QCEC
QUEENSLAND CATHOLIC EDUCATION COMMISSION

Capital Assistance **Conditions of Compliance** 2025

These conditions apply to projects funded in the 2025 Capital Assistance Round.

Endorsed by Commission: 8 August 2025

Contents

1 Introduction 3

2 Agreement and Affiliation 3

3 Offer of Capital Funding Assistance 4

4 Tendering and Quotation Process 4

5 Payment of Grants 4

6 Compliance Requirements 6

7 Variations to Projects 7

8 Recognition of Government Funding 8

9 Retained Equity Interest in Projects 12

10 Right of Access 12

11 Summary 13

Attachment 1 - Tender Procedures for Major Projects (over $100,000) 14

Attachment 2 - Quotation Procedure for Minor Capital Projects (below $100,000) 20

Attachment 3 - Variation Procedure (for variations that do not involve an increase to grant funding) 22

Attachment 4 - Australian Government Right to Repayments 23

Attachment 5 – Queensland Government Right to Repayments 25

REFERENCE USED

Capital Grants Program (CGP) Guidelines 2024

Capital Assistance Scheme Guidelines 2015

1 Introduction

1 Catholic School Authorities are advised that giving false or misleading information related to a Capital Grant application or agreement is a serious offence under the Criminal Code Act 1995.

2 Consultants and contractors engaged by Catholic School Authorities are advised that giving false or misleading information related to a Capital Grant application or agreement is a serious offence under the Criminal Code Act 1995.

3 Catholic School Authorities accepting Government capital funding assistance must comply with these conditions.

4 Catholic School Authorities that are found to have breached these conditions of compliance will be responsible for the costs incurred by the Commission in investigating the compliance breach.

5 Catholic School Authorities must ensure that the approved project is completed:

a) To a satisfactory standard;
b) Within a reasonable time;
c) As described in the approval/offer of grant letter; and
d) In accordance with all relevant Local Government requirements.

6 By accepting the offer of a grant, Catholic School Authorities are bound to comply with any additional conditions specifically imposed by the BGA/CAA or the Minister in relation to the approved grant.

7 The use to which Queensland and Australian Government capital grants can be allocated is stipulated in the relevant legislation and relevant QCEC Guidelines. Capital grants received from the Government must be expended on buildings that are for school purposes only. Income from Government capital grants must not be expended on facilities that are for other than educational purposes, regardless of whether or not the facility is located on the school site. For example, Government capital grants must not be expended on buildings that are for the use of the parish.

8 It is critical that a non-government school does not enter into a prohibited agreement in relation to the operation of the school. There must be no direct or indirect connection between the recipient of Government funding and a for-profit entity. Further, when the school is established, there must be no direct or indirect connection between the recipient of Government funding and any for-profit entity that could reasonably be expected to compromise the independence of the recipient of a grant when making financial decisions.

2 Agreement and Affiliation

9 Prior to any offer of capital assistance being considered, Catholic School Authorities must have entered into an affiliation agreement with the Queensland Catholic Education Commission (QCEC) as BGA/CAA.

10 Catholic School Authorities must agree to identify any perceived or actual conflict of interest to the QCEC at the stage when it first occurs. The School Authority, with the possible assistance

of the QCEC Secretariat, must then ensure that the conflict is resolved with written advice provided to the QCEC on the nature of the conflict and how it has been resolved.

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

3 Offer of Capital Funding Assistance

12 Catholic School Authorities recommended for funding assistance by the QCEC will receive approval advice from respective Education Ministers or a Member of the Government.

13 Catholic School Authorities or Schools are not to make any public announcements regarding project funding assistance until they are in receipt of the above-mentioned advice.

14 In extenuating circumstances, tenders may be sought, but a contract cannot be entered into by Catholic School Authorities until a written OFFER of capital funding assistance is received from the QCEC and that offer is accepted by the School Authority.

15 If by the end of the funding year, the Catholic School Authority is not approved by the Minister, or the school has not received approval for recurrent funding, or obtained final State registration, the grant will be cancelled, and the funding must be repaid in full to the QCEC.

4 Tendering and Quotation Process

16 Full details of tender/quotation procedures are contained in Attachment 1 – Tender Procedures for Major Projects (over $100,000) and Attachment 2 – Quotation Procedure for Minor Capital Projects (below $100,000) of this document. Grant recipients are to ensure that their Architects/Project Supervisors are fully aware of and follow these procedures.

17 Catholic School Authorities are to enter into a legally binding commitment with successful contractors (e.g. sign a contract with a builder) to proceed with the project.

