



Capital Grants
Conditions of
Compliance

2019

These conditions apply to projects funded in the 2019 Capital Round.
Endorsed by Commission: 15 October 2019

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REFERENCES USED

Capital Grants Program (CGP) for non- government schools Program Guidelines 2018
Capital Assistance Scheme Guidelines 2015

1 Introduction

- 1 School Authorities are advised that giving false or misleading information related to a Capital Grant application or agreement is a serious offence under the Criminal Code Act 1995.
- 2 Consultants and contractors engaged by School Authorities are advised that giving false or misleading information related to a Capital Grant application or agreement is a serious offence under the Criminal Code Act 1995.
- 3 School Authorities accepting Government capital funding must comply with these conditions.
- 4 School Authorities that are found to have breached these conditions of compliance will be responsible for the costs incurred by the Commission in investigating the compliance breach.
- 5 School Authorities must ensure that the approved project is completed:
 - a) To a satisfactory standard;
 - b) Within a reasonable time;
 - c) As described in the approval/offer of grant letter; and
 - d) In accordance with all relevant Local Government requirements.
- 6 By accepting the offer of a grant, School Authorities are bound to comply with any additional conditions specifically imposed by the Minister in relation to the approved grant.
- 7 The use to which Queensland and Australian Government capital grants can be allocated is stipulated in the relevant legislation. Capital grants received from the Government must be expended on buildings that are for school purposes only. Income from Government capital grants must not be expended on facilities that are for other than educational purposes, regardless of whether or not the facility is located on the school site. For example, Government capital grants must not be expended on buildings that are for the use of the parish.
- 8 It is critical that a non-government school does not enter into a prohibited agreement in relation to the operation of the school. There must be no direct or indirect connection between the recipient of Government funding and a for-profit entity. Further, when the school is established, there must be no direct or indirect connection between the recipient of Government funding and any for-profit entity that could reasonably be expected to compromise the independence of the recipient of a grant when making financial decisions.

2 Agreement and Affiliation

- 9 Prior to any offer of capital assistance being considered, School Authorities must have entered into an affiliation agreement with the Queensland Catholic Education Commission (QCEC) Block Grant Authority (BGA).
- 10 School Authorities must agree to identify any perceived or actual conflict of interest to the QCEC at the stage when it first occurs. The School Authority, with the possible assistance of the QCEC Secretariat, must then ensure that the conflict is resolved with written advice provided to the QCEC on the nature of the conflict and how it has been resolved.

- 11 School Authorities are to specifically identify to the QCEC Secretariat any contract provision to make an incentive payment to any person involved in the development and construction of the project which is designed to reward completion of the project at a cost under budget or ahead of time.

3 Offer of Capital Funding Assistance

- 12 School Authorities recommended for funding by the QCEC will receive approval advice from respective Education Ministers or a Member of the Government.
- 13 School Authorities or Schools are not to make any public announcements regarding project funding assistance until they are in receipt of the above-mentioned advice.
- 14 In extenuating circumstances, tenders may be sought, but a contract cannot be entered into by School Authorities until a written OFFER of capital funding assistance is received from the QCEC and that offer is accepted by the School Authority.

4 Tendering and Quotation Process

- 15 Full details of tender/quotation procedures are contained in Attachment 1 – Tender Procedures for Major Projects (over \$100,000) and Attachment 2 – Quotation Procedure for Minor Capital Projects (below \$100,000) of this document. Grant recipients are to ensure that their Architects/Project Supervisors are fully aware of and follow these procedures.
- 16 School Authorities are to enter into a legally binding commitment with successful contractors (e.g. sign a contract with a builder) to proceed with the project.
- 17 School Authorities are to send a copy of site and floor plans from the proposed tender documents prior to the project going out to tender, for the QCEC Secretariat to review. The Secretariat will review and seek to provide a response to School Authorities within 5 business days.

5 Payment of Grants

- 18 All capital grants received by School Authorities are to be deposited into an account with an Australian recognised financial institution, eg. Archdiocesan/Diocesan Development Fund, a bank, building society or credit union. The School Authority must identify the receipt and expenditure of those monies in separate accounts.
- 19 Grant payments cannot be made to School Authorities until the QCEC Secretariat receives:
- a) A signed agreement from the School Authority to the conditions of grant offer;
 - b) The results of tender/quotation bids; and
 - c) A completed Progressive Expenditure Statement which includes an update of the percentage complete (milestone) progress of works and signed by the Schools Authority's representative.

