

## Minor Works a “How to Guide”

*Minor Works are works with a total project value of less than \$150,000 which add to or change the existing asset. Projects > \$150,000 must be referred to Department for Transport, Energy and Infrastructure.*

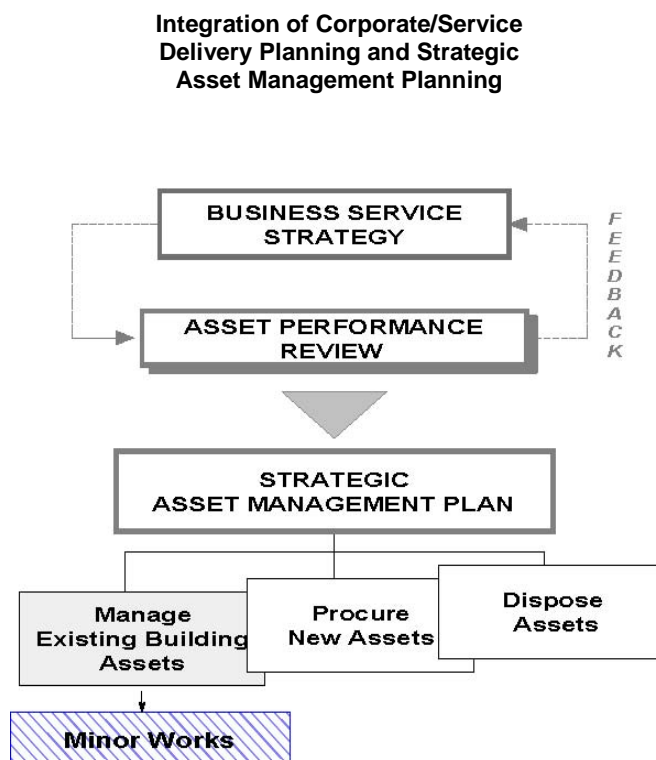
### Purpose

The purpose of the Minor Works Process is to assist facilities managers (including Facility Management Contractors) comply with statutory, administrative and financial requirements and to manage risk.

### Context

For existing building assets to continue to perform adequately and suitably for their intended purposes, minor works may be required to renew or upgrade them.

The implementation of minor works is borne out of a rigorous planning, assessment and budgetary approval process. The "Minor works" process is an aspect of the Implementation Phase of the Management of Existing Building Assets. Program as illustrated in the Flowchart below.



### Engagement of Building Service Provider

To implement identified minor works, a Building Service Contract needs to be prepared to establish the relationship between the purchaser of the services (government/agency) and a building service provider.

This may occur by outsourcing or using an in-house building service provider. However, for most government agencies, minor building works within the metropolitan area have been included in the outsourced "Facility Management (FM) Contracts".

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Where works are not covered by the FM Contracts, agencies are to ensure that the following procedures are adhered to.

### What Assistance is Available:

Although construction projects costing less than \$150,000 are classified as Minor Works, agencies undertaking them have a responsibility to:

- comply with a number of statutory, administrative and financial requirements
- manage the risk inherent in the projects.

Processes and procedures developed by the Department for Transport, Energy and Infrastructure (DTEI) can help agencies meet these obligations, achieve accountability and maximise the value from minor works projects.

Three publications that can assist facilities managers are:

- *Minor Works Guide and Flow Charts*: An overview of the process
- *Procedures Checklists*:
- A step by step project management procedures
- *Policies and Procedures Manual*:
- A detailed reference manual for setting up agency procedures. This manual provides all the standard contract documentation and forms required for undertaking minor building contracts

Each publication is available in hard copy or electronically in Word 6 format. In addition, training sessions in Minor Works Contracting can be provided as required.

### Procedures Applicable to Job Size

Procedures outlined in the Minor Works manuals are based on four cost ranges:

- less than \$500
- \$500 to \$2,000
- \$2,000 to \$10,000
- \$10,000 to \$150,000

This reflects the fact that while procedures for small jobs are quite simple, there is a need for more detailed procedures on larger projects and small, but complex jobs.

