

**STANDARD CONTRACT
PROVISIONS ROADS**

**Volume 3
MINOR WORKS CONTRACT
SYSTEM (MW)**

**MANUAL FOR MINOR WORKS
CONTRACTS**

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APPENDIX A

- Conditional Agreement – Minor Works Performance ContractForm C6013.MWPC**
- Form: Acceptance of Tender Minor Works FormC6995**

1 OVERVIEW

This Minor Works Contract System (MW) is based on AS 4905 – 2002. It replaces the 2nd Edition (2001) which was based on AS 4305 – 1996. A major change in this new edition is the incorporation of sole invitee considerations. Relationship management continues to be a feature in this document. This document provides information to deal with open market contracts, i.e. open tender and quotation processes, and sole invitee contracts under Sections 9 and 10.

The system associated with open market contracts is termed in this document as ‘Minor Works’. The system for sole invitee contracts is termed ‘Minor Works Performance Contract’. Several forms are attached in the document for the use in Minor Works contracts. Some of these forms are common for both open market and sole invitee contracts. However, these forms were developed mainly for open market contracts. In order to make this user guide short and simple, no specific forms were developed for sole invitee situations, unless they were extremely necessary. Therefore, some parts of these forms may not be applicable when the contractor is either Local Government or RoadTek. In such situations, users are encouraged to fill these parts as not applicable. Those forms which are not common to both types can easily be identified by their extensions to form numbers. The extension “.MW” is used for open market contracts to denote Minor Works and “.MWPC” for sole invitee to denote Minor Works Performance Contracts.

2 OBJECTIVES

The objectives of the Department of Transport and Main Roads (the department) in delivering roadworks are:

- to utilise contract arrangements in a way which provides value for money;
- to use best practice in the delivery and administration of works which provides the opportunity for greatest efficiency by all parties; and
- to comply with the State Purchasing Policy.

3 MINOR WORKS AND AUSTRALIAN STANDARDS

The Transport and Main Roads Minor Works Contract System (MW) is based on Australian Standard Minor Works Contract conditions (AS 4905 - 2002). This Standard provides for administration by a Superintendent and is a part of the suite of conditions of contract based on AS 4000 – 1997, *General Conditions of Contract*. This Standard is intended to be used for construct-only projects of a simple nature and is of limited monetary value. It is not suitable for projects of a complex or long term nature. AS 4905 is not included with this user guide. It is mandatory that all those who deal with Minor Works should read this Australian Standard before commencing work on Minor Works.

The Minor Works Tender Documents and forms are issued in electronic form (See Lotus Notes – MR Technical Manuals, Section 01 – Offer and Contract documents, Item 3 – Standard Contract Provisions Roads – Volume 3 Minor Works) to enable the different areas within the department to efficiently package Invitations to Tender. Although the standard Supplementary Conditions of Contract (See Form C6996) are not to be altered, the department delegates will be able to cater for job specific conditions by using Clause B23 of the Supplementary Conditions of Contract, as required.

While some of the Minor Works Contract Conditions are the same as the RCC, it is not a short form substitute and has a number of important differences. Section 4 of this user guide provides assistance in deciding when to use the Minor Works Contract System and should be used in conjunction with the **Transport Infrastructure Project Delivery System, Volume 1 – Selection of Appropriate Project Delivery Options** formally **Main Roads Project Delivery System**.

4 WHEN TO USE MINOR WORKS

The Minor Works Contract System may be used instead of the Road Construction Contract for simple minor works. The Minor Works Contract System is equally applicable for all minor site based road projects, including small capital works, combined capital and maintenance projects, rehabilitation and programmed maintenance.

Determining when to use Minor Works documents depends, amongst other things, on the extent of risk involved in the project. Risks vary due to estimated cost/ duration as well as variability in the type, scale, complexity and number of construction activities.

Following is a simple, consistent method for deciding whether the Minor Works arrangements should be applied to a particular project. Using this risk assessment method, the selection of either a Major or Minor Works Contract System is guided primarily by estimated expenditure level with discretion dependent on the level of risk. Minor Works arrangements are not intended for high risk works involving railway crossings or works in close proximity to railway lines or works with a component of design by the supplier e.g. Reinforced Soil Structures.

As an initial guide, for works with an estimated value of less than \$300,000, it is considered appropriate to use Minor Works Contract Documents, whilst other forms of contract shall be used on works estimated at over \$2,000,000 independent of work type or category.

