

# **Appendix 1: Contractor tendering and selection process**

# 1-1: Non-price evaluation criteria

Non-price evaluation criteria are included in the tendering and selection process to support government policy and provide a greater level of certainty to project outcomes.

The inclusion of non-price evaluation criteria in tender evaluation is based on the recognition that:

- the lowest priced conforming tender does not necessarily represent best value for money
- project requirements considered important or critical may be best satisfied by contractors who can demonstrate specific skills or experience
- non-price evaluation criteria have a role in the realisation of government priorities and outcomes.

#### Non-price criteria addressing government priorities

Non-price criteria addressing government priorities provide a mechanism for ensuring the construction of government building construction projects supports the Queensland Government's overall aim to achieve greater value for money from the government's infrastructure program and service delivery.

Typical non-price criteria may include:

- the nature of the project
- tenderers' past record in and/or commitment to using local industry.

Project-specific criteria should consider:

- project complexity
- risk level
- type and size of the project.

Project-specific, non-price criteria should be designed to address:

- the contractor's proposed methodology
- the contractor's proposed resource strategy
- any other issues related to the project, as determined by the project sponsor.

#### Contractor methodology

Contractor methodology refers to the way a contractor intends to meet project objectives. Depending on the form of contract, contractor methodology may encompass all of the activities undertaken throughout the design and delivery phases of the project.

Non-price criteria addressing contractor methodology may focus on any of the following non-exhaustive sub-criteria list:

- buildability/maintainability
- community consultation
- consultant management
- design management
- environmental sustainability
- handover management
- innovation
- programming of works
- safety
- subcontractor management
- use of local industry
- waste management
- communication
- construction management
- cost management
- documentation management
- functionality

- incorporation of best practice
- lifecycle costs
- quality management
- site management
- supporting equipment and systems
- user group/client management.

#### Contractor resource strategy

A contractor's resource strategy will specify which individuals, companies and sub-contractors will be involved in the project:

The contractor's resource strategy may include some or all of the following aspects:

- key managerial and supervisory personnel
- key team members (including their résumés)
- key trade packages
- project organisation chart
- identification of key activities in terms of tasks and people
- management structures, roles, and reporting relationships
- contractor's past and current time-related performance
- personnel back-up strategy
- referees.

#### Weightings for non-price criteria

For projects where non-price evaluation criteria form part of the Conditions of Tender:

- tender documentation should give an indication of the relative importance of each criterion (i.e. a weighting, usually expressed as a percentage)
- weighting of non-price criteria depends on the risks associated with the project
- non-price criteria for projects delivered using a Design and Construct contract will have a higher weighting than those projects delivered using a Construct Only contract.

For the majority of Construct Only Lump Sum contracts, price will be the major consideration in a tender evaluation:

- tender price will usually be assigned a weighting of 100 per cent, where there are no non-price criteria, and
- a tender price weighting ranging from 70–90 per cent where there are non-price criteria.

Projects Design and Construct contracts should include non-price criteria, depending on the risks involved. All projects identified as HRS will incorporate non-price evaluation criteria.

Criteria weightings should be developed considering:

- opportunities for contractors to add value to a project, given the level of contract documentation and type of contractual conditions
- requirements of government policy
- · scoring methodology adopted for the evaluation.

The greater the input of the contractor into the design and documentation process, the lower the weighting for the price criteria.

For all HRS projects, agencies should prepare a tender evaluation plan and consult with EPW on the proposed evaluation criteria and weightings to be used in the selection of consultants and contractors, prior to calling tenders.

Further information on the use of non-price evaluation criteria and weightings is available from EPW and the tender evaluation, including the preferred scoring methodology for HRS projects, is available from EPW, Contract Services Unit.

The non-price criteria in the tender evaluation process:

• may be used in open or select tender situations

- · should be consistent with the objectives of the QPP and with required project outcomes and
- ensure that the non-price criteria used to assess value for money are appropriate.

It is important to ensure that the non-price criteria used to assess value for money are appropriate and consistent with the objectives of the QPP and with required project outcomes.

The process for using non-price criteria in a tender evaluation is as follows:

- identify any project-specific non-price issues critical to the success of the project, and determine the appropriate non-price criteria
- consider which, if any, of the government ambitions and targets are most relevant/appropriate to the project, and determine the non-price criteria accordingly
- determine the overall weightings for the price and non-price criteria
- apportion the overall weighting for non-price criteria among the government ambitions and targets and project-specific, non-price criteria (including any sub-criteria), as appropriate
- · incorporate all criteria and associated weightings into the tender documents
- evaluate tenderers' responses to the non-price criteria, along with tender prices (undertaken by a tender panel).

# Appendix 2: PQC System - consultant service risk assessment

### 2-1: Consultant PQC Service Risk Assessment Tool

A Key area of risk	B Consequence rating (Refer <u>Table 13</u> )	C Considerations when determining consequence rating	D Likelihood rating (Refer to <u>Table 14</u> )	E Considerations when determining likelihood rating	F Risk rating B x D
Time overrun	<ul> <li>1 insignificant</li> <li>2 minor</li> <li>3 moderate</li> <li>4 major</li> <li>5 catastrophic</li> </ul>	<ul> <li>Consultancy is on the critical path</li> <li>Implications if program or project completion is delayed</li> <li>Time overrun has implications for service delivery</li> <li>Public statements (e.g. media releases) have been made advising of a particular completion date</li> </ul>	<ul> <li>☐ 1 rare</li> <li>☐ 2 unlikely</li> <li>☐ 3 possible</li> <li>☐ 4 likely</li> <li>☐ 5 almost certain</li> </ul>	<ul> <li>Consultancy timeframe is compressed</li> <li>Approvals required and may cause delays</li> <li>Approvals involve various levels of government (i.e. local, state, federal)</li> <li>Consultation with stakeholders required and may cause delays</li> <li>Requirement for coordination of consultants/number of consultants requiring coordination</li> </ul>	BOX 1
Cost overrun	<ul> <li>1 insignificant</li> <li>2 minor</li> <li>3 moderate</li> <li>4 major</li> <li>5 catastrophic</li> </ul>	<ul> <li>Implications if the project budget is exceeded</li> <li>Implications if lifecycle cost requirements are not met or recurrent costs exceeded</li> <li>Availability of additional funds</li> <li>Capacity to reduce project scope</li> <li>Capacity to stage project</li> </ul>	<ul> <li>1 rare</li> <li>2 unlikely</li> <li>3 possible</li> <li>4 likely</li> <li>5 almost certain</li> </ul>	<ul> <li>Whether project budget is based on historical data for projects of similar size, scope, location, and currency</li> <li>Firmness and clarity of Terms of Reference / brief for commission</li> <li>Anticipated level of innovation required</li> <li>Degree of rigour required with respect to lifecycle cost performance</li> <li>Budgeted contingency amounts considered adequate</li> </ul>	BOX 2
Reduced functionality and/or failure to meet commission requirements	<ul> <li>1 insignificant</li> <li>2 minor</li> <li>3 moderate</li> <li>4 major</li> <li>5 catastrophic</li> </ul>	<ul> <li>Implications if commission requirements are not met or functionality is not fully achieved</li> <li>Level of public awareness of, and interest in, the project to which the consultancy relates</li> <li>Effect of functionality on service delivery</li> <li>Level of quality specified in the Terms of Reference / brief for the commission</li> </ul>	<ul> <li>1 rare</li> <li>2 unlikely</li> <li>3 possible</li> <li>4 likely</li> <li>5 almost certain</li> </ul>	<ul> <li>Firmness and clarity of Terms of Reference / brief for commission</li> <li>Anticipated level of innovation</li> <li>Adequacy of project budget to cover brief requirements</li> <li>Requirement for coordination of consultants / number of consultants requiring coordination</li> </ul>	BOX 3

#### Instructions

- Determine consequence rating for each key area of risk (column A):
  - rate the consequences should the risk event occur (column B)
  - see Table 13 for descriptions of typical consequences and associated levels
  - considerations (columns C and E) are provided as prompts to assist decision-making, and are not rated.

- **Determine likelihood rating** for each key area of risk (column A):
  - rate the likelihood of the risk event occurring (column D)
  - see <u>Table 14</u> for descriptions of the likelihood ratings.
- **Calculate** when each risk event has been rated:
  - multiply the numerical ratings from columns B and D and insert the total in column F
  - calculate the average of the figures recorded in column F by adding boxes 1, 2 and 3 and dividing this figure by 3
  - record the average at the top of <u>Table 15</u>.
- Determine PQC Service Risk Rating
  - locate the average within the ranges given in Table 15
  - record the PQC Service Risk Rating at the bottom of Table 15.