- 20 Capital grants received by School Authorities must only be spent on the project as approved by the respective Minister. Furthermore, such grants must be spent as soon as possible and not later than six (6) months after the date of receipt by the School Authority.
- 21 All capital payments to a School Authority may be suspended if the Project Completion Statement and the Accountant's Statement has not been provided to the QCEC Secretariat within fifteen (15) months of the last grant payment.
- 22 Both the Australian and State Governments actively encourage grant recipients to commence construction within a reasonable time frame following Ministerial approvals. To this end, Government guidelines indicate the following with respect to achieving a timely completion of approved projects.

6 Compliance Requirements

Recipients of Government grants are required to:

- 23 Spend the grant only on the approved project as described in the grant offer.
- 24 Obtain prior approval from the QCEC for any amendments to the approved project description.
- 25 Enter into a legally binding contractual arrangement (for example, sign a contract with a builder) to proceed with the project before the end of the year in which the first instalment of the grant is payable unless, in exceptional circumstances, the Department gives prior approval for a later commitment date.
- 26 Contribute at least the amount specified as the school contribution in the grant offer.
- 27 Spend grant payments, including any interest earned on grant payments on the approved project as soon as possible during the program year in which the funds are provided.
- 28 Ensure that the project is completed to a satisfactory standard, and within a reasonable time in accordance with the approved project description and with all relevant local Government requirements.
- 29 Provide to the QCEC Secretariat within a specified period after the completion of the project, accountability information including documentation on practical completion (eg Certificate) prepared by architects and accountants which certifies:
- a) the total expenditure and grant received for the project;
 - b) that the project is completed in accordance with the approved project description; and
 - c) that the grant monies were spent only on the approved project.
- 30 Allow the QCEC and/or the Government to inspect the project at all stages of the works as required.
- 31 Meet Government recognition requirements for capital funding.
- 32 Use the funded facilities for the purpose of providing school education services for locations, levels of education and students that have been recognised by the relevant State or Territory Government.

- 33 Ensure grant funds are not used to meet expenditure relating to facilities which have religious worship or usage as the sole or principal function
- 34 Notify the QCEC if the school ceases to use the facilities funded principally for the provision of primary and/or secondary student education or sells or otherwise disposes of the facilities as specified in the Australian Government right to repayments schedule.
- 35 Upon request by the QCEC, pay the QCEC all or part of the grant monies that are owing to the Government, as explained in the State and Australian Government right to repayments
- 36 Acknowledge and agree that if the Minister makes a determination under the Act following the closure, sale or disposal of facilities referred to above, then the QCEC may recover that specified amount from the School Authority as a debt due. The School Authority must also acknowledge that the QCEC may assign its right to recover the specified amount to the relevant state/territory or the Australian Government.
- 37 Comply with any other conditions under which the grant is made, including additional grant conditions required by the QCEC.
- 38 Make an application to the QCEC for payment within two (2) years of the date of approval, or the original grant for the project will be revoked, unless an extension is approved by the Minister.
- 39 Insure the approved project (all normal risks) for not less than its full value.

7 Variations to Projects

- 40 A school cannot vary the scope/description of the approved project without PRIOR written approval from the QCEC. Full details of the variation process can be found at Attachment 3
- 41 A change of circumstances after the approval of a project may require a variation to the project. Aspects of the project that may be varied include, but are not limited to:
- a) total project cost increase or decrease;
 - b) school contribution increase or decrease;
 - c) the start or end date being moved by more than one year;
 - d) changes to the scope or project category, facility category or other descriptor of the project;
 - e) changing the design solution for specifically funded components of works;
 - f) a request to vary the date for commitment if the school cannot enter into a commitment (sign a contract with a builder) for the project within twelve months of project approval;
 - g) moving an amount of funding to an earlier or later program year; and
 - h) cancelling (withdrawing) a project.
 - i) for clarification on variations please contact the capital unit of the QCEC at email address capital@qcec.catholic.edu.au
- 42 All variation requests must be submitted to the QCEC for approval prior to the variation taking place.

- 43 The QCEC has delegated variation approvals as follows:
- A project variation up to the value of \$250,000 can be approved by the Chief Financial Officer
 - A project variation up to the value of \$500,000 can be approved by the Chief Financial Officer and the QCEC Executive Director
 - A project variation greater than \$500,000 requires Commission approval.