18 Catholic School Authorities are to send a copy of site and floor plans from the proposed tender documents prior to the project going out to tender, for the QCEC Secretariat to review. The Secretariat will review and seek to provide a response to Catholic School Authorities within 5 business days.

19 Where applicable, Catholic School Authorities must implement projects in accordance with the requirements contained in the National Construction Code 2022 and the Australian Government Work Health and Safety Accreditation Scheme.

5 Payment of Grants

20 All capital grants received by Catholic School Authorities are to be deposited into an account with an Australian-recognised financial institution, e.g. Archdiocesan/Diocesan Development Fund, a bank, building society or credit union. The School Authority must identify the receipt and expenditure of those monies separately from other funds.

21 Grant payments will be made to Catholic School Authorities as follows:

i. First Payment
   (a) Payment of 50% of the grant amount at 25% of total project completion (in terms of value).
   (b) A signed agreement from the Catholic School Authority to the conditions of the grant offer will be required before payment is released.
   (c) A complete set of tender issue site plans and floor plans is to be provided (electronically) to the Secretariat for review before the approved project is put out to tender.
   (d) The QCEC Secretariat must approve the results of tender/quotation bids before releasing payment.
   (e) A completed Capital Assistance Claim Form, including the percentage complete (milestone) progress of works. This form is to be prepared by the Architect/Project Supervisor and approved by the School Authority. It must be based on a builder's claim for work completed and other costs incurred, and reports on the expenditure status of the total project cost.

ii. Second Payment
   (a) Payment of 40% of the grant amount at 50% total project completion (in terms of value).
   (b) A completed Capital Assistance Claim Form, including the percentage complete (milestone) progress of works. This form is to be prepared by the Architect/Project Supervisor and approved by the School Authority. It must be based on a builder's claim for work completed and other costs incurred, and reports on the expenditure status of the total project cost.

iii. Third Payment
   (a) Payment of 10% of the grant at project practical completion (and at least 95% of total project completion, in terms of value).
   (b) A completed Capital Assistance Claim Form, including the percentage complete (milestone) progress of works. This form is to be prepared by the Architect/Project Supervisor and approved by the School Authority. It should be based on a builder's claim for work completed and other costs incurred, and reports on the expenditure status of the total project cost.
   (c) A completed Project Completion Statement prepared by the architect/Project Supervisor and approved by the School Authority. This statement verifies that all work has been completed in accordance with the approved project description and approved tendered documents (including approved project variations).

22 External Infrastructure Subsidy (EIS) projects must be stand-alone, as the State Guidelines do not allow advance payments under this scheme.

23 Capital grants received by Catholic School Authorities must only be spent on the project as approved by the respective Minister. Furthermore, such grants must be spent as soon as possible and not later than six (6) months after the date of receipt by the School Authority.

24 All capital payments to a School Authority for all existing projects may be suspended if the Project Completion Statement and the Accountant's Statement have not been provided to the

QCEC Secretariat within fifteen (15) months of the last grant payment.

25 Both the Australian and State Governments actively encourage grant recipients to commence construction within a reasonable time frame following Ministerial approvals.

6 Compliance Requirements

26 For QCEC to comply with its legal obligations as a BGA/CAA, it is required to ensure that schools comply with grant conditions including any additional grant conditions required by the BGA/CAA. Accordingly, recipients of Government grants are required to:

27 Spend the grant only on the approved project as described in the grant offer.

28 Obtain prior approval from the QCEC for any amendments to the approved project description.

29 Enter into a legally binding contractual arrangement (for example, sign a contract with a builder) to proceed with the project before the end of the year in which the first instalment of the grant is payable unless, in exceptional circumstances, the Department gives prior approval for a later commitment date.

30 Contribute at least the amount specified as the school contribution in the grant offer.

31 Spend grant payments, including any interest earned on grant payments on the approved project as soon as possible during the program year in which the funds are provided.

32 Ensure that the project is completed to a satisfactory standard, and within a reasonable time in accordance with the approved project description and with all relevant local Government requirements.

33 Provide to the QCEC Secretariat within a specified period after the completion of the project, accountability information including documentation on practical completion (e.g. Certificate) prepared by architects and accountants which certifies:

(a) the total expenditure and grant received for the project;
(b) that the project is completed in accordance with the approved project description; and
(c) that the grant monies were spent only on the approved project.

34 Allow the QCEC and/or the Government to inspect the project at all stages of the works as required.

35 Meet Government recognition requirements for capital funding.

36 Use the funded facilities for the purpose of providing school education services for locations, levels of education and students that have been recognised by the relevant State or Territory Government.