#### Table 13: Measures of consequence

Level	Descriptor	Example detail description				
1	Insignificant	Errors/omissions/defects/design flaws are inconsequential or non-existent; intended functionality delivered; service delivery as planned				
2	Minor	Errors/omissions/defects/design flaws requiring limited rework/redesign, slightly reduced functionality; service delivery generally unaffected				
3	Moderate	Errors/omissions/defects/design flaws requiring significant rework/redesign; reduced functionality; delayed/reduced/interrupted service delivery				
4	Major	Errors/omissions/defects/design flaws making the building unfit for occupancy without extensive rework/redesign, significantly reduced functionality; significantly delayed/reduced/interrupted service delivery				
5	Catastrophic	Errors/omissions/defects/design flaws resulting in partial or total building collapse requiring demolition, redesign, and rebuilding, serious injuries, or loss of life; loss of functionality/service delivery				

	Descriptor	Description				
1	Rare		May occur only in e	exceptional circumstances		
2	Unlikely		Could occur at some time			
3	Possible		Might occur at some time			
4	Likely		Will probably occur in most circumstances			
5	Almost certain		Is expected to occ	ur in most circumstances		
				Insert the average of	of boxes 1, 2 and 3	
	ervice risk rating ranges	(				
able 15: PQC Se Range	ervice risk rating ranges	1-4	5–11	Insert the average of 12–19	of boxes 1, 2 and 3 20–25	
	ervice risk rating ranges	1–4 Low	5–11 Moderate			
Range				12–19	20–25	
Range .evel of risk		Low	Moderate	12–19 High	20–25 Very high	

#### Table 14: Measures of likelihood

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# **Appendix 3: Consultant invitation and selection process**

# **3-1: Schedule of commission types, service activities and building industry consultants**

#### Commission Type – Survey/Site Investigation

Service Activity	Building Industry Consultant
Geotechnical	<ul> <li>Registered civil engineer (BPEQ)</li> <li>Engineering technologist/ associate (Civil) (NETR-registered)</li> <li>Site classifier (QBCC)</li> </ul>
Surveying	Licensed consulting surveyor (SBQ)

#### **Commission Type – Design and Documentation**

Service Activity	Building Industry Consultant
Building Design	<ul> <li>Registered architect (BOAQ)</li> <li>Building designer (QBCC)</li> <li>Residential designer (QBCC)</li> </ul>
Landscape Design	Landscape architect (eligible for corporate membership of AILA)
Environmental	<ul> <li>Registered civil engineer (BPEQ)</li> <li>Environmental scientist practising in environmental engineering</li> <li>Landscape architect (eligible for corporate membership of AILA)</li> <li>Certified Environmental Practitioner (CEnvP)</li> </ul>
Civil Engineering	<ul> <li>Registered civil engineer (BPEQ)</li> <li>Engineering technologist/associate (Civil) (NETR-registered)</li> </ul>
Energy	<ul> <li>Registered electrical/mechanical engineer (BPEQ)</li> <li>Engineering technologist/associate (electrical/ mechanical) (NETR-registered)</li> <li>Mechanical contractor (QBCC)</li> </ul>
Hydraulics/ Plumbing	<ul> <li>Registered civil engineer (BPEQ)</li> <li>Hydraulics services designer (QBCC)</li> </ul>

#### **Commission Type – Design and Documentation**

Service Activity	Building Industry Consultant
Acoustics	Registered engineer (BPEQ)
Mechanical (HVAC)	<ul> <li>Registered mechanical engineer (BPEQ)</li> <li>Mechanical contractor (QBCC)</li> </ul>
Structural	<ul> <li>Registered civil engineer (BPEQ)</li> <li>Engineering technologist/associate (Civil) (NETR registered)</li> </ul>
Vertical Transportation	Registered engineer (BPEQ)
Fire	Registered engineer (BPEQ)
Security	Registered electrical/ mechanical engineer (BPEQ)

#### Commission Type – Building Project Management

Service Activity	Building Industry Consultant
Building Project Management	<ul> <li>Builder low rise/medium rise/open (QBCC)</li> <li>Builder project management services (QBCC)</li> <li>Registered Architect (BOAQ)</li> <li>Registered Engineer (BPEQ)</li> </ul>

Service activity	Building Industry Consultant
Cost Planning and Management	Quantity surveyor (eligible for AIQS membership)
Bill of Quantities	Quantity surveyor (eligible for AIQS membership)

#### **Commission Type – Cost Management**

#### **Commission Type – Compliance**

Service Activity	Building Industry Consultant
Building Certification	<ul> <li>Building Certifier (QBCC)</li> <li>Building Certifier assistant (QBCC)</li> <li>Building Certifier technician (QBCC)</li> </ul>

### 3-2: Assessment of value of consultant opportunities

To achieve a consistent, fair, and transparent consultant selection process, the PQC System (record of each consultant's previous opportunities to submit proposals for government building construction project commissions) is used to determine the initial order of the long list of prequalified consultants when a select list is being prepared.

#### Consultant opportunities are considered on the basis of:

- total dollar value of commissions for which the consultant has previously been invited to submit a proposal
- the size of the consultant entity, and
- the period of time the consultant has been registered on the PQC System.

A moderated ratio referred to as the Adjusted Value of Opportunities (AVO) ratio is determined for each consultant on the long list.

#### Determining the AVO ratio includes:

- the period of time the consultant has been registered on the PQC System, and
- if two consultants have had the same total dollar value of opportunities and the entities are the same size, then the entity that was first prequalified and registered should be higher in the initial ordering of the long list.

The size of the consultant entity is used to recognise industry sustainability as a factor in determining the AVO ratio on the basis that a small consultant entity would receive a greater benefit than a large consultant entity from the same commission.

The AVO ratio for each consultant is determined using the formula:

$$AVO = \frac{RVO}{NVO_{av} \times PR} \times 100\%$$

AVO is the Adjusted Value of Opportunities ratio

**RVO** is the Raw Value of Opportunities in \$ for the total period of registration

**NVO**<sub>av</sub> is the average annual Net Fee Value of the consultant (excluding fees paid to subconsultants where the consultant is the Principal Consultant) and

PR is the consultant's Period of Registration on the PQC System, in years

## 3-3: Increasing opportunities for superior consultants

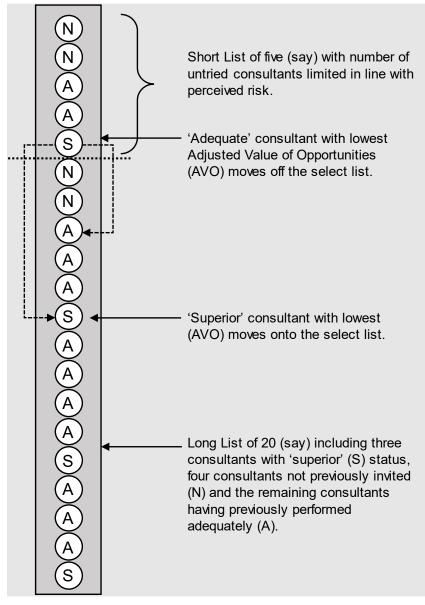
Consultants awarded superior consultant status are identified in the PQC System.

Whenever consultants appear on a long list during the preparation of a select invitation list, at least one should be given priority consideration for inclusion on the select list. This priority should be given to the superior consultant, which is one who has previously had the least opportunity to submit proposals for government building construction project commissions (i.e. the lowest ratio).

There may be scope to include other superior consultants on the same select list; however, consideration also needs to be given to consultants on the PQC System who have previously performed, those who have not had a government building construction project commission, and, within this group, those that have not previously been invited to submit a proposal.

The following diagram illustrates the preferred approach.

Figure 5: Shortlist example for commission with Service Risk Rating of 3



Text description for Figure 5

### 3-4: Evaluation criteria and sub-criteria for consultancy proposals

The following criteria should be used to evaluate consultant proposals:

- understanding project objectives
- methodology
- resource strategy
- value adding
- support for local industry
- price (fees).

Each of these criteria is addressed in this attachment, together with relevant sub-criteria, which agencies may use at their discretion.

#### Understanding project objectives

The consultants' understanding of project objectives is important, particularly for design commissions associated with larger projects.

Consultant responses to this criterion should convey their analytical understanding of the objectives and not simply repeat those stated in the Terms of Reference.

The consultants' understanding of project objectives should also be evident in their response to other criteria.

Relevant sub-criteria that consultants could be requested to address in their proposals include:

- scope of work identified in the Terms of Reference
- project objectives and deliverables in terms of time, cost, quality, and function
- design intent
- operational efficiency requirements/intended service delivery from the facility
- flexibility requirements
- built asset whole-of-life factors such as maintenance, operating costs, etc.

#### Methodology

This criterion covers the consultants' processes for the delivery of the required service.

Consultant responses may include:

- diagrammatic representation of the proposed processes
- reporting relationships
- systems and procedures.

Relevant sub-criteria that consultants could be requested to address in their proposals include:

- process management
- overall design (or trade package) documentation process
- programming issues
- cost planning and cost management
- built asset whole-of-life cost issues
- training, handover, and commissioning processes
- buildability issues
- quality management, safety, and environment policies
- management systems
- key support equipment and systems
- built asset whole-of-life cost issues
- alternative forms of procurement
- strategy for maximising value for money
- community consultation strategy
- environmental management/sustainability.

#### Resource strategy

The consultants should resource the project in line with the project objectives. The required resources should be identified, including back-up resources and any special expertise considerations.

Relevant sub-criteria that consultants may be requested to address in their proposals include:

- capability of the project team:
  - managerial
  - supervisory personnel
  - key team members
- personnel backup strategies
- referees
- resource management strategies
- management structures and reporting relationships (including identification of key activities and the proportion of time that identified personnel will be allocated to these activities)
- past and current time related performance
- impact on agency resources
- use of special IT packages.

#### Value adding

This criterion provides consultants with an opportunity to state benefits that they can offer over and above those sought in the Terms of Reference.

The information provided should demonstrate how consultants propose to add value to the delivery process or the project outcome.