Variations to Grants

- 44 If tender/quotation results are BELOW the approved project cost, the contribution level remains the same and the grant is reduced accordingly.
- 45 If accountability documentation reveals that the final project cost is BELOW the tender/quotation result, then the grant will be reduced.
- 46 There is an expectation that any project cost over-run (because of unfavourable tender/quotation results or because of unforeseen variations) will be borne by that particular School or the School's Authority.

8 Recognition of Government Funding

- 47 Full details of recognition requirements for capital projects are contained in the annual "Australian Government Capital Grants Program (CGP) for Non- Government Schools Program Guidelines 2018 " publication which is available on the Department of Education's website following see link below.
[Capital Grants Program - Operating Manual | Department of Education](#)
- 48 Projects in receipt of Australian Government grant funding greater than \$100,000 are required to hold an official opening (see following).

Australian Government Capital Grants Program

- 49 School Authorities which receive funding through the Australian Government Capital Grants Program are required to:
- a) Acknowledge the Australian Government's funding contribution in all announcements and other publicity;
 - b) Ensure that school communities are advised directly about assistance received from the Australian Government by such means as school newsletters;
 - c) Arrange an official opening ceremony of funded facilities within seven months of the physical completion of the project where the Australian Government has contributed funding of \$100,000 or more, unless otherwise agreed by the Australian Government;
 - d) The Australian Government Minister or the Minister's representative must be invited to speak at all official openings of capital projects. Where the Australian Government has contributed more than fifty per cent of the total project cost, the Minister or Minister's representative must be invited to officially open the facility;

- e) Advise the Department, via the schoolopenings@education.com.au inbox, of three proposed dates for school recognition ceremonies well in advance of the proposed opening dates; and
- f) Acknowledge Australian Government funding on plaques, as follows:
 - i. install building plaques on all completed projects, irrespective of project cost, which acknowledge Australian Government funding, unless otherwise agreed by the Department;
 - ii. where a facility is opened by an Australian Government representative, the name of the person opening the facility should be included on the plaque;
 - iii. wording on plaques acknowledging Australian Government funding should be of similar size and style to wording acknowledging other funding sources;
 - iv. include the Australian Government crest on all plaques; and
 - v. the Department will approve all plaque wording.

50 All requests and enquiries regarding recognition ceremonies or plaques for Australian Government funded projects should be made to the Department at schoolopenings@education.gov.au. School Authorities should contact the Department through this inbox in relation to any uncertainty or issues regarding the recognition requirements, including applications for variations to, or exemptions from, the recognition requirements. A Recognition Factsheet is also available on the Department's website [Australian Government Department of Education](#)

State Government Capital Assistance Guidelines

51 School Authorities which receive funding through the State Government Capital Assistance Scheme are required to provide public recognition as follows:

- (a) Projects assisted with State Government funds; recognition of the source of the funding is to be provided in any publicity associated with the project including any plaque recording the event.
- (b) Unless otherwise agreed by the State Government:
There must be acknowledgement of State Government funding on building plaques where the State has contributed \$100,000 or more to a project; and there must be an official opening ceremony of funded facilities where the State Government has contributed \$500,000 or more to a project.
- (c) If there is to be an official opening ceremony, the Minister or a representative must be invited to attend and speak at the ceremony.
- (d) Contact should be made to the Office of Non-State Schooling regarding recognition ceremonies or plaques for State Government funded projects via the following: education@ministerial.qld.gov.au
- (e) All School Authorities are required to advise the QCEC Secretariat of opening ceremony dates as soon as they are confirmed.

Accountability Requirements

- 52 To ensure that capital funding assistance is paid to School Authorities in a timely and equitable manner, certain formal accountability requirements have to be complied with. The accountability requirements which have to be submitted to the QCEC Secretariat are:
- a) Progressive Expenditure Statement
 - b) Project Completion Statement
 - c) Project Accountant's Statement
 - d) Official Opening Advice.

Capital Assistance Claim Form

- 53 This form is to be prepared by the Architect/Project Supervisor and approved by the School Authority. It should be based on a builder's claim for work completed and other costs incurred and reports on the expenditure status of the total project cost. The progress completed bar chart (milestone) is required to be updated to indicate the percentage of project completed. Electronic versions of the Capital Assistance Claim form are available on the QCEC Capital Programs web site: [Capital Projects](#).
- 54 The School Authority must attach to the Claim form adequate documentation to support and substantiate the claim for payment. These claim forms are to be submitted during the course of the project's work.