37 Ensure grant funds are not used to meet expenditure relating to facilities which have religious worship or usage as the sole or principal function.

38 Notify and, upon request, repay to QCEC as BGA/CAA all or part of the grant monies if the school ceases to use the funded facilities principally for the purpose specified (and approved) in the grant offer, or the school ceases to provide primary education or secondary education or sells or otherwise disposes of the facilities. The repayment amount in these circumstances

shall be calculated in accordance with Attachments 4 and 5.

39 Acknowledge and agree that, upon a request by QCEC (as BGA/CAA) to repay all or part of grant monies, the repayment amounts owing to the Government or BGA/CAA shall be calculated in accordance with the methodology prescribed in the State and Australian Government right to repayment schedules (see Attachment 4 and Attachment 5).

40 Acknowledge and agree that if repayment is requested following a change in use, closure, sale or disposal of part or all of the facilities, or a failure to comply with other relevant conditions of compliance referred to above, then the QCEC may recover that specified amount from the School Authority as a debt due. The School Authority must also acknowledge that the QCEC may assign its right to recover the specified amount to the Queensland or Australian Governments.

41 Comply with any other conditions under which the grant is made, including (but not limited to) additional grant conditions required by the QCEC (as BGA/CAA) as contained in any correspondence providing the offer of grant, relevant QCEC guidelines or in any BGA/CAA Member Agreements.

42 Make an application to the QCEC for payment within two (2) years of the date of approval, or the original grant for the project will be revoked, unless an extension is approved by the Minister.

43 Insure the approved project (all normal risks) for not less than its full value.

7 Variations to Projects

Fixed Grants

44 As from the 2019 Capital Assistance Round, grants (with the exception of the External Infrastructure Subsidy Scheme) are calculated at the time of application without provision for subsequent upwards revisions. No additional funding is available for project or cost variation or special circumstances.

45 Any cost reductions identified across the duration of an External Infrastructure Subsidy Scheme project are apportioned between the Grant and the Local Contribution per the agreed percentage allocation established at the according year's Capital Assistance Round.

46 If the approved project tender is lower than the project cost approved by the Minister, the level of Government funding is reduced.

47 If the project is completed at a total cost lower than the approved project tender or as approved by the Minister, Government funding is reduced.

Variations that do not involve an increase to grant funding

48 A school cannot vary the scope/description of the approved project without PRIOR written approval from the QCEC. Full details of the variation process can be found at Attachment 3.

49 A change of circumstances after the approval of a project may require a variation to the project. Aspects of the project that may be varied include, but are not limited to:

(a) total project cost increase or decrease;

(b) school contribution increase or decrease;
(c) grant costs may decrease;
(d) the start or end date being moved by more than one year;
(e) changes to the scope or project category, facility category or other descriptor of the project;
(f) changing the design solution for specifically funded components of works;
(g) a request to vary the date for commitment if the school cannot enter into a commitment (sign a contract with a builder) for the project within twelve months of project approval;
(h) moving an amount of funding to an earlier or later program year; and
(i) cancelling (withdrawing) a project.
(j) clarification on variations may be obtained by contacting the capital unit of the QCEC at email address capital@qcec.catholic.edu.au

50 If the project is completed at a total cost lower than the approved project tender as approved by the Minister, Government funding is reduced.

51 All variation requests must be submitted to the QCEC for approval prior to the variation taking place.

52 The QCEC has delegated variation approvals as follows (for variations involving a reduction in grant funds or an increase in a local contribution):

- The Chief Financial Officer to approve grant variations up to $250,000
- The Chief Financial Officer and the Executive Director QCEC to jointly approve grant variations from $250,001 up to $500,000
- Project variations requesting additional grant funds greater than $500,000 must be referred to the Commission for approval.
- Project variations because of increases in School Authority Contributions are noted by the Director, Resourcing Advocacy and Strategy and the Executive Director, QCEC and tabled with the Commission quarterly.

Variations to Grants

53 If tender/quotation results are BELOW the approved project cost, the contribution level remains the same and the grant is reduced accordingly.

54 If accountability documentation reveals that the final project cost is BELOW the tender/quotation result, then the grant will be reduced.

55 There is an expectation that any project cost over-run (because of unfavourable tender/quotation results or because of unforeseen variations) will be borne by that particular School or the School's Authority.

8 Recognition of Government Funding

56 Full details of recognition requirements for capital projects are contained in the "Australian Government Capital Grants Program (CGP) Guidelines 2024 " publication, which is available on the Department of Education's website.

57 Projects in receipt of Australian Government grant funding greater than $100,000 are required to hold an official opening.