Minor Works arrangements are permitted for use under circumstances where works present a low risk to the department but have a value greater than \$300,000 and less than \$2,000,000. This should be considered in association with the requirements of the **Major Works Prequalification System ("MWPS")** described in the **Transport Infrastructure Project Delivery System, Volume 3 - Major Works Prequalification System**.

Where, based on sound judgement, and subject to the above, and there appears to be a low risk exposure to the department, the Minor Works Contract System may be used. Typical examples of low risk projects (providing available contractors are suitable) include:

- minor intersection works including traffic signal installations;
- installation of noise amelioration devices;
- installation of guardrail
- roadside landscaping.

Additional, the department's purchasing procedures identifies various works that represents very low risk to the department. For these works, it is permitted to use the Minor Works Contract System for all contract amounts. These works are as follows:

- Supply and lay hot mix asphalt overlay
- Pavement reseal
- Transport and driving of piles
- Cart, heat and spray bitumen

Where the consequence and probability of risks to the department is significant, (eg most road projects involving significant excavation or bridgeworks) then an appropriate contract type selected from **Transport Infrastructure Project Delivery System, Volume 1** should be used.

A Risk Assessment process should be undertaken wherever there is doubt.

In determining the level of risk, or impact on objectives, the consequence and probability of possible events should be assessed, followed by a strategy to mitigate those risks. A consequence can be defined as the

outcome of an event such as loss, injury, damage, delay or gain. A probability can be defined as the likelihood of the specific outcome happening. A strategy to mitigate those risks includes undertaking actions to appropriately manage the risk.

Factors to be considered in assessing the level of risk include:

a) Complexity of Design/ Works

- Extent of innovation in design or techniques
- Technical complexity

b) Failure of the Works

- Design issues eg difficulty in assessing design loads, unknown properties of materials used, etc
- Chances of consequential damage
- Suitability of Construction Specifications

c) Construction problems

- Latent conditions situations
- Exposure to variations
- Suitable constructional plant
- Working under traffic

d) Contract elements

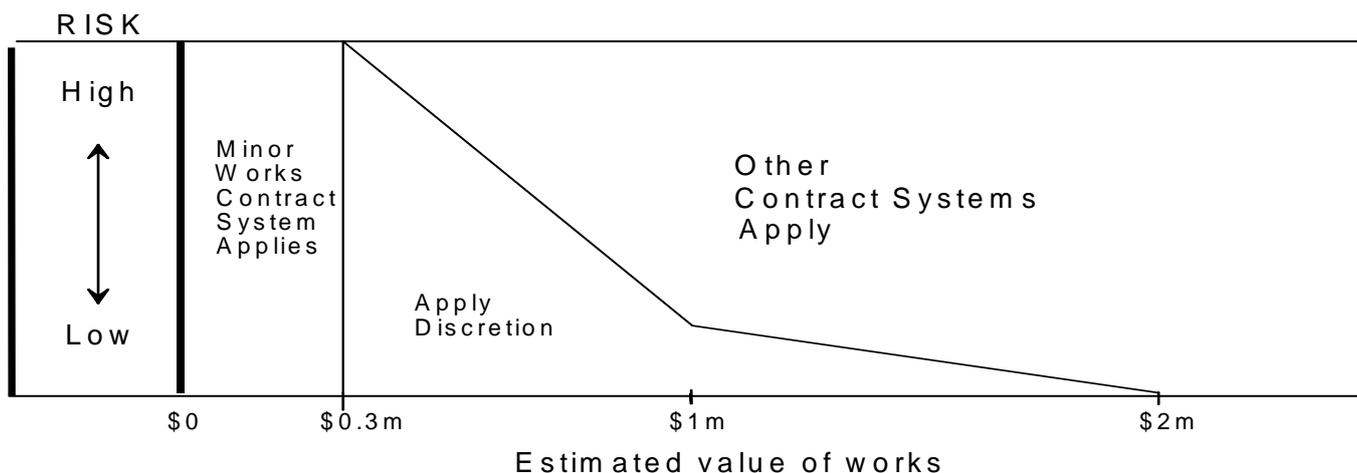
- Period/Length of contract
- Burn rate (expenditure per month)

e) Availability of Constructors*

- Extent of competition available

* Note: Extent of competition available does not apply to sole invitee situations.

