and providing a framework for dealing with any accidents that may occur.

4.2 BER IPO SUPPORT

It’s your project but the IPO is there to help where we can.

School Principals who manage their own BER projects will receive support from the IPO. However the IPO does not have the resources to help you with your individual circumstances. For this, you should seek outside help as required.

4.3 OBTAINING LEGAL ADVICE

Good legal advice helps you create appropriate and legally binding contracts, and may help you better understand your legal role in the management of projects. Department of Education and Communities Legal Services will provide some generic support but will not be able to provide advice particular to your circumstances. You should seek outside advice if you are at all concerned about your legal position. The cost of this advice should be factored into your project budget.

5 GUIDELINES FOR PROJECT MANAGEMENT

This section gives you more detail about the tasks that may be associated with managing your BER work. It explains your responsibilities across each stage of the project process.

5.1 PROJECT PROGRESSION METHODOLOGY

The methodology below outlines the major steps you'll need to complete when managing your project.

Further explanation of some of the activities in this checklist is in the support notes. It is important that the person responsible for interfacing with the contractor – you or your Contract Principal’s representative – carefully manages the contract.

If you or your staff are not confident to do this we recommend you engage someone with contract management experience.

Managing contracts well takes time. Make sure you allow for it.

ACTIVITY		ACTION / STATUS
1.0	RISK ASSESSMENT AND PROCUREMENT SELECTION	
1.1	Undertake a risk assessment of the project prior to project nomination.	
1.2	Principals must ensure they implement a best practice risk assessment approach to the delivery of the project. This means identifying all risks, their likelihood and potential impact, and implementing appropriate controls.	
1.3	Determine whether it is appropriate to manage the procurement locally.	

ACTIVITY		ACTION / STATUS
2.0	REVIEW THE SCOPE OF WORKS	
2.1	Review the approved scope of works and ensure that it complies with all requirements of Australian Government, NSW Government, local authorities and DEC's School Facilities Standards, School Maintenance Standards and Information Technology Standards.	
2.2	Ensure that the budget is adequate to fund the scope of works for the approved design templates and includes a contingency to meet any unavoidable variations. A minimum contingency of 10% is suggested.	
2.3	Ensure that the total cost of the work does not and will not exceed the Australian Government funding allocations based on school enrolments.	

ACTIVITY		ACTION / STATUS
3.0	DEVELOPMENT APPLICATION	
3.1	Manage the development application process.	

ACTIVITY		ACTION / STATUS
4.0	APPOINT SUPPLIERS	
4.1	If the work can be provided by in-contract suppliers who offer a fixed price, liaise directly with the most competitive supplier to undertake the work. Use the correct contract.	
4.2	For more complex in-contract work, organise for three in-contract suppliers to quote on the cost of the project.	

ACTIVITY		ACTION / STATUS
5.0	ARRANGE QUOTES AND AWARD CONTRACTS	
5.1	Ensure that the requirements of the NSW Government Tendering Guidelines are met.	
5.2	Where the work is not available under the Government contract, determine whether you need one or three written quotes, based on the amount to be spent.	
5.3	Ensure that the scope of works in the written quotes is clearly detailed and that the conditions of the contract are comprehensive. Also ensure that the documents specify that the contractor is appointed as the 'Principal Contractor'.	
5.4	Record and evaluate the quotes, including compliance with insurance and child protection requirements. Ensure the contractor has demonstrated that they have a sound track record of satisfactory OH&S management on similar projects.	
5.5	Ensure that you, as Principal, appropriately approve the expenditure and award the contract.	

ACTIVITY		ACTION / STATUS
6.0	MANAGE THE CONTRACT	
6.1	Appoint a ' <i>Principal's Representative</i> ' to manage the contract and advise the Contractor of the details of the person.	
6.2	Review the contractor's compliance with Child Protection legislation (an initial check would also have been completed as part of assessing the written quotes).	

ACTIVITY		ACTION / STATUS
6.3	Receive proof that the contractor has the appropriate works and public liability, workers compensation, professional indemnity, and asbestos liability insurances (an initial check would also have been completed as part of assessing the written quotes). Obtain original certificates of currency for each insurance required.	
6.4	Check the contractor's documentation as specified in the contract is in order. Documentation may include a bank guarantee, site safety management plan, environmental management plan, safe work method statements, quality management system, and inspection and test plans. Contact DEC Procurement for Goods & Services. Contact local AMU for Minor Works.	
6.5	Ensure the contractor has signed the Department of Education and Communities Local Workplace Safety Procedures form.	
6.6	Meet regularly with the contractor to review progress and discuss any issues arising.	
6.7	Undertake regular site visits and audits to ensure that the contractor is complying with OH&S, environmental, child protection and industrial relations requirements.	
6.8	Act immediately to address any unsafe practices observed on the building site, pursuant to the OH&S Act.	
6.9	Regularly inspect the works to ensure that all materials are suitable for their purpose and that workmanship and work methods comply with the contract.	
6.10	In the event of a serious incident on the project take action to treat and isolate the incident area and report the incident to WorkCover and the appropriate school / Department of Education and Communities / external authorities.	