Practical Completion Statement

- 55 This statement is to be prepared by the Architect/ Project Supervisor and approved by the School Authority. This statement verifies that all work has been completed in accordance with the approved project description and approved tendered documents (including approved project variations).
- 56 The statement is to be submitted within 30 days after the project has reached practical completion. The statement must contain the detailed approved project description as reflected in the grant offer and agreement and is to include the drawing numbers as provided to the QCEC for review prior to tender and include all approved project variations.

Project Accountant's Statement

- 57 This statement verifies that all expenditure is in accordance with the approved project funding arrangements. This statement will be generated after the QCEC Secretariat has received the Project Completion Statement.
- 58 The auditor/accountant signing this declaration needs to be independent from the school according to the *Australian Education Act 2013 (Cth)* and the *Education (General Provisions Act 2006 (Qld)*.
- 59 The statement is to be submitted within 15 months following the project reaching practical completion.

Official Opening Advice

- 60 When School Authorities have determined their official opening date, this advice must be forwarded to the QCEC Secretariat.

External Infrastructure Subsidy Claims (EIS)

61 The State Government's administrative guidelines for the External Infrastructure Subsidy Scheme can be found on the Queensland Government's Department of Education web site as follows:

[Queensland Government External Infrastructure Subsidy Scheme](#)

62 Claims are to be prepared by the Architect/Project Supervisor and approved by the School Authority before being submitted to the QCEC for payment. All claims are to be substantiated with sufficient detail to enable the release of funds.

9 Government Interest in Projects

63 After project completion, the Government retains an interest in its share of the project for a period of up to twenty (20) years.

64 In the case of projects with grants greater than \$75,000, School Authorities must notify QCEC if the school ceases to use the funded facilities principally for the purpose specified in the grant offer or sells or otherwise disposes of the facilities within a period of twenty (20) years following completion of the project.

65 Where the above situation occurs, School Authorities will become liable for repaying the grant amount to QCEC, reduced each year the facilities were used for the approved purpose; by:

Australian Government Grants

See [Attachment 4 - Australian Government right to repayments](#)

State Government Grants

- Five per cent in the case of buildings; and
- For projects with equipment costs exceeding \$75,000, twenty per cent for computer equipment, and ten per cent for other equipment.

10 Right of Access

66 For Government funded projects, post occupancy reviews will be performed to ensure the project has been completed in accordance with these guidelines and conditions. Accordingly, School Authorities must permit the QCEC or Government representatives to have access to:

- Records of assessment, tender/quotation results and payment/ accountability statements and building plans and associated works documents.
- The school project site during and after construction of the approved project.

11 Summary

67 Unless otherwise specified, School Authorities must use the facilities funded principally for the purpose of providing school level educational services for students that have received approval for Australian Government School Authorities funding.

- 68 Failure by School Authorities to comply with the conditions set out in this document or with other appropriate guidelines may result in:
- a) Withdrawal of the grant offer; or
 - b) Delay in grant payments; or
 - c) Repayment of grant monies already paid.
- 69 School Authorities must make Architects/Project Supervisors and Project Accountants aware of the Conditions of Compliance, approved project description, costs, conditions and guidelines pertaining to Government offers of capital assistance funding (particularly tender/ quotation procedures and accountability requirements).
- 70 School Authorities must keep records of events, changes to situations or other details which may affect the performance of its obligations, regarding a capital grants offer.

THE SUBMISSION OF CAPITAL RETURN OF FUNDS, REPORTS AND ACCOUNTABILITY STATEMENTS ARE TO BE FORWARDED TO THE QCEC SECRETARIAT AS FOLLOWS:

FOR DIOCESAN/PARISH SCHOOL AUTHORITIES:	Through their respective Diocesan Education Office
FOR EDMUND RICE EDUCATION AUSTRALIA:	Through the EREA Northern Region Office
FOR RELIGIOUS INSTITUTE/PJP SCHOOL AUTHORITIES:	Direct to the QCEC Secretariat