Relevant sub-criteria that consultants may be requested to address in their proposals include:

- innovative approaches to design issues described in the Terms of Reference
- incorporation of research and development findings into project deliverables
- prior knowledge of the particular site
- understanding of local issues
- special skills of personnel (may also be reflected in resources section)
- contribution to the built environment.

#### Support for local industry

This criterion is concerned with local industry participation issues and requires consultants to explain how full, fair, and reasonable access to government building work will be provided. This criterion is particularly relevant to commissions for projects in regional Queensland.

Relevant sub-criteria that consultants may be requested to address in their proposals include:

- strategy for use of local subconsultants and/or service providers and suppliers
- strategy for providing training and/or skills/technology transfer to local consultants and/or local service providers or suppliers, and
- opportunities for local product specification/import replacement.

#### Price (fees)

This criterion is relevant to both value selection and qualification-based selection as it provides the basis for assessment of value for money of consultant proposals.

Under value selection, price scores are calculated using a price-scoring formula; whereas, for qualification-based selection, price scoring is relevant only to the extent of providing a starting point for negotiations with the preferred consultant after that consultant has been initially identified based on responses to the non-price criteria.

Consultant fees should be stated in accordance with the invitation documents. This will be in the form of a lump sum or percentage of the estimated building cost or based on an hourly rate with an agreed maximum limit.

# **Appendix 4: PQC System – contractor performance reporting**

### 4-1: Evaluation criteria and performance metrics

The following metrics are to be used by the reporting officer (e.g. SR) when assessing and grading a contractor's performance against the specified evaluation criteria on the performance report template.

An unsatisfactory or superior grading recorded on a performance report should be accompanied by relevant documentation to support such a grading being given by the reporting officer.

Table 16: Performance metrics

#### Quality – the standard of the contractor's work

Unsatisf	actory Poor	Satisfactory	Good	Superior
Number of defects/non-c identified duri construction o project was o practical com considered <u>ex</u> unsatisfactory of this value/o	ng identified during by when the construction or when the ffered for project was offered for pletion is practical completion is <u>ccessive</u> and considered <u>high</u> for a y for a contract	identified during	e construction or when the project was offered for practical completion is	Number of defects/non-conformances identified during construction or when the project was offered for practical completion is considered very low for a contract of this value/complexity

#### Quality – the standard of the contractor's contract documentation (e.g. submissions and construction program)

Unsatisfactory	Poor	Satisfactory	Good	Superior
<ul> <li>Less than 70% of</li></ul>	<ul> <li>70% or more of</li></ul>	<ul> <li>80% or more of</li></ul>	<ul> <li>90% or more of</li></ul>	<ul> <li>100% of documentation</li></ul>
documentation provided is	documentation provided is	documentation provided is	documentation provided is	provided is accurate and
accurate and complete	accurate and complete	accurate and complete	accurate and complete	complete

#### Time - the extent to which the contractor adhered to contract timeframes

Project duration	Unsatisfactory	Poor	Satisfactory	Good	Superior
Up to 6 months	More than 10% late	• 4–10% late	On time or up to 4% late	Up to 4% early	More than 4% early
6 months to 18 months	More than 7% late	• 3–7% late	On time or up to 3% late	• Up to 3% early	More than 3% early
More than 18 months	More than 5% late	• 2–5% late	• On time or up to 2% late	• Up to 2% early	More than 2% early

#### Time – the contractor's responsiveness in the rectification of major non-conformances and defects

	Unsatisfactory		Poor		Satisfactory		Good		Superior
•	Less than 75% of defects/non-conformances rectified within the specified number of working days	•	75% or more of defects/non-conformances rectified within the specified number of working days	•	85% or more of defects/non-conformances rectified within the specified number of working days	•	95% or more of defects/non-conformances rectified within the specified number of working days	•	100% of defects/non-conformances rectified within the specified number of working days

#### Time – the contractor's responsiveness in the rectification of minor non-conformances and defects

Unsatisfactory	Poor	Satisfactory	Good	Superior
<ul> <li>Less than 75% of</li></ul>	<ul> <li>75% or more of defects/</li></ul>	<ul> <li>85% or more of defects/</li></ul>	<ul> <li>95% or more of defects/</li></ul>	100% of
defects/non-conformances	non-conformances rectified	non-conformances rectified	non-conformances rectified	defects/non-conformances
rectified within the specified	within the specified number	within the specified number	within the specified number	rectified within the specified
number of working days	of working days	of working days	of working days	number of working days

#### Time – the contractor's timeliness in delivering submissions / other documentation required under the contract

Unsatisfactory	Poor	Satisfactory	Good	Superior
Contractor has been requested five or more times by the (SR) to provide documentation required under the contract	Contractor has been requested more than twice by the SR to provide documentation required under the contract	Contractor has been     requested twice by the SR     to provide documentation     required under the contract	<ul> <li>Contractor has been requested once by the SR to provide documentation required under the contract</li> </ul>	<ul> <li>Contractor has provided all documentation required under the contract within the timeframe specified without request from the SR</li> </ul>

#### Communication - the contractor's level of communication with the client / project participants

	Unsatisfactory	Poor	Satisfactory	Good	Superior
·	The contractor has failed to effectively communicate during the project e.g. evidenced by the contractor repeatedly: demonstrating an uncooperative approach; not returning phone calls or emails to project team members; missing or arriving late for project meetings without notice; not responding in a timely manner to requests by the SR to provide information	The contractor has, on a number of occasions, been unwilling to cooperate or communicate openly	The contractor has, on most occasions, effectively communicated and generally demonstrated a cooperative approach	The contractor cooperated and communicated well in all matters relating to the contract	The contractor has excelled in communicating and cooperating with the SR, Project Manager, and the client

Environmental management – the contractor's level of compliance with legislative requirements and management of environmenta	I matters
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Unsatisfactory (any of the below ap		Satisfactory (all of the below applied)	Good	Superior
<ul> <li>Contractor failed to with legislative requirements</li> <li>Minor non-conformative were identified, which actioned poorly</li> <li>A notifiable environmin incident occurred, with could have been avoid the contractor had appropriate environmic controls in place</li> </ul>	nces h were nental hich bided if	<ul> <li>Contractor complied with legislative requirements</li> <li>Minor non-conformances were identified, which were always actioned promptly and effectively</li> <li>No notifiable environmental incidents occurred</li> </ul>	• N/A	• N/A

#### Subcontractor management – the head contractor's management of subcontractors

Unsatisfactory	Poor	Satisfactory	Good	Superior
<ul> <li>Head contractor has not met all contractual requirements in relation to engagement of subcontractors</li> </ul>	• N/A	<ul> <li>Head contractor has met all contractual requirements in relation to engagement of subcontractors</li> </ul>	• N/A	• N/A

#### Industrial relations management – the contractor's management of industrial relations matters

	Unsatisfactory (any of the below applied)	Poor	Satisfactory (all of the below applied)	Good	Superior
•	<ul> <li>Contractor did not maintain a cooperative workplace environment</li> <li>An IR incident occurred (other than unprotected industrial action), which could have been avoided if the contractor had taken reasonable and timely action</li> </ul>	• N/A	<ul> <li>Contractor maintained a cooperative workplace environment</li> <li>Contractor identified and resolved any IR issues within the contractor's control</li> </ul>	• N/A	• N/A

Workplace health and safety management – the contractor's level of compliance with contract / legislative requirements and management of health and safety matters

Unsatisfactory	Poor	Satisfactory	Good	Superior
(Any of the below applied)	(Any of the below applied)	(All of the below applied)	(All of the below applied)	(All of the below applied)
A major non-conformance (PQC category 1) was identified during a site inspection Contractor failed a site inspection and failed to rectify identified non-conformances in a timely manner	<ul> <li>Contractor failed to comply with contract and legislative requirements</li> <li>Contractor failed a site inspection (due to accumulation of 25 or more demerit points relating to PQC categories 2 and 3 non-conformances)</li> <li>Non-conformances (PQC categories 2 and 3) were identified during a site inspection, which were not rectified promptly by the contractor</li> </ul>	Contractor complied with all contract and legislative requirements Non-conformances (PQC categories 2 and 3) were identified during a site inspection, which were rectified promptly by the contractor	Contractor complied with all contract and legislative requirements Only minor non-conformances (PQC category 3) were identified during a site inspection, which were rectified promptly by the contractor	<ul> <li>Contractor complied with all contract and legislative requirements</li> <li>No non-conformances (PQC categories 1–3) were identified</li> </ul>

Compliance with Queensland Government Building and Construction Training Policy – the contractor's level of compliance with the policy

Unsatisfactory	Poor	Satisfactory	Good	Superior
Contractor failed to comply with contract or policy requirements	• N/A	Contractor has met the compliance hours required and submitted the appropriate documentation in the Training Policy Administration System TPAS as per the contract conditions (i.e. compliance plan, a skills development plan, a nominated training coordinator where applicable).	• N/A	• N/A

#### Compliance with Queensland Charter for Local Content - the contractor's level of compliance with the policy

Unsatisfactory	Poor	Satisfactory	Good	Superior
<ul> <li>Contractor failed to comply with contract or policy requirements</li> </ul>	• N/A	Contractor complied with contract and policy requirements	• N/A	• N/A

#### Compliance with non-price criteria - the contractor's level of compliance with its non-price tender responses

Unsatisfactory	Poor	Satisfactory	Good (All of the below applied)	Superior (All of the below applied)
<ul> <li>Contractor failed to comply with its non-price tender responses</li> </ul>	Contractor complied with some of its non-price tender responses	<ul> <li>Contractor complied with all its non-price tender responses</li> </ul>	<ul> <li>Contractor complied with all its non-price tender responses</li> <li>Exceeded expectations</li> </ul>	<ul> <li>Contractor complied with all its non-price tender responses</li> <li>Exceeded expectations</li> <li>Added unexpected value/improvement/ innovative approach</li> </ul>

**Note:** Evaluation criteria such as Compliance with Queensland Charter for Local Content and Compliance with Non-Price Criteria may not be applicable to all contracts. In such cases, Not Applicable is to be recorded on the performance report template.