Australian Government Capital Grants Program

58 Catholic School Authorities which receive funding through the Australian Government Capital Grants Program are required to:

(a) Acknowledge the Australian Government's funding contribution in all announcements and other publicity;

(b) Ensure that school communities are advised directly about assistance received from the Australian Government by such means as school newsletters;

(c) Arrange an official opening ceremony of funded facilities after the physical completion of the project and within seven (7) months where the Australian Government has contributed funding of $100,000 or more unless otherwise agreed by the Australian Government;

(d) The Australian Government Minister or the Minister's representative must be invited to speak at all official openings of capital projects. Where the Australian Government has contributed more than fifty per cent of the total project cost, the Minister or Minister's representative must be invited to officially open the facility;

(e) Advise the Department, via the schoolopenings@education.gov.au inbox, of three proposed dates for school recognition ceremonies well in advance of the proposed opening dates; and

(f) Acknowledge Australian Government funding on plaques, as follows:
   i. install building plaques on all completed projects, irrespective of project cost, which acknowledge Australian Government funding, unless otherwise agreed by the Department;
   ii. where a facility is opened by an Australian Government representative, the name of the person opening the facility should be included on the plaque;
   iii. wording on plaques acknowledging Australian Government funding should be of similar size and style to wording acknowledging other funding sources;
   iv. include the Australian Government crest on all plaques; and
   v. the Department will approve all plaque wording.

59 All Catholic School Authorities are required to advise the QCEC Secretariat of opening ceremony dates as soon as they are confirmed.

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

State Government Capital Assistance Guidelines

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

(a) Projects assisted with State Government funds; recognition of the source of the funding is

to be provided in any publicity associated with the project, including any plaque recording the event.

(b) Unless otherwise agreed by the State Government:
There must be acknowledgement of State Government funding on building plaques where the State has contributed $100,000 or more to a project; and there must be an official opening ceremony of funded facilities where the State Government has contributed $500,000 or more to a project.

(c) If there is to be an official opening ceremony, the Minister or a representative must be invited to attend and speak at the ceremony.

(d) Contact should be made to the Office of Non-State Schooling regarding recognition ceremonies or plaques for State Government funded projects via the following: education@ministerial.qld.gov.au

(e) All Catholic School Authorities are required to advise the QCEC Secretariat of opening ceremony dates as soon as they are confirmed.

Accountability Requirements

62 To ensure that capital funding assistance is paid to Catholic School Authorities in a timely and equitable manner, certain formal accountability requirements have to be complied with. The accountability requirements which have to be submitted to the QCEC Secretariat are:

(a) Progressive Expenditure Statement
(b) Project Completion Statement
(c) Project Accountant's Statement
(d) Official Opening Advice.

Capital Assistance Claim Form

63 This form is to be prepared by the Architect/Project Supervisor and approved by the School Authority. It should be based on a builder's claim for work completed and other costs incurred and reports on the expenditure status of the total project cost. The progress completed bar chart (milestone) is required to be updated to indicate the percentage of project completed. Electronic versions of the Capital Assistance Claim form are available on the QCEC Capital Programs website: QCEC Capital Resources

64 The School Authority must attach to the Claim form adequate documentation to support and substantiate the claim for payment.

Project Completion Statement

65 This statement is to be prepared by the Architect/ Project Supervisor and approved by the School Authority. This statement verifies that all work has been completed in accordance with the approved project description and approved tendered documents (including approved project variations).

66 The statement is to be submitted within 30 days after either the project has reached practical completion or a Certificate of Occupancy has been issued for any or all facilities. The statement must contain the detailed approved project description as reflected in the grant offer and agreement and is to include the drawing numbers as provided to the QCEC for review prior to tender, an electronic copy of the Certificate of Occupancy, and include all approved project

variations.

67 An electronic copy of the As Constructed drawing set for the project must be submitted 90 days after either the project has reached practical completion, or a Certificate of Occupancy has been issued for any or all facilities.

Project Accountant's Statement

68 This statement verifies that all expenditure is in accordance with the approved project funding arrangements. This statement will be generated after the QCEC Secretariat has received the Project Completion Statement.

69 The auditor/accountant signing this declaration needs to be independent from the school according to the *Australian Education Act 2013 (Cth)* and the *Education (General Provisions Act 2006 (Qld).*

70 The statement is to be submitted within 15 months following the project reaching practical completion.

71 A Project Accountant's Statement must be submitted within five (5) years from the Ministerial approval date. If a Project Accountant's Statement is not received within this period, any future capital project applications will be deemed not to be valid.