EMAIL: capital@qcec.catholic.edu.au

ADDRESS: CAPITAL PROGRAMS
QUEENSLAND CATHOLIC EDUCATION COMMISSION
GPO BOX 2441
BRISBANE QLD 4001
PHONE: (07) 3316 5818

Attachment 1 - Tender Procedures for Major Projects (over \$100,000)

Introduction

- 71 This document specifically deals with projects whose total building works and associated costs exceed \$100,000. The Queensland Catholic Education Commission (QCEC) has separate guidelines covering quotation procedures for projects below \$100,000.
- 72 School Authorities accepting Government capital funding assistance are bound to strictly comply with tendering procedures that:
- Encapsulate the principle of 'public invitation' and that are based on sound building industry practise (e.g. Australian Standard AS4120 - 1994 – Code of Tendering); and
 - Comply with and include in contracts with contractors for the performance of any construction or building activity, the requirements contained in the National Code of Practice for the Construction Industry via the website (www.apcc.gov.au).
- 73 **If School Authorities are in doubt on any aspect of the tendering procedures, they should contact the QCEC Secretariat beforehand.**

Call for Tenders

- 74 Tenders/Quotations SHOULD NOT be sought by School Authorities until a written OFFER of capital funding assistance is received from the QCEC and that offer is accepted by the School Authority in writing.
- 75 A full set of tender issue site plans and floor plans are to be provided (electronically) to the Secretariat for review before the approved project is put out to tender. In certain instances the QCEC Secretariat may request additional documentation.
- 76 School Authorities must have either commenced construction or entered into a legally binding commitment to commence construction (after tenders/quotes have been received) by the end of 2020.
- 77 The only exception to this deadline are projects funded from State monies in the year of application (i.e. School Authority applies by 31 March 2019 funded in Financial Year 2019/2020 and deadline is by end of June 2021). A legal commitment is a signed contract or a letter of intent to sign a contract. Any request to vary the deadline must be submitted to the QCEC (for approval) well in advance.
- 78 School Authorities cannot vary the scope/description of the approved project without PRIOR written approval of the QCEC.

Tendering Methods

- 79 It is acknowledged project delivery may be provided through various tender processes such as the following.

Open Tender

- 80 The 'open' method is regarded as the traditional system of tendering and it is most commonly used and is considered to be the most appropriate method by Government. All interested parties are invited through open public advertisements to tender on a common basis.

Registration

- 81 Registration. The practice of publicly asking contractors to register their intention to bid for a project is an acceptable form of public tender provided that:
- At least five (5) conforming tenders are finally received unless exceptional circumstances exist; and
 - The registration period is not less than seven (7) days.
- 82 The objective of registration is to prequalify tenders in respect of their capacity and ability to undertake works and so avoid the time taken for investigation after tenders have closed (i.e. it can lead to a shorter tendering period).
- 83 Those firms regarded as unsuitable for being invited to submit a bid must be informed accordingly. It is not common practice for reasons to be given as to why a particular firm was not included on a tender list.

Other Methods

- 84 If a School Authority does not wish to use an open tender or registration method, approval must be obtained from the QCEC Secretariat before undertaking any ALTERNATIVE ACTION such as the use of project/construction management or similar system. If approval is given by the QCEC Secretariat, it will be on the basis that there are exceptional circumstances and that there will be a public invitation to project or construction managers to register interest.

Seeking Tenders

- 85 Public tender means the invitation of tenders by way of advertisements in the capital city daily press or major regional newspapers.
- 86 **Tender Period.** The tender period should normally be not less than twenty-one (21) days. The approval of the QCEC Secretariat will be required in advance of placing the tender notice, if a shorter tender period is proposed. Tender documents should indicate that tenders are to remain active for a minimum period of thirty (30) working days from the date of closure of tenders.
- 87 **Tender Numbers.** If less than five (5) tenders are received it may be necessary to seek additional tenders or obtain the prior approval of the QCEC Secretariat to proceed with less than five (5) tenders. Each case will be considered on its merits.
- 88 **Contingency Sum.** A contingency sum to the value of two and one half (2.5) per cent of the contract price or the estimated tender price is permitted to be included in tender documents. The approval of the QCEC Secretariat is required before inclusion (in contract documents) of a contingency sum exceeding two and one half (2.5) per cent is proposed.
- 89 **Project Splitting.** The splitting of a project into two (2) or more separate contracts is not permitted without the prior approval of the QCEC Secretariat.