# Appendix 5: PQC System – consultant performance reporting

### 5-1: Evaluation criteria

The evaluation criteria used for assessing a consultant is outlined in this appendix.

#### Compliance

The extent to which the consultant complied with government policy and statutory requirements.

#### Support for local industry

The extent to which local industry is provided with full, fair and reasonable access to government building work as evidenced in the consultant's activities and deliverables. This criterion is particularly relevant in regional areas.

#### Resources management

The consultant's capacity to manage human, technical and other resources in accordance with the strategies outlined in the initial proposal.

#### Function

The consultant's delivery of the commission requirements as reflected in the alignment between the commission's deliverables and the intended operation and requirements of the building project.

#### Time management

The consultant's performance in managing the commission timeline and adhering to agreed milestones and deliverables.

#### Cost management

The consultant's performance in managing costs associated with the commission and, where applicable, the overall project cost, including whole-of-life costs.

#### Quality of documentation

The consultant's performance in producing complete, accurate, appropriate and compliant documentation that uses sound version control, co-ordination and distribution methods.

#### Value adding

The consultant's performance in understanding and meeting project objectives; handling of unforeseen challenges and/or known complexities; and, where applicable, the effectiveness of research and/or development undertaken by the consultant specifically for the commission. It also recognises value for money considerations as evidenced by the alignment between the Terms of Reference, the consultant's proposal and what was actually delivered.

#### Communication

The extent and quality of consultation with the client, other consultants, participants in the supply chain and key stakeholders, including, where appropriate, the general community.

#### Management processes and systems

Where a particular management system and/or a project-specific management plan (i.e. quality, environmental or workplace health and safety management plan) is a specified requirement of the commission, this criterion measures the extent to which the management system resulted in enhanced performance.

# Appendix 6: Building asset assessment

# 6-1: List of other building inspections and audits

Following is a list of building inspections and audits that can be coordinated with the asset assessment process.

#### Asbestos audits

• Asbestos audits are undertaken to comprehensively identify the actual location, type, quantity, and condition of asbestos containing material. After it has been identified, validate and update existing asbestos containing material records.

#### Building asset register data collection

• Includes the review, validation and/or collection of building asset data for the purpose of asset registration in asset management systems or computerised maintenance management systems.

#### Building reviews refers to any of the following:

- **Building code audits** review of existing building facilities for compliance with the current building code (including the minimum standards under the NCC for the provision of mandatory equitable access to buildings for people with disabilities), identification of areas of non-compliance, and development of strategies and recommendations to either comply with the code or seek exemption.
- Fire safety audits review of existing building facilities for compliance with current legislation pertaining to fire safety, identification of areas of non-compliance, and development of strategies and recommendations to comply.
- **Town planning code audits** review of existing building facilities for compliance with current legislation pertaining to planning and development, identification of areas of non-compliance, and development of strategies and recommendations to either comply or seek exemption.
- Health and amenity audits review of existing building facilities for compliance with current legislation pertaining to health and amenity, identification of areas of non-compliance and development of strategies and recommendations to either comply or seek exemption.
- Functionality audits review of existing building facilities in terms of their suitability for current or future functions. This includes identification of options for refurbishment, redevelopment, or change in usage. Functionality audits can be done for components as well as whole or parts of buildings, sites, and campuses.
- Utilisation audits review of existing building facilities to assess the current utilisation levels, identification of areas of non-compliance with performance targets, development of strategies/options and recommendations to address over/under utilisation.
- Post-occupancy evaluations a range of post-project reviews for measurement against set
  performance criteria, from small project reviews to comprehensive POEs. Recommendations resulting
  from these reviews can inform and influence future projects, future use of current building facilities,
  and strategic directions in the delivery of building facilities.

#### Condition assessments (as a type of asset assessment)

• Condition assessments are a technical assessment of the physical and operating condition of the assets to ensure they are maintained to an acceptable standard. Data from these assessments can drive proactive condition-based maintenance programs.

#### Data collection for lifecycle planning

The collection of data will enable to develop a long-term funding plan for facilities by identifying all costs and other impacts associated with each phase of the asset's lifecycle.

#### Energy management audit

A review conducted based on current energy usage and operational practices, including the development of options for savings based on improved consumption practices and operational, maintenance and systemic changes.

#### Engineering investigations

- **Geotechnical investigations** geotechnical and other survey services to identify potential issues with ongoing management and development of the site.
- Structural integrity investigations a review of assets, including testing of structural members for any sign of deterioration, failure, or corrosion. Service includes preparation of a report identifying any recommendations for rectification, review, or replacement.
- **Electrical/mechanical investigations** specific investigations of electrical or mechanical service installations in relation to operating performance, failure, upgrading/enhancement, and additions.

#### Environmental audit

A review of existing building facilities for compliance with current legislation pertaining to environmental protection, identification of areas of non-compliance and development of strategies and recommendations to either comply or seek exemption.

#### Risk management audit

A review of existing building facilities for identification and prioritisation of risk associated with the use of the facilities as well as the facility itself.

The review can include:

- audit of risks to the health and safety of occupants and visitors
- environment and the surrounding community, and
- recommendations on how to eliminate, mitigate or manage the risks.

#### Water management audit

A review conducted based on current water usage and operational practices, including the development of options for savings based on improved consumption practices and operational, maintenance and systemic changes.

# 6-2: Specified Condition standards, index and ranking scale

Agencies are to use this table to determine the appropriate specified condition standard required at facility level or individual building level.

#### Table 17: Specified condition standard

Functional purpose	Specified standard	Rating
Highly sensitive purpose with critical results (e.g. hospital operating theatre) or high-profile public building (e.g. Parliament House).	Building to be in the best possible condition. Only minimal deterioration will be allowed.	S5
Good public presentation and a high-quality working environment are necessary (e.g. modern multi-storey CBD building).	Building to be in good condition operationally and aesthetically, benchmarked against industry standards for that class of asset.	S4
Functionally focused building (e.g. laboratory).	Building to be in reasonable condition, fully meeting operational requirements.	S3
Ancillary functions only with no critical operational role (e.g. storage) or building has a limited life.	Building to meet minimum operational requirements only.	S2
Building no longer operational, dormant, pending disposal, demolition etc.	Building can be allowed to deteriorate, but should be marginally maintained to meet minimum statutory requirements.	S1

Where standards are specified at overall building level, agencies should give detailed descriptions of what is meant by the S1 to S5 ratings and should be articulated in terms of specified condition standards of key building elements most critical to delivery of services. Complex and critical building elements will have specific performance requirements and these elements may need to be maintained above the standards required of the overall building.

These descriptions are to be used to establish a common understanding and agreement with condition assessors by focusing on building elements most likely to warrant immediate repair or further assessments. These descriptions can also be used to monitor change in the general condition over time.

<u>Table 18</u> sets out the ratings to be used by the assessor to represent the general condition of building assets.

Rating	Status	Definition of rating/condition of building asset
5	Excellent	<ul><li>No defects</li><li>As new condition and appearance</li></ul>
4	Good	<ul> <li>Minor defects</li> <li>Superficial wear and tear</li> <li>Some deterioration to finished</li> <li>Major maintenance not required</li> </ul>
3	Fair	<ul> <li>Average condition</li> <li>Significant defects are evident</li> <li>Worn finishes require maintenance</li> <li>Services are functional but need attention</li> <li>Deferred maintenance work exists</li> </ul>
2	Poor	<ul> <li>Badly deteriorated</li> <li>Potential structural problems</li> <li>Inferior appearance</li> <li>Major defects</li> <li>Components fail frequently</li> </ul>
1	Very poor	<ul> <li>Building has failed</li> <li>Not operational</li> <li>Not viable</li> <li>Unfit for occupancy or normal use</li> <li>Environmental/contamination/pollution issues exist</li> </ul>

#### Table 18: Condition index

<u>Table 19</u> sets out the rankings to be used by the assessor undertaking condition assessments to provide an indication of recommended maintenance work. Critical maintenance items that require immediate rectification should not be programmed as these items warrant urgent actioning as reactive maintenance.