The following figure (**Figure 1**) represents these concepts.



Complexity of design/works	Risk of failure of works	Construction problems	Suitability of Constructors	OVERALL RISK
Complex	High	Likely	Unsuitable	High
↕	↕	↕	↕	↕
Simple	Low	Unlikely	Suitable	Low

=

Figure 1 – Risk assessment to assist in selecting Minor Works

5 PROCESSES AND PROCEDURES

5.1 General

All purchases by the department, except real property transactions, must comply with the State Purchasing Policy. Transport and **Main Roads' Departmental Purchasing Procedures**, Purchasing Practice Standards and Procedures Manual comply with the State Purchasing Policy and set out its objectives and foundation concepts to be pursued in the procurement of all goods, equipment or services, as follows:

- Advancing Government priorities;
- Value for money; and
- Probity and accountability for outcomes.

Operational concepts also apply. In addition, other Government policies may also apply from time to time.

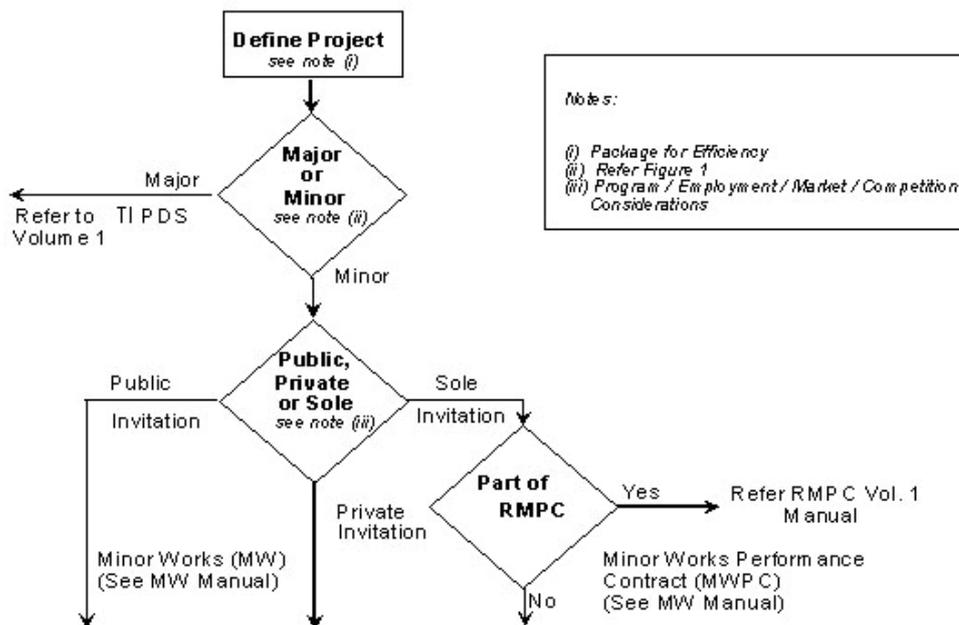
5.2 Selecting a pre-acceptance process

Projects should be packaged for efficiency. The appropriate delivery system should be chosen based on the method outlined in Section 4 above.

Figure 2 shows the optional pre-acceptance processes available for delivering Minor Works and a number of conditions that must be met.

Figure 2 – Pre Acceptance Processes (Minor Works)

Pre-acceptance administration procedures are as shown on Figure 2 above and are described in detail separately



Open Tender Process	Quotation Process	Sole Invitee Process	
√	√	√	1(a) Principal completes Invitation to Tender Form C6992 and attaches documents listed on form
√	√	N/A	1(b) Supplementary Conditions of Tendering (if any) to include evaluation criteria
√	N/A	N/A	2. Advertise
√	√	√	3. Distribute Tender Documents to Invitee/s
√	√	√	4. Invitee completes Tender Document and submits to the department
√	√	N/A	5(a) Select best tender
√	√	√	5(b) Complete Negotiation with best tenderer

5.3 Quality System Requirements

Requirements regarding Quality include:

- Quality System accreditation (from none to full certification);
- Quality Plans to be provided after award of the Contract but prior to commencement of work (typically for specific MRS50 elements);
- Outlines of relevant Quality Plans to be provided with each Tender for assessment purposes; and
- Details relating to management of any environmental hazards.

Project specific requirements must be nominated in the Supplementary Conditions of Tendering and/ or Contract.