Official Opening Advice

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

External Infrastructure Subsidy Claims (EIS)

73 QCEC External Infrastructure Subsidy Guidelines can be found at: QCEC Capital Resources

74 The State Government's administrative guidelines for the External Infrastructure Subsidy Scheme can be found as follows:
Queensland Government External Infrastructure Subsidy Scheme

75 For EIS, an approved grant will be paid when:

(a) QCEC receive a signed agreement from the School Authority to the conditions of the grant offer.

(b) Results of tender/quotation bids are approved by QCEC.

(c) QCEC receive a completed Capital Assistance Claim (including a Project Managers / Lead Consultants Signed Progress Certificate and reimbursement receipts), which includes a percentage of completed (milestone) progress of works and signed by the Schools Authority's representative.

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

77 In the event the external infrastructure works increase, additional EIS can be sought, subject to QCEC 2025 External Infrastructure Subsidy Scheme Guideline parameters, as well as the

availability of remaining grant funding for the approved project year.

9 Retained Equity Interest in Projects

78 The CGP guidelines state that government retains a right to repayment from non-government bodies of grants of more than $75,000 should they sell or otherwise dispose of the funded facilities or cease to use the funded facilities to provide primary/secondary education during a designated use period. Section 64 of the *Australian Education Regulation 2023* (Cth) and section 13 of the Capital Assistance Guidelines (Qld) specify the repayment periods and recoverable amounts on the calculated portion of the grant.

79 Therefore, the Government retains an interest in all completed projects in Queensland Catholic schools for a period of up to twenty (20) years.

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

Australian Government Grants

See Attachment 4 - Australian Government right to repayments

State Government Grants

See Attachment 5 - Queensland Government right to repayments

81 Additionally, for projects with grants exceeding $500,000, Catholic School Authorities must notify QCEC as BGA/CAA and seek approval for any material change of use of the funded facilities from the purpose specified (and approved) in the grant offer within a period of five (5) years from the date of practical completion of the project. QCEC (as BGA/CAA) will consider all of the circumstances leading to the proposed material change of use and determine what actions are required in the circumstances of each case. This will include (but will not be limited to) consideration of the facility eligibility requirements that applied under the Capital Assistance Guidelines at the time of construction.

82 If grant monies are not expended on the purpose specified (and approved) in the grant offer, the QCEC (as BGA/CAA) can seek repayment of the relevant portion of this grant funding.

10 Right of Access

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

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

84 Right to access (and relevant information) shall continue for the entirety of the relevant repayment period in accordance with Attachment 4.

11 Summary

85 Unless otherwise specified, Catholic School Authorities must use the facilities funded principally for the purpose stated in the grant offer and this should be directed at providing school level educational services for students that have received approval for government funding.

86 Failure by Catholic School Authorities to comply with the conditions set out in this document or with other appropriate guidelines may result in:

(a) Withdrawal of the grant offer; or
(b) Delay in grant payments; or
(c) Repayment of grant monies already paid.

87 Catholic School Authorities must make Architects/Project Supervisors and Project Accountants aware of the Conditions of Compliance, approved project description, costs, conditions and guidelines pertaining to Government offers of capital assistance funding (particularly tender/ quotation procedures and accountability requirements).

88 Catholic School Authorities must keep records of events, changes to situations or other details which may affect the performance of its obligations, regarding a capital grant offer.

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

FOR DIOCESAN/PARISH SCHOOL AUTHORITIES:	Through their respective Diocesan Education Office
FOR EDMUND RICE EDUCATION AUSTRALIA COLLEGES LTD:	Direct to the QCEC Secretariat
FOR EDMUND RICE EDUCATION AUSTRALIA FLEXIBLE SCHOOLS LTD:	Through EREA Flexi School Brisbane Office
FOR RELIGIOUS INSTITUTE/PJP SCHOOL AUTHORITIES:	Direct to the QCEC Secretariat

EMAIL: capital@qcec.catholic.edu.au

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

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

Introduction

89 This document specifically deals with projects whose total building works and associated costs exceed $100,000. The Queensland Catholic Education Commission (QCEC) has separate guidelines covering quotation procedures for projects below $100,000.

90 Catholic School Authorities accepting Government capital funding assistance are bound to strictly comply with tendering procedures that:

- Encapsulate the principle of 'public invitation' and that are based on sound building industry practise (e.g. Australian Standard AS4120); and
- Comply with and include in contracts with contractors for the performance of any construction or building activity, the requirements contained in the National Construction Code 2022.

91 If Catholic School Authorities are in doubt on any aspect of the tendering procedures, they should contact the QCEC Secretariat beforehand.