Table 19: Condition assessment priority ranking scale

Priority ranking	Definition						
1	<ul> <li>Works needed to:</li> <li>meet maintenance-related statutory obligation and due diligence requirements</li> <li>ensure the health and safety of building occupants and users</li> <li>prevent serious disruption of building activities and/or may incur higher costs if not addressed within one year.</li> </ul>						
2	<ul> <li>Works that:</li> <li>affect the operational capacity of the building</li> <li>are likely to lead to serious deterioration and, therefore, higher future repair costs if not addressed between one to two years.</li> </ul>						
3	<ul> <li>Works that:</li> <li>have minimal effect on the operational capacity of the building but are desirable to maintain the quality of the workplace.</li> <li>are likely to require rectification within three years.</li> </ul>						
4	<ul><li>Works that:</li><li>can be safely and economically deferred beyond three years and reassessed at a future date.</li></ul>						

### 6-3: Example schedule of maintenance works in a condition assessment report

1 Building ID	2 Building	3 Specified Cond. Std.	4 Actual. Cond.	5 Building asset/ element	6 Defect description	7 Work to rectify defect	8 Recomm. mth/yr	9 Est cost (\$)	10 Comments on estimates	11 Cause code	12 Category	13 Reference code	14 Priority
04	Teaching Block C	S3	2	IFAB	Ceiling near entry is sagging. Students at risk if ceiling falls.	Repair sagged ceiling to entry area.	2023	\$4,800	Needs full measure and estimate	С	WH&S	B123456	1

Column legend:

- 1. **Building ID** building identification code (e.g. WIC number)
- 2. Building building description
- 3. **Specified Condition Standard –** established for the building asset or the key building element
- 4. Actual Condition assessed using condition index rating
- 5. **Building asset/element –** building asset or key building element group in which the defect is located (e.g. IFAB = internal fabric, ELEC = electrical, VENT = mechanical ventilation)
- 6. Defect description description of the defect, associated risk, and any other additional information to assist the owner to develop work programs
- 7. Work to rectify defect description of the task required to rectify the defect
- 8. Recomm mth/yr recommended timeframe for rectification
- 9. Est. cost (\$) estimated cost (inclusive of GST) to rectify the defect, including estimated cost escalation for the recommended year of execution
- 10. Comments on estimates information on the estimated cost, such as the level of confidence, relevant references, date of estimation etc.
- 11. Cause code code to indicate cause of defect (e.g. A = design fault; B = overload; C = age deterioration; D = hostile environment)
- 12. Category category of the work (e.g. WH&S = workplace health and Safety; IAPP = image and appearance; BC&S = building codes and standards)
- 13. Reference code service provider's work reference code (e.g. work order number)
- 14. **Priority** priority of work as per condition assessment priority ranking scale (1–4) (<u>Table 19</u>). Do not program critical maintenance items that require immediate rectification. These items warrant urgent action as reactive maintenance.

**Note:** This schedule is a guide only. Agencies should choose a format that suits their requirements; however, it should, as a minimum, include or map to items 3, 4, 6, 7, 8, 9, 10 and 14. Other items may be considered and adapted to suit the operating methods of agencies.

The full report provided by a service provider would contain other information that complements the schedule above to assist the building owner in using the report for their SMP.

# Appendix 7: A best practice for the performance assessment of Queensland Government buildings

7-1: Building asset performance assessment template

Agency

Building asset name	Description
Region/district	Date assessed
Address	Assessor's name
	Assessor's telephone number

This template is intended as a guide only. Agencies may customise it to suit their particular requirements and the application of specific measures against performance indicators.

#### Building asset classification

Table 20: Category of building asset

Category	Description of role	Tick one only	Comments
Operational	Used for delivery of core agency services (e.g. teaching block, police station, health service facility).		
Ancillary	Used for support functions (e.g. storage sheds, administration, training).		
Non-operational	Surplus or de-commissioned (e.g. assets awaiting disposal).		
Administered	Administered on behalf of the government (e.g. heritage and cultural assets).		

	able 21. Duhanny abbet entitedity					
Rating	Criticality (importance to service delivery)	Tick one only	Comments			
5	Vital to service delivery operations. High profile and extremely difficult to replace or find short-term service delivery alternative if damaged or otherwise adversely affected.					
4	Important to service delivery operations but can be quickly replaced with alternative.					
3	Service delivery will be affected with no major implications and alternative asset is readily available.					
2	Support function only and has no direct impact on service delivery. Alternative is readily available.					
1	No impact on service delivery. Asset may be surplus or administered only.					

#### Table 21: Building asset criticality

#### Appropriateness

#### Table 22: Capacity

Rating	Performance measure	Tick one only	Comments
5	Exceeds service delivery needs/expectations (e.g. there is potential for sharing with other agencies).		
4	Meets all service delivery needs for current and near future (3–5 years).		
3	Meets all current service delivery needs.		
2	Below service delivery requirements. Some impact on service delivery. Action required.		
1	Significantly below service delivery requirements. Significant action required.		

Note: Factors to consider above include nature of services delivered, space or other standard based on service delivery requirements, capacity to accommodate people and equipment, and demand projections for services based on demographics.

#### Table 23: Functionality

Rating	Performance measure	Tick one only	Comments
5	Exceeds service delivery needs/expectations (e.g. there is potential for sharing with other agencies).		
4	Meets all service delivery needs for current and foreseeable future (3–5 years).		
3	Meets all current service delivery needs.		
2	Below service delivery requirements. Some impact on service delivery. Action required.		
1	Significantly below service delivery requirements. Significant action required.		

Note: Factors to consider above include size, shape, and configuration; services and facilities; suitability of building asset or space for intended purpose; and flexibility to be changed to suit a new purpose.

Rating	Performance measure	Tick one only	Comments
5	Suitably located to meet current demand and in the foreseeable future (3–5 years).		
4	Suitable for current demand but site has potential for better use. Demand can be met through an alternative location.		
3	Location is marginally suitable. Demand at this location needs to be monitored.		
2	Demand is changing rapidly, and location needs review.		
1	Location is very unsuitable for meeting demand.		

#### Table 24: Location

Note: Factors to consider above include location relative to current and future demand for services, dynamic population demographics, and accessibility of location for occupants and clients/visitors.

#### Table 25: Condition

Rating	Performance measure	Tick one only	Comments
5	No defects; as new condition and appearance.		
4	Minor defects; superficial wear and tear; some deterioration to finishes; major maintenance not required.		
3	Average condition; significant defects are evident; worn finishes require maintenance; services are functional but need attention; deferred maintenance work exists.		
2	Badly deteriorated; potential structural problems; inferior appearance; major defects; components fail frequently.		
1	Building has failed; not operational; not viable; unfit for occupancy or normal use; environmental/contamination/pollution issues exist.		

#### Table 26: Remaining life

Indicator	Performance measure	Result	Comments
Remaining life	Estimated years to end of useful or economical life		

Note: Factors to consider above include overall age and condition compared with design life projections; impact of technological changes on future usefulness; need for upgrades to meet future requirements; type of construction; and operating and maintenance costs.

#### Financial

Table 27: Financial

Indicator	Performance measure	Result	Comments
Operating cost	\$ per square metre		
Maintenance cost	\$ per square metre		
Deferred maintenance cost	Estimated cost of deferred maintenance as a % of gross book value of asset		
Net return on asset value (this is an optional indicator for agencies with revenue-generating assets)	Net revenue as a % of gross book value of asset		

#### Statutory compliance risk

Table 28: Statutory compliance risk

Indicator	Performance measure	Tick one or more	Comments
Extent of non-compliance (identify the area of non-compliance that exists)	Workplace health and safety		
Extent of non-compliance (identify the area of non-compliance that exists)	Fire protection		
Extent of non-compliance (identify the area of non-compliance that exists)	Environmental		
Extent of non-compliance (identify the area of non-compliance that exists)	Building Act		
Extent of non-compliance (identify the area of non-compliance that exists)	Electrical		
Extent of non-compliance (identify the area of non-compliance that exists)	Other (provide details)		
Estimated cost to remedy non-compliance		\$	

#### Effective use

Table 29: Utilisation rate

Indicator	Performance measure	Result	Comments
Utilisation rate	Level of utilisation as a percentage of available capacity based on agency-specific measure		

#### Table 30: Compatibility of use (compared with the design purpose of the asset)

Rating	Performance measure	Tick one only	Comments
5	Compatible with design purpose in all aspects of use.		
4	Mainly compatible with design purpose but used for other purposes as well.		
3	Multi-use including design purpose (e.g. residence used as office, used as a residence and other purposes also).		
2	Not compatible – higher level use (e.g. storage shed used as workshop).		
1	Not compatible – lower-level use (e.g. teaching block used as a store or vacant space).		

Note: This is an optional indicator which may be used by agencies if it is considered relevant to the performance assessment being undertaken.

#### Environmental impact

#### Table 31: Impact on environment (hazardous materials/contamination issues)

Indicator	Performance measure	Tick one or more	Comments
Impact of building asset on environment (identify the type of hazardous material/contamination issue present)	Asbestos		
Impact of building asset on environment (identify the type of hazardous material/contamination issue present)	Sewage and contaminated water		
Impact of building asset on environment (identify the type of hazardous material/contamination issue present)	Hazardous chemicals		
Impact of building asset on environment (identify the type of hazardous material/contamination issue present)	Odours and fumes		
Impact of building asset on environment (identify the type of hazardous	Land contamination		

Indicator	Performance measure	Tick one or more	Comments
material/contamination issue present)			
Impact of building asset on environment (identify the type of hazardous material/contamination issue present)	Other (provide details)		

#### Table 32: Impact on environment (consumption)

Indicator	Performance measure	Result	Comments
Impact of building asset on environment	Water consumption (\$ per square metre)		
Impact of building asset on environment	Energy consumption (\$ per square metre)		

Environmental rating system assessment (optional indicator): reflecting achievement in meeting the objectives and specific criteria of a particular environmental rating system suitable to the type of building asset and agency and government priorities.