### Why Adopt Procedures

Contracting for minor works and services in the commercial environment involves special risks and obligations. This requires that agencies address a number of specific issues identified in the Minor Works Manuals, including:

- Tender processes to ensure best price and avoid potential conflict of interest or fraud
- Risk management, including insurance
- Compliance with asset management plans to minimise:
  - costs
  - duplication of work; or unplanned development
- Compliance with requirements for heritage listed buildings

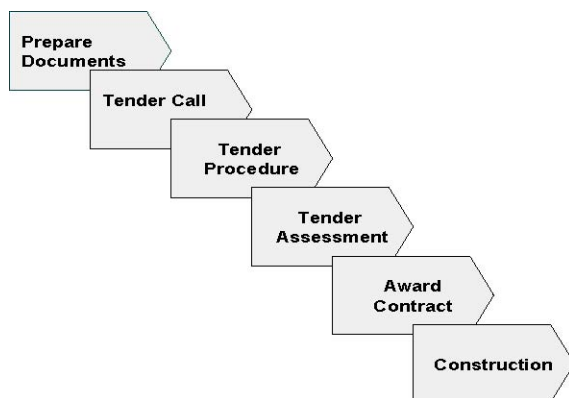
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- Compliance with procedures such as the Prescribed Payments System (taxation) or the reporting (data) requirements of the Australian Bureau of Statistics. Failure to comply could lead to legal action and/or additional costs
- Compliance with specific insurance requirements, contract conditions and work procedures where asbestos or other hazardous materials are present
- Compliance with the requirements of the *Building Code of Australia* and the *Disability Discrimination Act*, including provision of special disability access
- Application of proper administrative procedures such as:
  - certification of contractors
  - contract documentation and dispute resolution
  - avoiding sub-standard work, unsafe work practices and contract disputes
  - Compliance with financial management and audit requirements.

### The Procurement Process

Procedures for Minor Works procurement as detailed in the *Checklists* and *Flow Diagrams* will assist Project Managers in the procurement process:



### Contracting and Tendering:

The South Australian Government has adopted the following best practice principles for contracting with the private sector:

### Competition

The tender process must ensure a genuinely competitive outcome.

- **Value for Money**

The contracting and tendering processes is intended to achieve *value for money*.

Achieving this objective requires an assessment of risks and benefits to achieve the most effective and efficient delivery of a product or service. Price is only one factor to be considered.

- **Confidentiality and Intellectual Property**

Confidentiality of commercial material and protection of intellectual property rights must be established and maintained.

- **Government Accountability**

Management and staff must always maintain ethical behaviour when spending public funds.

- **Service Quality and Standards**

These must be clearly defined to enable value for money and compliance with tender requirements to be measured.

### Contracting DO's and DON'Ts

When contracting Minor Works:

#### DO's

- Clearly specify the extent of work
- Apply the same conditions to all tenderers
- Close all tenders at the same time
- Preserve confidentiality of tender information
- Verify tender compliance with requirements
- Assess tenders on a value for money basis

#### DON'Ts

- Split projects into packages of lower delegation
- Alter requirements unless all tenderers advised
- Allow one party any improper advantage
- Trade off tenderers to seek lower prices
- Allow price alterations after tenders close

### Agency Appointments and Delegations

An agency may have to identify and appoint people to a number of key roles. These appointments must be made with proper regard for probity issues. For example, certain roles should not be attributed to the same person. These appointments may include:

- **Principal:**  
The legal entity able to enter into a contract on behalf of the Government, eg. the Minister.  
The Principal must be a body corporate.
- **Superintendent:**  
The person legally empowered to make contract determinations
- **Superintendent’s Representative:**  
The person nominated to perform daily contract administration
- **Delegate/delegates:** Those appointed to:
  - Approve projects
  - Authorise expenditure within project approvals
  - Accept tenders