- 90 **Sub-Contracts.** Where sub-contracts estimated to cost \$100,000 or more are included in the head contract, public tenders for the individual subcontracts must be called. In the case where a sub-contract is estimated to cost between \$15,000 and \$100,000 (inclusive) at least three (3) comparable written quotations must be obtained.
- 91 **Provisional Sums/Prime Costs.** Any provisional sum item/or prime cost item estimated to cost \$100,000 or more is to be let on the basis of public tender. In the case where a provisional sum item or prime cost item is estimated to cost between \$15,000 and \$100,000 (inclusive) at least three (3) comparable written quotations must be obtained.
- 92 **Site Allowances.** Where site allowances for any project are agreed or awarded by arbitration and this is not provided for in the contract price then the meeting of the additional cost is a matter for the approved School Authority and the builder. In accordance with Government policy (endorsed by the QCEC) builders are expected to make commercial judgements about the need to provide for site allowances in their tender price. The QCEC will not normally consider additional grants to meet site allowances. In the preparation of tender documentation therefore this matter should be considered carefully.
- 93 **Other Works.** Separate tenders must be obtained, where a School Authority concurrently requests contractors to tender for work outside the approved project. The SEPARATE WORK is the responsibility for the School Authority to administer and it cannot be considered by the QCEC as part of the tender for the approved project.

Capital Tender Process - Variation

- 94 The normal tender process may be varied in situations:
- when Government approval is given for a subsequent stage of a project while the builder is still on site and prior to practical completion of a previous stage, involving the same building, or
 - when exceptional circumstances exist, e.g. in isolated school communities where builders/tradesmen are difficult to obtain or the future financial viability of a staged project is jeopardised.
- 95 School Authorities wishing to vary the normal tender process by negotiating with a builder on site, for other approved capital work, are to use the following process:
- 96 School Authorities must seek prior approval of the QCEC Secretariat before negotiations with the onsite builder can commence for any other work. The written request should detail the reasons and the advantages which can be achieved through negotiation with the onsite builder and thus, avoiding the normal open tender process.
- 97 Once the QCEC approval has been received, a letter should be written to the onsite builder from the Project Architect, detailing the following terms:
- the builder is being given the first opportunity to submit a price for another part of the project,
 - the builder's bid should be submitted on the basis of an 'open book tender' which should be validated by the Project Architect and the same should be available for inspection by the QCEC Secretariat,
 - the submitted bid does not necessarily mean that it will be accepted and depending on its result, this other work may still go to open tender,

- the submitted bid by the builder for the other work, must be forwarded to the QCEC Secretariat in accordance with normal tender results reporting format, and
- as per the conditions of Government grant offer, no contracts with the builder for the other work can be signed until Ministerial approval is received.

Indigenous Australians

- 98 Australian Government grants are offered on the additional condition that the School Authority will facilitate the Australian Government's policy of encouraging the employment and training of Indigenous Australians. Where a project is to be undertaken specifically for an Indigenous Australian community, at least one member of that community is to be involved in the evaluation of tenders, except where a conflict of interests would arise.
- 99 School Authorities should maximise employment opportunities for Indigenous Australians where a project is undertaken specifically for an Indigenous Australian community or where the a project is located in an area likely to provide employment or training opportunities for Indigenous Australians, in line with the Australian Government's policy of seeking to reduce the disproportionately high unemployment rates among these people
[Australian Government Department of Employment Skills, Small and Family Business](#)

Opening Tenders

- 100 The Tender Opening Committee must include the Architect/Project Supervisor (or nominated representative) and at least two (2) other responsible and independent persons appointed by the School Authority responsible for the project. Details of the Committee are to be included on the Tender Results Report.
- 101 It is important that School Authorities use a tendering system which aims to protect the interest of all parties and ensures propriety and public accountability.

Reporting Tender Results

- 102 The submission of tender results to the QCEC is one of the compliance conditions School Authorities receiving capital funding assistance must comply with. To ensure School Authorities are not financially disadvantaged or that the tender validity period is not unnecessarily affected, School Authorities should submit their tender results to the QCEC as soon as possible. The submission should include the standard QCEC form 'Results of Tender Process' and copies of the tender bids actually received by the school from builders.
- 103 NO TENDERS CAN BE ACCEPTED OR CONTRACTS SIGNED UNTIL TENDER RESULTS ARE SUBMITTED TO AND APPROVED IN WRITING BY THE QCEC.