#### Social significance

Two methods can be applied to assessing the significance of a building asset.

Method B is an alternative approach that examines whether the building asset:

- still supports, and will continue to support, the whole-of-government outcome and government priority to be delivered by the agency
- continues to deliver the outputs it was intended to deliver, in line with the whole-of-government outcome and government priority
- still meets, and will continue to meet, the goals established
- meets targets in terms of specific service-related performance indicators (e.g. number of escapes from a custodial facility; patients processed by an outpatient's agency).

#### Table 33: Significance of building asset – Method A

Indicator	Performance measure	Tick one or more	Comments
Significance in meeting government priorities or community obligations	Cultural heritage significance		
Significance in meeting government priorities or community obligations	Heritage-listed (Queensland Heritage Register and Local Heritage Register)		
Significance in meeting government priorities or community obligations	Community attachment		
Significance in meeting government priorities or community obligations	Iconic (community pride)		
Significance in meeting government priorities or community obligations	Government commitment		
Significance in meeting government priorities or community obligations	Other (provide details)		

Table 34. Significance of building asset – Method B				
Indicator	Performance measure	Achievement or future potential to achieve (yes/no)	Comments	
Significance in meeting government priorities or community obligations	Whole-of-government outcome (agency-specific)			
Significance in meeting government priorities or community obligations	Government priority (agency-specific)			
Significance in meeting government priorities or community obligations	Outputs being delivered (agency-specific)			
Significance in meeting government priorities or community obligations	Goals being met (agency-specific)			
Significance in meeting government priorities or community obligations	Service-related performance indicator applicable to the building/facility (agency-specific)			

#### Table 34: Significance of building asset – Method B

Assessor's comments

\_\_\_\_\_

Assessor's signature

Date:

\_\_\_\_\_

# **Appendix 8: Alternate text descriptions**

# 8-1: Figure 1: Queensland Government approach to plan, build and maintain buildings

Graph is made up of three main circles, each showing a key level of information.

The outside circle lists out:

- 1. Needs assessment
- 2. Planning
- 3. Acquisition
- 4. Commission
- 5. Operate, maintain and monitor performance
- 6. Asset evaluation and future need

The second circle lists out:

- Planning
- Growth
- Renewal & evaluation

The inner circle states:

#### Benefits

- Provides a consistent, coordinated and transparent Queensland Government approach to plan, build and maintain buildings
- Manage risks through good governance and due diligence including prequalification, procurement strategies, contracts and contract management.

#### Return to Figure 1

# 8-2: Figure 2: Overview of the Queensland Government Building Policy Framework

Complex flowchart outlining three major elements and six stages with a number of key elements in each.

#### Planning: Strategic Building Asset Management Policy

#### Stage 1: Needs assessment

- Government objectives / needs assessment
- Agency objectives / needs assessment
- · Community requirements / expectations assessment
- Strategic Building Asset Management Plan review
- Project feasibility

#### Growth: Building Asset Capital Delivery Policy

#### Stage 2: Planning

- Preliminary business case development and capital investment planning Policy requirement 1
- Detailed business case development and funding approval Policy requirement 1
- Acquisition strategy (e.g. procurement or grant commissioning) Policy requirement 3
- Forward procurement pipeline / Forward procurement schedule Policy requirement 1
- Statewide pre-delivery committee / regional pre-delivery committee Policy requirement 1
- Market scan (PQC or other contractor /consultant identification) Policy requirement 2
  - Contract identification and Contracts committee Policy requirement 3
  - Industry consultation (if applicable)

#### Stage 3: Acquisition

- Contractor / consultant selection (PQC or other) Policy requirement 4
- Market engagement (e.g. QTender or grant management)
- Tender / grant commissioning evaluation and award Policy requirement 5 and 6
- Publish award information (e.g. Queensland Contracts Directory / open data portal)
- Management of contractual claims, disputes, defaults and insolvency Policy requirement 7
- Acquisition risk management
- Supplier performance reporting Policy requirement 8 and 9

#### Stage 4: Commission

- Project management (construction or commissioning)
- Risk management (regulatory, legislative, site specific)
- Construction / delivery of asset
- Project documentation complete (certificates, warranties, design documents)
- Capital and maintenance team handover

#### Renewal and Evaluation: Building Asset Maintenance Policy

#### Stage 5: Operate, maintain and monitor performance

- Develop and maintain a Strategic Maintenance Plan Policy requirement 10
- Regular / preventative maintenance planning
- Regular ongoing management of asset records Policy requirement 11
- Asset assessment, performance and reporting Policy Requirement 12
- Asset maintenance provider forward planning and acquisition Policy requirement 13
- Maintenance / facilities management delivery
- Asset optimisation reporting Policy Requirement 14
- Benchmarking asset performance against peers

#### Stage 6: Asset evaluation and future need

- Review asset performance
- Identify current and future needs (maintenance and capital team collaboration)
- Feasibility of modification or upgrades (maintenance and capital team collaboration)
- Assessment on whether to replace or dispose

#### Return to Figure 2

#### 8-3: Figure 4: Asset assessment process

Complex flowchart with multiple path options in places as described below:

#### Asset assessment process

Scoping of services leads to:

• Procurement of services

Procurement of services leads to:

• Planning the implementation

Planning the implementation leads to:

• Implementation, data review, condition assessment, data recording

Implementation, data review, condition assessment, data recording leads to:

- Reporting
- Condition assessment data

Reporting leads to:

Proactive condition-based works program

Proactive condition-based works program leads to:

• Annual maintenance works

Annual maintenance works leads to:

- Strategic maintenance plan
- Performance and service delivery performance review

Performance and service delivery performance review leads to:

• Scoping of services

Annual maintenance works has two inputs of:

- Other maintenance works (preventative, statutory and reactive)
- Condition assessment data

Condition assessment data is an input and output of:

• Implementation, data review, condition assessment, data recording

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# 8-4: Figure 5: Shortlist example for commission with Service Risk Rating of 3

Examples shortlist showing a number of 'N' 'A' and 'S' results in a line with the following explanations:

- Short list of five (say) with number of untried consultants limited in line with perceived risk.
- 'Adequate' consultant with lowest Adjusted Value of Opportunities (AVO) moves off the select list
- 'Superior' consultant with lowest (AVO) moves onto select list.
- Long List of 20 (say) including three consultants with 'superior' (S) status, four consultants not previously invited (N) and the remaining consultants having previously performed adequately (A).

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# Abbreviations

Q

# **Abbreviations**

ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
ADA	Anti-Discrimination Act 1991 (Qld)
AHRC	Australian Human Rights Commission
ARV	Asset Replacement Value
AS	Australian Standard
AS/NZS	Australian Standard/New Zealand Standard
AVO	Adjusted Value of Opportunities
BCDF	Business Case Development Framework
BIF Act	Building Industry Fairness (Security of Payment) Act 2017 (Qld)
BIM	Building Information Modelling
BOO	Build Own Operate
BOOT	Build Own Operate Transfer
BPF	Building Policy Framework
BPP	Best Practice Principles
CBD	Central Business District
CPI	Consumer Price Index
DDA	Disability Discrimination Act 1992 (Cth)
DES	Department of Environment and Science
DPC	Department of the Premier and Cabinet
DRFA	Disaster Recovery Funding Arrangements
DSDILGF	Department of State Development, Infrastructure, Local Government and Planning
EOI	Expression of Interest
EPW	Department of Energy and Public Works
FCA	Financial Capacity Assessment
FIA	Formal Instrument of Agreement
GACC	Government Advertising and Communication Committee
GCS	Guaranteed Construction Sum
GFA	Gross Floor Area
GLR	Government Land Register
GST	Goods and Services Tax
HRS	High Risk/Significant
HVAC	Heating, Ventilation and Air-Conditioning
IT	Information Technology

MMC	Modern Methods of Construction
MP	Mandatory Part
NABERS	National Australian Built Environment Rating System
NCAP	Non-Current Asset Policies
NCC	National Construction Code
ОТ	Operational Technology
PAF	Project Assessment Framework
PMCoE	Project Management Centre of Excellence
POE	Post-Occupancy Evaluation
PPP	Public Private Partnership
PQC	Prequalification
PTA	Project Trust Account
QBCC	Queensland Building and Construction Commission
QBCC Ad	et Queensland Building and Construction Commission Act 1991
QCAT	Queensland Civil and Administrative Tribunal
QDC	Queensland Development Code
QGLTP	Queensland Government Land Transaction Policy
QHRC	Queensland Human Rights Commission
QPP	Queensland Procurement Policy 2023
QPS	Queensland Procurement Strategy 2023 – Jobs, Economy, Legacy, Confidence
QRA	Queensland Reconstruction Authority
RTA	Retention Trust Account
SAMP	Strategic Asset Management Plan
SBAMP	Strategic Building Asset Management Plan
SDRR	State Disaster Risk Report
SLA	Service Level Agreement
SMP	Strategic Maintenance Plan
SOA	Standing Offer Arrangement
SR	Superintendent's Representative



# Glossary

**Accredited auditor** for construction means a person accredited by Workplace Health and Safety Queensland, under contract to assess the level to which construction contractors comply with the requirements of the *Work Health and Safety Act 2011*, the Work Health and Safety Regulation 2011 and any relevant codes of practice on government building construction projects.

