

Contractor Communication 1/11/2021

Subject: Future AGFMA Update – information on rates

Hi All,

Further to the below email, we write to provide additional information on the contractor rates framework. In line with the [Outcomes Report](#) and the Department for Infrastructure and Transport's (DIT's) commitment to *continued fair rates of pay (including travel) and fair payment terms for work performed*, Contractor rates mechanisms have been set by the Department. One of these mechanisms is ceiling rates (upper limiting fees) which will be monitored to ensure an appropriate balance between fair payment for works performed and value for money for Participating Agencies.

Please note if your business is currently progressing through the pre-qualification process, the following information will be important as you progress to the next stage of onboarding with Ventia.

Pricing Schedule (Rates Card)

Contractors who have completed the Ventia pre-qualification process will have been issued an electronic Pricing Schedule (Rates Card) from Ventia whereby Contractors need to submit hourly rates for each trade discipline and application including apprentice rates as applicable. Ventia's dedicated Contractor Relationship Coordinators are available to answer questions in relation to the rates card and will provide assistance to complete the Pricing Schedule where possible. Any queries can be forwarded to Ventia via email to futureagfma.procurement@ventia.com.

Contractors will have the ability to discuss submitted rates with Ventia and adjust rates if required as part of the on-boarding Pricing Schedule process, early next year.

Ceiling Rates and other rates including travel, accommodation and meal rates are consistent with those currently paid under the existing AGFMA and DIT have committed to reviewing these rates in early 2022 for the 2022/2023 financial year.

In line with the [What we're actioning report](#) which included Contractor feedback that the provision of mark-up should be considered for inclusion in Future AGFMA the rates process (unlike the existing AGFMA), this has now also been included. There has been a cap applied to the percentage mark-up allowable which has been set in line with the objectives of achieving fair rates of pay and value for money for Participating Agencies. It should be noted that this cap and the information included in the Pricing Schedule applies only to unplanned works that do not require a competitive procurement process (quote jobs etc.). Where a competitive procurement process is required, Contractors are able to bid at competitive rates applicable to the work required and include relevant mark-up.

Ventia must pay Contractors within 14 days of receiving a compliant claim.

The below table (**Table 1**) provides a high-level comparison of the current pricing rates and information under DIT-Facilities Services compared to that under the Future AGFMA with Ventia.

Table 1

Company Details	Current AGFMA	Future AGFMA
Business Hours		
Labour Rates	Normal Hourly Rate	Normal Hourly Rate
Overtime Rates	Time and a Half	Time and a Half
	Double Time	Double Time
	Double Time and a Half	Double Time and a Half
Call Out Fees with rate caps	Priority 1	Priority 1: Call Out rate same as current P1 rate
	Priority 2	Due to low volumes, the current Priority 2 has been removed and combined with the new Priority 1 so current Priority 1 fee applies. The Future AGFMA Priority 2 aligns with the current Priority 3. (Response time generally align)
	Priority 3	Priority 2: Call Out rate same as current P3 rate (Response times generally align)
	Priority 4	Priority 3: Call Out rate same as current P4 rate (Response times generally align)
	Priority 5 (Not Applicable)	Priority 4 (Not Applicable)
Call Out Fees - After Hours	After Hours Callout Fee	After Hours Call out Fee: Same as current.
Metropolitan Work	Remote Area Fee - \$52	Remote Area Fee - \$52
Travel:		
- Mileage	\$0.72 Per Km	\$0.72 Per Km
- Accommodation	\$155 Per Night	\$155 Per Night
- Meals: Breakfast	\$19.55	\$19.55
- Meals: Lunch	\$19.55	\$19.55
- Meals: Dinner	\$40.30	\$40.30
Materials for works not requiring a quote	The price, description and quantity of all materials, additional equipment and consumables being charged must be clearly shown and itemised on the works service report and invoice. No mark up can be applied	In response to feedback, the following processes for claiming materials costs will be available under the Future AGFMA: <ul style="list-style-type: none"> Contractors may nominate rates for low value items held as stock and may claim the agreed rate for these items without providing an invoice if the total cost of materials on a job is less than \$50. This

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		<p>has been introduced to eliminate the need to provide evidence of every individual purchase for commonly held stock items. The agreed rate will include provision for procurement and handling costs so an additional mark up will not apply</p> <ul style="list-style-type: none"> • A mark up will be applied to materials other than nominated items and evidence of purchase will still be required: <ul style="list-style-type: none"> ○ Mark-up percentage for total materials cost less than \$1,000, shall be no more than 15% Mark-up percentage for total materials cost more than \$1,000, shall be no more than 10% ○ The total mark-up amount paid to a Contractor will be limited (capped) to an amount of \$250 per Work Order (except for quoted services) <p>Where a quotation is requested, Contractors will continue to include the full cost of procuring materials in the quotation.</p>
<p>Consumable Services</p>	<p>Generic consumables cannot be claimed. When claiming a consumables charge, the cost must be reasonable and itemised on the works service report and invoice, same as materials.</p>	<p>Consistent with current practice, reimbursement on low value consumables such as plastic wall plugs, nails and screws cannot be claimed. Higher value items such as tubes of silicon will be treated as materials be reimbursable in accordance with the above processes.</p>

Please note that the costing examples above have not captured all cost associations that may be present in the existing and future arrangement but are shown as an example to illustrate the intent of the like for like rate card and schedules.

To provide further assistance, Ventia released an update via email last week which can also be found on the following [link](#). The update from Ventia includes important information on on-boarding, rates and training including a series of FAQs and videos.

The information in this email is also available via the [Fact Sheet – Contractor Rates under the Future AGFMA](#) on the [Future AGFMA Website](#).

As always if you have any further queries, please don't hesitate to reach out to the Future AGFMA Team on the following email address, DIT.FutureAGFMA@sa.gov.au.

Thank you for your continued involvement in the AGFMA.

Simon Morony
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Department for Infrastructure and Transport
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