Acceptance of Tender

- 104 THE PREFERRED TENDER IS EXPECTED TO BE THE LOWEST TENDER. Approval must be sought from the QCEC if a tender other than the lowest is preferred, and the School Authority must provide compelling reasons for their selection.
- 105 School Authorities must take into account value for money when they undertake a tender process.
- 106 Reasons for a tender decision must be documented on the relevant project file including, where appropriate, reasons why the lowest tender is not being recommended for acceptance.

- 107 After the tender results are checked, the QCEC Secretariat will inform the School Authority (in writing) of any project cost adjustments and that they are free to commence project work.
- 108 Each case will be assessed on its merits and it should not be assumed that approval will be given.

Tenders above Approved Project Cost

- 109 Where the LOWEST conforming tender is ABOVE the approved project cost, the School Authority must submit the tender results to the QCEC Secretariat as soon as possible and provide details of how it proposes to deal with the higher tender results.
- 110 The QCEC Secretariat will advise the School Authority (in writing) of action to be taken regarding the tender results.

Summary

- 111 It is essential that all School Authorities receiving Government capital assistance comply with procedures which provide tenderers with an equal opportunity to compete and participate. If School Authorities are unclear on any matters regarding the tender process, they should contact the QCEC Secretariat. Action at any stage after a project has been approved that will vary the scope or description of that project, must be referred to the QCEC for approval prior to implementation.

Attachment 2 - Quotation Procedure for Minor Capital Projects (below \$100,000)

Minor Capital Projects

112 Minor projects usually involve small additions/ extensions and/or the refurbishment/ renovation of existing facilities.

Obtaining Quotations

113 Once a capital grant OFFER has been made and accepted for the project, the School Authority should proceed to obtain quotations as follows:

114 At least three (3) comparable written quotations must be obtained for the main part of the project (construction/refurbishment) and any associated works (i.e. services, site works, demolition etc).

115 For other elements of the project not included in the main part and valued greater than \$15,000 three (3) written quotations must also be obtained. (i.e separate services, site and demolition work or large items of furniture/equipment). These other elements of the project are not to be divided into sub-elements of less than \$15,000 to avoid the need to call quotations.

116 In all cases it is expected that the lowest quotation received will be accepted for the project or element.

117 If the School Authority wishes to vary any of the above conditions, a written submission must be made to the QCEC. Each case will be assessed on its merits and it should not be assumed that approval will be given.

Reporting Quotations

118 All quotation results must be submitted to the QCEC Secretariat as soon as possible. **No quotations can be accepted or contracts signed until quotation results are submitted to and acknowledged in writing by the QCEC.**

119 If the total project cost (based on lowest quotations) has:

- Exceeded the Approved Project Cost and cannot be met from community resources; or
- Where the increase can be met but has increased by more than fifteen (15) per cent (compared to the Approved Project Cost)

The School Authority must advise the QCEC Secretariat of the circumstances before entering into a legal commitment/contract. The submission of circumstances must also include the Results of Quotation Process Form.

120 Copies of written quotations received are to be submitted to the QCEC Secretariat together with the standard quotation results form.

Architect/Project Supervisor

121 **The above details must be provided to Architects and /or Project Supervisors before quotations are sought for the project.**

Attachment 3 - Variation Procedure

- 122 There is an expectation held by the Commission that all projects approved by the Minister will be delivered without significant change. It is understood however that variations may occur during the delivery of a project and to address this possibility the following procedures have been established to assist School Authorities.
- 123 A variation can be defined as any change or difference from the approved project. As variations from approved projects can vary from the less significant to the more substantial, guidance is provided regarding the process to have variations recognised.
- 124 With the introduction of a more refined audit process endorsed by the Commission the need for transparency and accountability is in keeping with Audit and Risk and sound governance considerations.
- 125 With variations taking many forms, the following categories are provided for guidance:
- **Major:** A change in purpose of the proposal
This type of variation would be one in which the variation would not be delivering facilities or significant infrastructure as originally approved. The relevant Minister would need to be informed and approval sought.
 - **Minor:** A change which delivers the facilities however supplementary works are being amended or not being delivered. This type of variation would be one which delivers an alternative provision such as a lift in lieu of a disability access ramp. If funds are specifically allocated for the delivery of identified items of work there is an expectation that this work will be delivered.