Agency means a department as defined in the Financial Accountability Act 2009 (Qld).

**Annualised Contract Value** for a project means where the contract duration (excluding any design, documentation, or defects liability period) is greater than 52 weeks, is the Contract Value translated into an annual rate for comparative purposes.

**Applicable code** means any codes including a concurrence department code, that can be identified as applying to the development in question e.g. for building work, the principal applicable codes are:

- Building Act 1975
- Building Regulation 2021
- NCC
- Queensland Development Code
- Australian Standards referenced in any of the above.

**Assessment for compliance with applicable codes** means the assessment of building work, including inspections during construction, to ascertain compliance status with applicable codes. Also referred to as the assessment process and compliance assessment.

**Asset assessment** means a technical inspection by a competent assessor to evaluate the physical state of building elements and services and to assess the maintenance needs of the facility.

Asset assessment cost means the cost undertaking the asset assessment.

**Asset Replacement Value (ARV)** means the best estimate of the current cost of constructing (for its original use) a new facility providing equivalent service potential as the original asset. It does not include the value of the furnishings or other items not permanently part of the facility, nor does it include design and project management costs.

**Building** means a fixed structure that is wholly or partly enclosed by walls or is roofed. The term includes a floating building and any part of a building.

Refers to all government buildings, including residence and includes:

- building structures, exterior and foundations
- building interiors and finishes
- site improvements around a building (e.g. sculptures, driveways, footpaths, retaining walls, car parks, recreational facilities, fences)
- fire detection and other safety systems
- HVAC systems
- · electrical power systems, including emergency power generation facilities
- building data and communication facilities
- plumbing and sewerage (above ground and below ground)
- elevators, escalators, and people movers
- enclosed/unenclosed walkways and corridors
- building management and control systems
- access control and surveillance systems
- stage and performance-related facilities
- built-in artworks and sculptures.

Building Certifier refer to Building Act 1975, section 8.

**Building contract** means the written agreement between the Principal and the contractor for the construction of the project. The terms of the agreement may provide for the design and documentation of the project by the contractor and may also include ongoing maintenance obligations.

**Building industry consultant** means an organisation or individual contracted directly to the Principal to provide particular services in relation to a government building construction project. The terms Building industry consultant and consultant are used interchangeably in this guideline.

**Building industry contractor (or contractor)** means an organisation or individual contracted directly to the Queensland Government to provide services in relation to government building construction projects.

**Building owner/user** means the agency that own/manage/use the building. The building owner may also be the project sponsor under the contract.

**Building regulatory framework** means a collective term encompassing all legislation, codes and Australian Standards that apply to/govern building work in Queensland.

**Building regulatory requirements** means a collective term referring to building owners' obligations as set out in the various acts, codes and standards that comprise the building regulatory framework. The building regulatory requirements applicable to the planning and delivery of government building construction projects can be separated into two main categories/groups: the requirements of state and local government planning instruments and the requirements of applicable codes.

Building work refer to Building Act 1975, section 5.

**Bundling** means a process by which a single contract award is used to contract multiple projects. Such a contract can require a number of contract elements, stages, or separable portions to be constructed concurrently or sequentially. Alternatively, the contract may involve a staged process whereby, on satisfactory completion or satisfactory partial completion of the first element or separable portion, the contractor could be permitted to move onto the next phase of the contract.

**Bushfire** means an uncontrolled fire burning in forest, scrub, or grassland vegetation. Bushfires are unplanned, but they are a natural feature of the Australian landscape. A bushfire may occur on most vegetation and topography types in Queensland where there is a fuel path of sufficient dryness to be flammable.

**Business case** means a documented value proposal proposition providing justification for undertaking a project. It aligns with key government strategic objectives and is considered the core management and assurance tool to inform investment decisions that maximise value for taxpayer dollars and benefit for Queenslanders.

**Certificate of occupancy** means a certificate of occupancy that complies with the requirements under the *Building Act 1975* (Qld). It is issued by a Building Certifier, in accordance with the *Building Act 1975*. A certificate of occupancy states the classification, under the NCC, of a building or structure and is evidence that the building to which it pertains complies with applicable codes. Certificates of occupancy can only be issued with respect to assessable building work (i.e. generally they cannot be issued with respect to work conducted by, or on behalf of, the state).

**Civil work** means earthmoving and excavating work conducted on a site; however, it does not involve building work under the contract. If the early works only consists of civil work, then a QBCC licensed contractor is not required.

Commission means the contractual relationship between the consultant and Principal.

**Competent assessor** means a person that has the relevant training, qualifications, ability, aptitude, experience and where required by law, and the appropriate licence or registration to undertake a building condition assessment. These attributes should be relevant to the specific building elements being assessed (e.g. electrical and mechanical systems, lifts, hydraulics, building structural elements) or to particular aspects of interest such as asbestos, environmental pollution and workplace health and safety.

Compliance assessment refer to assessment for compliance with applicable codes.

**Conservation** means the processes of looking after a place so as to retain its cultural significance. It includes maintenance and may according to circumstances include preservation, restoration, reconstruction, and adaptation and will be commonly a combination of more than one of these.

**Conservation management plan** means a plan that investigates and establishes the cultural heritage significance of a place. It makes recommendations about appropriate ways of conserving this significance by setting out a conservation policy that:

- · identifies the physical condition of the place, along with its history of development
- acts as a record of the decision-making process
- allows for appropriate community consultation
- is adopted by the agency that manages the place
- is reviewed regularly (each five years) or whenever the place is subject to major change.

**Consultancy contract** means the written agreement between either the Principal and a consultant or the building contractor and a consultant, for the delivery of consultancy services (such as design, documentation, cost planning and project scheduling related to a building project).

**Consultant** means an organisation or individual contracted directly to the Principal to provide particular services in relation to a government building construction project. The terms building industry consultant and consultant are used interchangeably in this guideline.

**Contract value** (for government building construction projects) means the sum accepted or the sum calculated in accordance with the prices accepted in bid and/or the contract rates as payable to the contractor for the entire execution and full completion of the work.

**Contractor** means any individual, company or other person (including partnerships, joint ventures, and groups of related companies) that tenders or contracts directly with a government agency on a government building construction project, irrespective of whether or not the nature of the work requires the person/entity to be licensed under the QBCC Act.

**Cultural heritage significance** of a place or feature of a place means its aesthetic, architectural, historical, scientific, social, or other significance, to the present generation or past or future generations.

**Defect** means an issue resulting from defective design, defective or faulty workmanship, defective materials, or a failure to comply with the structural performance requirements of the NCC.

**Deferred/backlog maintenance** (means all maintenance work that has not been conducted within a financial year and is deemed necessary to bring the condition of the building asset to a required standard or acceptable level of risk. Deferred maintenance is the maintenance work that is postponed to a future budget cycle, or until funds become available. It excludes work earmarked in anticipation of a level of deterioration that did not occur (e.g. forecast repainting).

Department refer to Financial Accountability Act 2009, section 8.

**Department maintenance management cost** means cost incurred by departments in managing maintenance and includes the costs of management personnel, maintenance management systems, financial administration, and other overhead costs. Activities to be costed include:

- general management
- administration
- maintenance (e.g. proactive and reactive)
- program formulations
- program management
- contract management (if maintenance is outsourced).

**Earthquake** means the sudden release of energy in the earth's crust or upper mantle, usually caused by movement along a fault plane or by volcanic activity and resulting in the generation of seismic waves that can be destructive.

**Evidence of suitability** means a range of documents/certificates, used to confirm that a material, form of construction or design (i.e. product) will achieve the required or expected performance criteria.

Ex-ante means based on forecast rather than actual results.

**Fabric** means all the physical material of a place, including components, fixtures, contents, and objects.

**Flood** means as the inundation of normally dry land by water overflowing from the normal confines of any natural watercourse or lake (whether or not altered or modified), reservoir, canal, or dam.

**Flood hazard area** means an area subject to flooding as determined by the authority having jurisdiction, or where this information is not available, by the proponent in accordance with standards set, or referred to, by the authority having jurisdiction (i.e. local government). A local government may designate part of its area as a natural hazard management area (flood) and declare, for this area, the defined flood level, the floor level of habitable rooms, maximum flow velocity, and the finished floor level required for class 1 buildings (houses). It may also declare a freeboard for building work conducted on an allotment located in a flood hazard area of a height of more than 300 mm.

#### Government building asset means a structure that:

- is or will be owned by an agency on completion
- is wholly or partly enclosed by walls or is roofed
- is fixed, including temporarily.

**Government building construction project** means construction of new buildings and upgrades/improvements to existing buildings to increase the useful life.

This includes:

- the erection, establishment or construction of a government building asset
- any maintenance of a government building asset assessed as a HRS government building construction project
- the renovation, alteration, extension, improvement, repair, refurbishment or restoration of a government building asset
- maintenance of a government building asset combined with any work of a kind mentioned above
- the dismantling, demolition or removal of a government building asset
- any site work (including any site work defined as building work under the QBCC Act) related to work of any kind associated with the points above as a separate contract in itself
- installation or supply and installation of travelators, escalators, water supply, sewerage or drainage related to work of any kind associated with the first five points above as a separate contract in itself, and
- the provision, including installation or supply and installation, of services for a government building asset (including but not limited to power supply, lighting, heating, ventilation, air conditioning, communication systems, security systems, fire protection, lifts).