ACTIVITY		ACTION / STATUS
6.11	Make progress payments to the contractor within the time specified in the contract and the Building and Construction Industry Security of Payments Act 1999. Ensure that the amount of the claim is equal to the value of the work completed. Before remitting the monies ensure that the contractor has met requirements for remuneration of employees, subcontractors and subcontractors' employees and the payment of workers' compensation premiums and payroll tax.	
6.12	Manage requests for extensions of time ensuring that the cause of the delay was beyond the control of the contractor and the type and cause of the delay is in accordance with the general conditions of the contract.	
6.13	Manage requests for variations to the contract. Before approving a variation assess any time or cost implications and ensure that there are funds available in the project to pay for the work.	
6.14	Take immediate steps to address any breaches of the contract including considering whether action should be taken to terminate the contract or take over the work under the contract.	
6.15	Manage any claims and disputes that may arise. This may include the appointment of an independent expert in cases where the parties cannot reach an agreement.	

ACTIVITY		ACTION / STATUS
7.0	PROJECT COMPLETION AND HANDOVER	
7.1	Undertake a pre-completion inspection to identify if there are any defects that need rectification before handover is approved. List any omissions and defects identified in the inspection and direct the contractor to rectify the works within an agreed timeframe.	
7.2	Obtain a Certificate of Compliance to confirm that the building work has been completed in accordance with requirements.	
7.3	Ensure that the contractor provides 'work as executed' drawings and copies of all relevant licenses, approvals, warranties, guarantees and operating manuals. The contractor should also provide training in the operation of the facility or use of equipment.	
7.4	Refer any defects identified after handover, but during any defects liability period, to the contractor for rectification.	
7.5	Provide drawings and details to the Asset Management Unit of any work that involves structural changes or changes of use to enable the Asset Management System to be updated.	
7.6	Provide advice to the Department of Education and Communities indicating that the project is ready for an official opening or ceremony to mark the completion of the project. Note timeframes for notification in accordance with BER Guidelines.	

APPENDIX A: LIST OF REFERENCE DOCUMENTS

For further information, the School Principal could peruse the following documents, guidelines and relevant section of Acts as part of this self assessment process:

Australian Government

- Building the Education Revolution:
<http://www.deewr.gov.au/Schooling/BuildingTheEducationRevolution/Pages/default.aspx>
- Building Codes of Australia (password required, cost \$40):
<http://www.abcb.gov.au/>

NSW Government

- NSW Government Procurement Contracts: Contract information and User Guides
<http://www.nswprocurement.com.au/Procurement-System-for-Construction/Reference-material/Procurement-practice-guides.aspx>
- NSW Government Tendering Guidelines
<http://www.nswprocurement.com.au/Government-Procurement-Frameworks/Overarching-Procurement-Environment/Code-of-Practice-and-Implementation-Guidelines.aspx>
- NSW Government Procurement Standard Contracts
<http://www.nswprocurement.com.au/Procurement-System-for-Construction/Standard-form-documents.aspx>
- State Environmental Protection Policies (Infrastructure) 2007
<http://www.legislation.nsw.gov.au/maintop/view/inforce/epi+641+2007+FIRST+0+N/>
- Occupational Health and Safety Regulation 2001
<http://www.legislation.nsw.gov.au/viewtop/inforce/subordleg+648+2001+cd+0+N/>
- Workers Compensation Act 1987
<http://www.legislation.nsw.gov.au/maintop/view/inforce/act+70+1987+cd+0+N/>
- Workers Compensation Legislation Amendment Act 2000
<http://www.legislation.nsw.gov.au/viewtop/inforce/act+87+2000+cd+0+N/>
- Building and Construction Industry Security of Payment Act 1999
<http://www.legislation.nsw.gov.au/maintop/view/inforce/act+46+1999+FIRST+0+N/>
- Security of Payment Act
<http://www.nswprocurement.com.au/Government-Procurement-Frameworks/Construction/Security-of-Payment.aspx>

Department of Education and Communities

- DEC Building the Education Revolution:
<https://detwww.det.nsw.edu.au/deptresources/majorprojects/ber/>
- School Manual on Financial Management is available at
<https://detwww.det.nsw.edu.au/finance/schools/smfm/contents.htm>
- Local Workplace Safety Procedures for Contractors
https://detwww.det.nsw.edu.au/adminandmanage/ohands/safeworklearn/student_visitor/contractors/index.htm
- Occupational Health and Safety Policy (applies to contractors, amongst others)
https://www.det.nsw.edu.au/policies/staff/oh_s/ohs_pol/PD20040007.shtml?level=Corporate&categories=Corporate%7COccupational+health+%26+safety%7CCommittees%2Fmanagement+of+OH%26S
- Enterprise Risk Management
https://www.det.nsw.edu.au/policies/general_man/erm/PD20040036.shtml?level=Corporate&categories=Corporate%7CAdministration%7CRisk+management
- Child Protection Check Policy
https://detwww.det.nsw.edu.au/policies/student_serv/child_protection/princ_proh/pd02_28_guideline_for_principals.pdf