

Procurement of capital projects - Works & Services



IHEA PD Seminar

Probity controls in public hospitals procurement
of non-clinical goods & services

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Capital project works and services

- What is covered – public sector works & services
- Procurement – tenders, quotes and purchase orders
- Probity – doing the right thing
- Statutory and Branch requirements

Enabling Procurement

- Governing legislation is the PDCM Act
- Ministerial Direction 1 – Tendering
- Ministerial Direction 2 – Contracting

Ministerial Direction 1 – Tendering

	Services	Goods (Works)
One Quote	< \$25k	< \$25k
Three	\$25k - \$150k	\$25k - \$200k
Tender	> \$150k	> \$200k

Ministerial Direction 2 – Contracting

- Standard contracts: Constructors
 - Lump Sum AS 2124 + SC
 - Design + Construct AS 4300
- Standard contracts: Consultants
 - Departmental CMB Consultant Standard Agreement
 - Others AS 4122, RAIA

Code of Practice

- Code of Practice for the Building & Construction Industry
 - Sets out acceptable practices for all parties including clients
 - Covers initiation process, consultant selection, contractor selection & contract administration

Probity

- Doing the right thing / treat all same
- Probity Plan for projects > \$10m
- Content
- Template -

http://www.buildingcommission.com.au/resources/documents/Probity_Plan_Template.pdf

DHS Funding guidelines

- Conditions for capital works approval by department:
 - if TEC > 10% recurrent
 - If TEC > \$2,000,000
- Alternatively
 - Hospital's detailed Business plan submitted for Secretary approval and
 - Secretary approval of the expenditure

Capital Management Branch

- Governance - PCG and Selection Panels
- Conformity and negotiation
- Risk and Bank Guarantees
- Supervision and contract management

Good Business Practices

- Keep tender information/documents confidential until process completed
- Prepare and stick to evaluation criteria, scoring scale
- Maintain proper records and files
- Ensure all firms on short lists are 'capable'

Getting the capital works brief right



How the customer explained it



How the Project Manager understood it



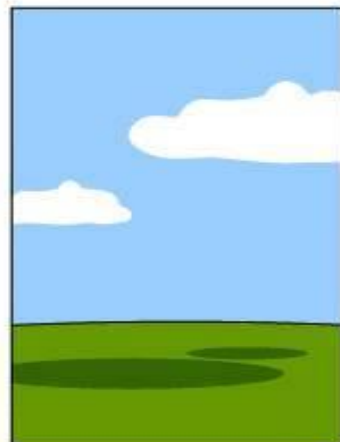
How the Designer designed it



How the Cadd Operator drafted it



How the Salesman described it



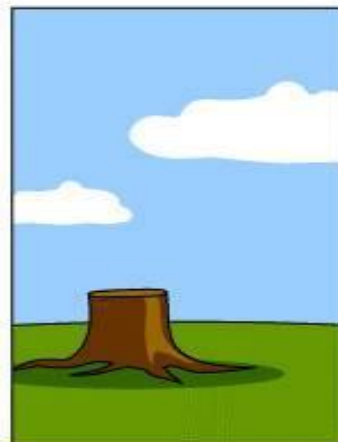
How the project was documented



What construction installed



How the customer was billed



The warranty that was offered



What the customer really wanted

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Q+A

Department of Human Services