Call for Tenders

92 Tenders/Quotations SHOULD NOT be sought by Catholic School Authorities until a written OFFER of capital funding assistance is received from the QCEC and that offer is accepted by the School Authority in writing.

93 A full set of tender issue site plans and floor plans are to be provided (electronically) to the Secretariat for review before the approved project is put out to tender. In certain instances, the QCEC Secretariat may request additional documentation.

94 Catholic School Authorities must have either commenced construction or entered into a legally binding commitment to commence construction (after tenders/quotes have been received) by 30 June 2026. A legal commitment is a signed contract or a letter of intent to sign a contract. Any request to vary the deadline must be submitted to the QCEC (for approval) at least three months in advance.

95 Catholic School Authorities cannot vary the scope/description of the approved project without PRIOR written approval of the QCEC.

Tendering Methods

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

Open Tender

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

Registration

98 Registration. The practice of publicly asking contractors to register their intention to bid for a project is an acceptable form of public tender provided that:

- At least five (5) conforming tenders are finally received unless exceptional circumstances exist; and
- The registration period is not less than seven (7) days.

99 The objective of registration is to prequalify tenders in respect of their capacity and ability to undertake works and so avoid the time taken for investigation after tenders have closed (i.e. it can lead to a shorter tendering period).

100 Those firms regarded as unsuitable for being invited to submit a bid must be informed accordingly. It is not common practice for reasons to be given as to why a particular firm was not included on a tender list.

Other Methods

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

Seeking Tenders

102 Public tender means the invitation of tenders by way of advertisements in the capital city daily press or major regional newspapers.

103 **Tender Period.** The tender period should normally be not less than twenty-one (21) days. The approval of the QCEC Secretariat will be required in advance of placing the tender notice, if a shorter tender period is proposed. Tender documents should indicate that tenders are to remain active for a minimum period of thirty (30) working days from the date of closure of tenders.

104 **Tender Numbers.** If less than five (5) tenders are received it may be necessary to seek additional tenders or obtain the prior approval of the QCEC Secretariat to proceed with less than five (5) tenders. Each case will be considered on its merits.

105 **Contingency Sum.** A contingency sum to the value of two and one half (2.5) per cent of the contract price or the estimated tender price is permitted to be included in tender documents. The approval of the QCEC Secretariat is required before inclusion (in contract documents) of a contingency sum exceeding two and one half (2.5) per cent is proposed.

106 **Project Splitting.** The splitting of a project into two (2) or more separate contracts is not permitted without the prior approval of the QCEC Secretariat.

107 **Sub-Contracts.** Where sub-contracts estimated to cost $100,000 or more are included in the head contract, public tenders for the individual subcontracts must be called. In the case where a sub-contract is estimated to cost between $15,000 and $100,000 (inclusive) at least three (3) comparable written quotations must be obtained.

108 **Provisional Sums/Prime Costs.** Any provisional sum item/or prime cost item estimated to cost $100,000 or more is to be let on the basis of public tender. In the case where a provisional sum

item or prime cost item is estimated to cost between $15,000 and $100,000 (inclusive) at least three (3) comparable written quotations must be obtained.

109 **Site Allowances.** Where site allowances for any project are agreed or awarded by arbitration and this is not provided for in the contract price then the meeting of the additional cost is a matter for the approved School Authority and the builder. In accordance with Government policy (endorsed by the QCEC) builders are expected to make commercial judgements about the need to provide for site allowances in their tender price. The QCEC will not normally consider additional grants to meet site allowances. In the preparation of tender documentation therefore this matter should be considered carefully.

110 **Other Works.** Separate tenders must be obtained, where a School Authority concurrently requests contractors to tender for work outside the approved project. The SEPARATE WORK is the responsibility for the School Authority to administer and it cannot be considered by the QCEC as part of the tender for the approved project.

Capital Tender Process - Variation

111 The normal tender process may be varied in situations:

- when Government approval is given for a subsequent stage of a project while the builder is still on site and prior to practical completion of a previous stage, involving the same building, or
- when exceptional circumstances exist, e.g. in isolated school communities where builders/tradesmen are difficult to obtain or the future financial viability of a staged project is jeopardised.

112 Catholic School Authorities wishing to vary the normal tender process by negotiating with a builder on site, for other approved capital work, are to use the following process:

113 Catholic School Authorities must seek prior approval of the QCEC Secretariat before negotiations with the onsite builder can commence for any other work. The written request should detail the reasons and the advantages which can be achieved through negotiation with the onsite builder and thus, avoiding the normal open tender process.