Process

- 126 Once a capital Grant Offer has been made and accepted for the project, the School Authority should seek to deliver the project as approved. In the event a variation is to be sought the following procedure is required to be undertaken:
- Notify QCEC of the proposed change in scope seeking approval for the varied works
 - Provide details of the requirement to change the scope of works
 - Provide the costs associated with the variation

Approvals

- 127 The Commission has provided a delegation of authority to the following QCEC personnel to assess and endorse a variation to the approved project
- Chief Finance Officer (CFO) up to \$250,000
 - Executive Director and CFO up to \$500,000
 - Variations greater than \$500,000 are to be referred by the Executive Director to the Commission for consideration.
- 128 Variations of project scope and/or cost are required to be provided by QCEC to the relevant Minister for consideration.

Attachment 4 - Australian Government Right to Repayments

- 129 Section 109 of the Act and Section 64 of the Regulations provide the Australian Government with a right to repayment for grants of more than \$75,000 where funded facilities are no longer used to provide school education, or are sold or otherwise disposed of, during the designated use period (as defined under section 64 of the Regulation).
- 130 It is a grant condition that School Authorities advise the Commission should such a circumstance arise.
- 131 The amount of funds repayable in the above circumstances is dependent on the grant amount and the number of years the facility was used for the provision of primary or secondary education.

Examples of the recoverable amount are set out in the table below:

Total Grant Amount	Designated Use Period	Recoverable Portion	Example
\$75,001 to \$500,000	2 years plus one additional year for each \$50,000 over \$100,000 (Rounded to the nearest full year)	Full amount will be recoverable up to half way through the Designated Use Period, and then reduced by equal proportions of the total amount over the remaining period.	Grant amount \$475,000: retain interest for 2 years plus 7.5 years (total rounded up to 10 years). The full amount recoverable up to 5 years then the amount to be recovered would be reduced by 20% of the total amount each year until \$0 is recoverable after the 10 years from the date of the commencement of the Designated Use Period.
\$500,001 to \$1.5M	10 years plus additional year for every \$100,000 over \$500,000 (Rounded to the nearest full year)	Full amount will be recoverable up to half way through the Designated Use Period, and then reduced by equal proportions of the total amount over the remaining period.	Grant amount \$1m: retain interest for 10 years plus 5 years (total 15 years). Full amount recoverable up to 7.5 years then would reduce by 13.33% of the total amount each year to the end of 15 years.

Total Grant Amount	Designated Use Period	Recoverable Portion	Example
Over \$1.5M	20 years	Full amount will be recoverable up to half way through the Designated Use Period then reduced by equal proportions of the total amount over the remaining period.	Grant amount \$2m: retain interest for 20 years. Full amount recoverable over 10 years and then would reduce by 10% of the total amount each year to the end of the 20 years.

Right to repayments prior to 2009

132 The right to repayment arrangements were varied in 2009. The following right to repayment arrangements apply where a grant was approved prior to the issue of the 2009 *Administrative Guidelines: Australian Government Programs for Non-Government Schools*.

Calculated Portion of the Grant

133 The Calculated Portion of the Grant (i.e. the repayable amount) repayable to the Australian Government is calculated as follows where a grant was approved prior to the issue of the Administrative Guidelines for 2009:

- The Designated Use Period that the facility was used by the BGA Member for the Approved Purpose is:
 - (i) 20 years where the Facilities are buildings;
 - (ii) 5 years for computer equipment; and
 - (iii) 10 years for equipment other than computer equipment.

- The Calculated Portion of the grant is calculated by applying a reduction of:
 - (i) five per cent where the Facilities are buildings;
 - (ii) twenty per cent where the Facilities are computer equipment; and
 - (iii) ten per cent where the Facilities are equipment other than computer equipment to the Grant for each year during the designated use period that the facility was used by the BGA Participant for the Approved Purpose.

134 It should be noted that, on or after the date of issue of the revised program guidelines for 2009, the equipment cost component of projects was assumed to be funded under the school contribution component of project funding and does not receive any special consideration with respect to shorter Right of Repayment time periods. Where this may unfairly disadvantage a school e.g. when the equipment cost component exceeds the school contribution, the BGA may seek the Department's approval in writing of a modified Right of Repayment arrangement for the project which takes the shorter effective life of equipment into account.