This does not include:

- · service maintenance contracts associated with a government building asset
- the construction, maintenance or repair of a road under the Land Act 1994
- the construction, maintenance or repair of a bridge
- the construction, maintenance or repair of railway tracks, signals, or associated structures
- the construction, maintenance or repair of harbours, wharfs and other marine structures not related to land-based building work or
- the construction, maintenance, or repair of a dam.

**Government building maintenance program** means work on existing buildings to reinstate physical condition and prevent deterioration or failure.

This includes:

- testing
- taking samples and restoring the sample site
- work required on an ongoing basis to:
  - prevent deterioration or failure of a component
  - restore a component to its correct operating specifications or standard or
  - replace a component at the end of its working life
  - making temporary repairs for immediate health, safety and security reasons
- mitigation of the consequences of a natural disaster
- assess the condition of a government building asset.

This does not include:

- improving a government building asset to increase its capabilities or functions
- improving a government building asset to meet new statutory requirements applying to the building
  or
- a refurbishment or replacement of a government building asset that extends the life of the building.

**Hazard** means elements posing the most risk to public servants and Queenslanders as occupiers and users of state government facilities, these could include asbestos, biohazards, chemicals, lead, mould, respirable crystalline silica (RCS), or electric shock.

**High risk / significant (HRS) government building construction project** means a government building construction project or government building maintenance program where either:

- the failure to meet project objectives of time, cost and quality would critically affect the delivery of services to the community
- the lack of clear and transparent processes in the procurement of high value projects could impact the Government as a whole in terms of industry development and consistency of approach.

It also has any one or more of the following elements:

- is expected to exceed \$25 million in value delivered using a Fully Documented contract procurement strategy
- is expected to exceed \$15 million in value delivered using a Design and Construct contract procurement strategy
- will be delivered using a combination of standard contracts and where the separate components are expected to exceed \$10 million in value (e.g. building structure delivered using a Fully Documented contract and building fit out delivered using a separate Design and Construct contract)
- will involve the tendering, under one contract of a bundle of smaller government building construction projects across several different sites, where the total value of the government building construction projects exceeds \$10 million
- is assessed as a PQC service risk rating of 3 or 4
- is a BPP project
- has another potential risk element not defined above.

**Landslide** means a movement of material downslope in a mass as a result of shear failure at the boundaries of the mass. There are several causes, including geological, morphological, physical, and human. Geological causes include weak materials, weathered materials, jointed materials, adversely oriented structures, and contrasts in permeability. Morphological causes include a steep slope, wave erosion or fluvial erosion. Physical causes are rainfall, rapid snowmelt, and thawing.

**Legislative compliance strategy** means a documented strategy that identifies all building regulatory requirements that apply to a particular government building construction project and outlines a process to ensure compliance with these requirements. The strategy should be prepared during the project evaluation phase.

**Letter of Acceptance** means a written communication to the successful tenderer that its offer has been accepted in accordance with the provisions contained in that letter.

**Lifecycle costing** for construction means a method of economic analysis directed at all costs related to constructing, operating, and maintaining a construction project over a defined period of time. It considers the whole-of-life implications of acquiring, operating, maintaining, and disposing of a building asset. It is used when making decisions at both strategic and operational levels of capital delivery investment and building management. The costs incurred should include the capital investment cost and the building's estimated operating, maintenance, and disposal costs.

Maintenance means work undertaken on existing buildings with the intention of:

- re-instating physical condition to a specified standard
- preventing further deterioration or failure
- restoring correct operation within specified parameters
- replacing components at the end of their useful/economic life with modern engineering equivalents

- making temporary repairs for immediate health, safety, and security reasons (e.g. after a major building failure)
- mitigation of the consequences of a natural disaster
- assessing buildings for maintenance requirements (e.g. to obtain accurate and objective knowledge of physical and operating condition, including risk and financial impact for the purpose of maintenance).

**Maintenance service providers** means individuals or organisations that undertake ongoing building maintenance works and that may also have a participatory responsibility at the handover stage of a project, for example QBuild.

Mitigation means measures taken to reduce the severity of or eliminate the risk from disasters.

**Mothballing** means the deactivation and preservation of a building for possible future use or sale and controlling the long-term deterioration of the building while it is unoccupied as well protecting it from sudden loss by fire or vandalism.

**Natural disaster** means a natural hazard event that severely disrupts the fabric of a community and requires the intervention of the various levels of government to return the community to normality.

**Non-conformance** means a judgement made by an accredited auditor that the audit evidence does not fulfil the specified requirements of the audit criterion.

Payment claim refer to BIF Act, section 68(1).

Payment schedule refer to BIF Act, section 69.

Planned maintenance refer to proactive maintenance.

**Post-occupancy evaluation (POE)** means a process of analysing how functional and comfortable a building is after users have been occupying it for some time. It focuses on the users' interaction with the building after sufficient time has elapsed for them to experience and adjust planned to the building and helps assess the degree to which the building supports service delivery objectives. It informs the preparation of defect action plans, at an operational level. This entails the correction of deficiencies by improving maintenance, minor works, and management decisions.

**PQC Registrar** means the officer responsible for the maintenance and integrity of the PQC System and associated register.

**PQC System** refers to the Queensland Government Prequalification (PQC) System, a whole-ofgovernment system for prequalification of suppliers for major government building construction projects.

**Preventative maintenance cost** means the cost associated with the periodic servicing of plant and equipment and preventative repairs to other building components to ensure reliable operations, comply with duty of care responsibilities and general good maintenance practice to preserve assets in a condition appropriate for service delivery.

**Principal** means the party under a contract for whom work is being undertaken. For government building construction projects, the role of Principal is often undertaken by EPW.

**Principal's Representative** means the person or party appointed by the Principal to function as the Principal's Representative for the purposes of the contract (under a Managing Contractor Design and Construction Management contract).

**Proactive condition-based maintenance cost** means maintenance undertaken as a result of the deteriorated condition identified through condition assessments. Funding of this component is variable and less predictable.

**Proactive maintenance** means "planned maintenance" being an asset management approach that includes preventative (statutory and recommended) and condition-based programs to ensure buildings and their components function adequately, preserve the value of the building, satisfy legal

obligations, inform annual cost planning requirements and procurement planning, and achieve best value in terms of built assets during the occupancy phase of the building.

**Procurement strategy** means the process used to approach the market and ultimately tender the works under the selected form of contract.

**Project review** means a strategic phase in the process for initiation, development, and implementation of capital building projects and for management of performance and are undertaken at an early stage in the lifecycle of buildings.

**Project sponsor** means the government agency funding the project and includes their nominated representatives, such as the Principal's Representatives, Superintendents, client representatives, or project managers, depending on their roles and the specific form of contract. These nominated representatives are responsible for managing and coordinating the government building construction project on behalf of the government agency.

**QBuild** is a commercialised business unit of EPW that delivers procurement and contract management services for the construction, maintenance and operation of government building assets, including schools, health service facilities, housing, police stations, correctional facilities and ambulance stations.

**Queensland Building and Construction Commission (QBCC)** is a statutory authority established under the QBCC Act to regulate the building industry.

**Reactive maintenance** means "unplanned maintenance" being corrective and breakdown maintenance that restores an asset to operational condition following unforeseen failure. Also includes incident maintenance to bring an asset back to an operational or safe condition following damage caused by natural disasters, storms, fire, forced entry or vandalism.

**Reactive maintenance cost** means reactive work undertaken because of breakdowns and routine failure of building components and services or incidents such as natural disasters / vandalism. Funding of this component of maintenance would fluctuate in varying degrees between agencies. However, historical data should provide guidance in terms of annual estimates of funding required.

**Recommended servicing maintenance cost** means the cost associated with undertaking maintenance to meet manufacturer recommended requirements, e.g. servicing of solar power systems.

**Scheduling** means the determination of the timing and/or sequence for the delivery of two or more separate contracts for government building construction projects.

Service means the scope of work contained in the contractor's contract.

**Service provider** means an in-house maintenance unit or a commercial business unit of EPW, QBuild or a private sector organisation capable of providing building condition assessments.

**Site Representative** means the person appointed under the contract by the Principal's Representative.

**Storm** means a violent weather condition that may include strong winds, rain, hail, thunder, and lightning.

**Superintendent** means a person who undertakes the contract management functions for all forms of contract other than the Managing Contractor's Design and Construction Management Contract.

**Superintendent's Representative (SR)** means the Superintendent's nominated representative. For non-traditional projects, an equivalent role is the Site Representative.

**Supplier** means a building industry contractor and/or consultant relevantly qualified and capable of supplying the required goods, services, and/or works.

**Terms of Reference** means the document issued by the Principal to the consultant for the purpose of describing the scope of the project and the scope of the services to be provided by the consultant.

**Tropical cyclones** mean a powerful weather system that can cause significant damage to the built and natural environments. They generate severe winds, heavy rain, riverine and flash flooding, as well as storm tides.

Unplanned maintenance refer to reactive maintenance.

**Value management** means a structured and analytical process that follows a prescribed work plan to achieve best value or, where appropriate, best value for money by comparing alternatives based on the relationship between value and total cost.

**Ventilation** means a system to circulate air within buildings by means of supply and/or exhaust systems.

(DOCUMENT ENDS)