114 Once the QCEC approval has been received, a letter should be written to the onsite builder from the Project Architect, detailing the following terms:

- the builder is being given the first opportunity to submit a price for another part of the project,
- the builder's bid should be submitted on the basis of an 'open book tender' which should be validated by the Project Architect and the same should be available for inspection by the QCEC Secretariat,
- the submitted bid does not necessarily mean that it will be accepted and depending on its result, this other work may still go to open tender,
- the submitted bid by the builder for the other work, must be forwarded to the QCEC Secretariat in accordance with normal tender results reporting format, and
- as per the conditions of Government grant offer, no contracts with the builder for the other work can be signed until Ministerial approval is received.

Indigenous Australians

115 Australian Government grants are offered on the additional condition that the School Authority will facilitate the Australian Government's policy of encouraging the employment and training of Indigenous Australians. Where a project is to be undertaken specifically for an Indigenous Australian community, at least one member of that community is to be involved in the evaluation of tenders, except where a conflict of interests would arise.

116 Catholic School Authorities should maximise employment opportunities for Indigenous Australians where a project is undertaken specifically for an Indigenous Australian community or where a project is located in an area likely to provide employment or training opportunities for Indigenous Australians, in line with the Australian Government's policy of seeking to reduce the disproportionately high unemployment rates among these people.

Opening Tenders

117 The Tender Opening Committee must include the Architect/Project Supervisor (or nominated representative) and at least two (2) other responsible and independent persons appointed by the School Authority responsible for the project. Details of the Committee are to be included on the Tender Results Report.

118 It is important that Catholic School Authorities use a tendering system which aims to protect the interest of all parties and ensures propriety and public accountability.

Reporting Tender Results

119 The submission of tender results to the QCEC is one of the compliance conditions Catholic School Authorities receiving capital funding assistance must comply with. To ensure Catholic School Authorities are not financially disadvantaged or that the tender validity period is not unnecessarily affected, Catholic School Authorities should submit their tender results to the QCEC as soon as possible. The submission should include the standard QCEC form 'Results of Tender Process' and copies of the tender bids actually received by the school from builders.

120 NO TENDERS CAN BE ACCEPTED OR CONTRACTS SIGNED UNTIL TENDER RESULTS ARE SUBMITTED TO AND APPROVED IN WRITING BY THE QCEC.

Acceptance of Tender

121 THE PREFERRED TENDER IS EXPECTED TO BE THE LOWEST TENDER. Approval must be sought from the QCEC if a tender other than the lowest is preferred, and the School Authority must provide compelling reasons for their selection.

122 Catholic School Authorities must take into account value for money when they undertake a tender process.

123 Reasons for a tender decision must be documented on the relevant project file, including, where appropriate, reasons why the lowest tender is not being recommended for acceptance.

124 After the tender results are checked, the QCEC Secretariat will inform the School Authority (in writing) of any project cost adjustments and that they are free to commence project work.

125 Each case will be assessed on its merits, and it should not be assumed that approval will be given.

Tenders with Self-funded Works included in the Tender Package

126 If self-funded works are included in the tender, the following tender methodology must be used:

a. School Authorities are required to nominate the value of self-funded proposed works in their tender. The value of the self-funded proposed works can be in the form of either:

- a pre-tender estimate from a suitably qualified professional (Quantity Surveyor or equivalent); or
- costings from the preferred tenderer.

b. The QCEC will add a Consultant Fee allowance (10%) to the nominated value of the self-funded works.

c. The QCEC will add a Furniture and Equipment allowance (5%) to the nominated value of the self-funded works.

d. Other Costs reported in the tender results will be apportioned between the Funded and the Self-Funded works. Contingency values reported in the tender results will be apportioned between the Funded and the Self-Funded works.

e. Local Authority Charges reported in the tender results will be apportioned between the Funded and the Self-Funded works.

f. Provisional Sums reported in the tender results will be apportioned between the Funded and the Self-Funded works.

g. The apportionment percentage is established by the following calculation: Self-funded Works divided by the Contractor's Tendered Price (including Self-funded Works)

h. The total amount of the self-funded works (preferred contractor's value, consultant fees, Furniture and Equipment, Other Costs, Contingency, Charges, Provisional Sums) is deducted from the Total Tender value to determine whether the approved capital assistance grant requires alteration.

127 An example of evaluating the value of Self-Funded works is described in the table below:

Cost Items	Project Value	Element A (Grant Funded Works)	Element B (Self-Funded Works)	Methodology
Contractor's Tendered Price	$2,750,000	$2,200,000	$550,000	Apportionment Percentage = $550,000 / $2,750,000 = 20%
Consultant's Fees (10%)	$275,000	$220,000	$55,000	= 10% x $550,000
Furniture and Equipment (5%)	$137,500	$110,000	$27,500	= 5% x $550,000
Other Costs	$140,000	$112,000	$28,000	= 20% x $140,000
Contingency (2.5% of Project Value)	$68,750	$55,000	$13,750	= 20% x $68,750
Local Authority Charges	$25,000	$20,000	$5,000	= 20% x $25,000
Provisional Sums (included in Total Contractor's Value)	$150,000	$120,000	$30,000	= 20% x $150,000
TOTAL	$3,546,250	$2,837,000	$626,750	

Tenders above the Approved Project Cost

128 Where the LOWEST conforming tender is ABOVE the approved project cost, the School Authority must submit the tender results to the QCEC Secretariat as soon as possible and provide details of how it proposes to deal with the higher tender results.

129 The QCEC Secretariat will advise the School Authority (in writing) of action to be taken regarding the tender results.

Summary

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

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

Minor Capital Projects

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

Obtaining Quotations

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

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

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

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

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

Reporting Quotations

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

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

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

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

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

Architect/Project Supervisor

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

Attachment 3 - Variation Procedure (for variations that do not involve an increase to grant funding)

142 There is an expectation held by the Commission that all projects approved by the Minister will be delivered without significant change. It is understood however that variations may occur during the delivery of a project, which do not involve an increase to grant funding. To address this possibility the following procedures have been established to assist Catholic School Authorities.

143 A variation can be defined as any change or difference from the approved project (that does not involve an increase to grant funding). As variations from approved projects can vary from the less significant to the more substantial, guidance is provided regarding the process to have variations recognised.

144 With the introduction of a more refined audit process endorsed by the Commission, the need for transparency and accountability aligns with audit and risk considerations and sound governance principles.

Process

145 Once a capital Grant Offer has been made and accepted for the project, the School Authority should seek to deliver the project as approved. In the event a variation (which does not involve an increase to grant funding) is to be sought the following procedure is required to be undertaken:

- Notify QCEC of the proposed change in scope seeking approval for the varied works
- Provide details of the requirement to change the scope of works
- Provide the costs associated with the variation

Approvals

146 The QCEC has delegated variation approvals as follows (for variations involving a reduction in grant funds or an increase in a local contribution):

- The Chief Financial Officer to approve grant variations up to $250,000
- The Chief Financial Officer and the Executive Director QCEC to jointly approve grant variations from $250,001 up to $500,000
- Project variations requesting additional grant funds greater than $500,000 must be referred to the Commission for approval.
- Project variations because of increases in School Authority Contributions are noted by the Director, Resourcing Advocacy and Strategy and the Executive Director, QCEC and tabled with the Commission quarterly.

147 Variations of project scope and/or cost are required to be provided by QCEC to the relevant Minister for consideration.

Attachment 4 - Australian Government Right to Repayments

148 Sections 109 and 110 of the Act and Section 64 of the Regulations provide the Australian Government with a right to repayment for grants of more than $75,000, should a funding recipient, within the 20 years, sell or otherwise dispose of the facilities or cease to use the facilities principally for the purpose approved in the grant offer.

149 Under these guidelines, a School Authority must notify and, upon request, repay to QCEC as BGA/CAA all or part of the grant monies if the school ceases to use the funded facilities principally for the purpose specified (and approved) in the grant offer, or the school ceases to provide primary education or secondary education or sells or otherwise disposes of the facilities. The repayment amount in all cases shall be calculated in accordance with the process provided in this Attachment.

150 The amount of funds repayable is dependent on the grant amount and the number of years the facility was used for the provision of primary or secondary education.

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

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

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

Right to Repayments Prior to 2009

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

Calculated Portion of the Grant

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

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

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

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

Attachment 5 – Queensland Government Right to Repayments

155 In respect of grants greater than $75,000, the Catholic School Authority must undertake to use the approved project for educational purposes for a period of 20 years. Failure to use the project for educational purposes could result in a liability of assistance repayment equal to 5% of assistance for each year of the 20 year period during which the building is not used for educational purposes.

156 In the case of furniture and equipment, the Catholic School Authority must undertake to use items for educational purposes for the economic life of the item.

157 Under these guidelines, a School Authority must notify and, upon request, repay to QCEC as BGA/CAA all or part of the grant monies if the school ceases to use the funded facilities principally for the purpose specified (and approved) in the grant offer, or the school ceases to provide primary education or secondary education or sells or otherwise disposes of the facilities. The repayment amount in all cases shall be calculated in accordance with the process provided in this Attachment.

158 The amount of funds repayable depends on the grant amount and the number of years the facility was used for the provision of primary or secondary education.