5.4 Payment Schedules

Lump sum or schedule of rates arrangements or a combination of both will apply.

A purchase order is to be created for each Minor Works Contract and subsequent payments recorded and processed by the department as order related payments.

The department and suppliers need to be aware of the existence of established payment terms for each supplier (generally 28 days from date of invoice). If there is any variation to these terms in the Contract, the purchase order needs to reflect the agreed payment terms specifically for that Contract. With the introduction of GST legislation, payment can only be made to external suppliers when the supplier is registered for GST and provides a complying tax invoice. Legislation requires that payment terms are not greater than 35 days.

Provision has been made for cost adjustments relating to the supply of bitumen for the contract.

5.5 Contract Administration

Minor Works Contracts may be administered through the corporate Contract Administration System (CAS), as given in the Contract Administration System (CAS) Manual.

Queensland Transport Roads Implementation Program (QTRIP) guidelines released annually provide a description of work-types for road projects and job numbering conventions for each work type. Although the QTRIP guidelines distinguish between work types when allocating job numbers, Minor Works Contract documents are equally applicable for all minor site based projects in the project work type categories of:

- small capital works;
- combined capital and maintenance projects;
- rehabilitation works; and
- programmed maintenance works.

6 DEFECTS LIABILITY/SECURITY

6.1 Defects Liability

The AS 4905 – 2002 does not give a default Defect Liability Period (Clause 21). For the purpose of this Minor Works Contract System, the default defects liability period is taken as 90 days unless stated otherwise in item 15 of the Annexure (Form C6994). The department's negotiated position with industry is for a 90 day defects liability period. There must be compelling reasons for changing the default defects liability period from 90 days (eg. use of performance based specifications). These reasons are discussed in the Engineering Policy and Engineering Notes Manual under EP110.

6.2 Security for Performance

The department should indicate the amount of performance security required. The Tender Documents provide that, unless some other amount is stated, the department may retain 10% of each progress payment up to a maximum of 5% of the Contract Sum. Upon the issue of the Certificate of Practical Completion, security is reduced to half this amount and, 14 days after Final Completion, all security should be returned to the Contractor.

7 SUPERINTENDENT

The department's contract systems that currently use a Superintendent are:

- Road Construction Contracts (based on AS 2124);
- Roadworks Performance Contracts (based on AS2124); and
- Minor Works Contracts (based on AS 4905).

Note that the Principal's Representative under the department's D&C Contract System operates under a different set of rules.

The Superintendent has a role to fairly administer the Contract that is intended to reduce the likelihood of significant disputes involving the Principal and the Contractor. Under the Minor Works Contract arrangement, as for the other Contract Systems, it is the responsibility of the Superintendent to:

- act honestly and fairly;
- act within the time prescribed under the Contract or where no time is prescribed, within a reasonable time;
- ensure that the works are completed in accordance with the drawings and specifications; and
- arrive at a reasonable measure or value of work, quantities or time.

The Superintendent fulfils the dual roles of independent certifier and agent of the department and it is important for any Superintendent to distinguish between these roles when exercising its function. The department can appoint any employee or any person (including a firm or body corporate) as Superintendent. Where a firm is appointed as Superintendent, the Superintendent's representative must be an individual.

The department identifies Principal and Superintendent powers and responsibilities and may delegate these to either or both employees and private consultants. However, when splitting the roles and responsibilities, care should be taken when preparing the instruments of delegation to ensure that each function is only delegated to one person at any time.

8 RELATIONSHIP MANAGEMENT

Relationship Management is a feature incorporated in the MW, whereby the Principal and the Contractor agree that a good working relationship is a significant factor that contributes towards the successful completion of a contract. The Principal, Superintendent and Contractor commit to the establishment and maintenance of open and honest communications, and to work in a manner that is based on mutual co-operation, trust and respect.

9 OPEN MARKET CONTRACTS

9.1 General

Both open tender and quotation processes can be used in applying the minor works contract system for open competition situations. However, in accordance with the department's Purchasing Practice Standards and Procedures, where the estimated value of the procurement is likely to exceed \$250,000, invitations to suppliers shall be publicly advertised except where standing offers and preferred supplier arrangements are in place.

Where a register of suitable suppliers exists (including constructors in the department's Major Works Prequalification System – "MWPS", the department may issue Invitations to Tender to the registered/prequalified suppliers in the following manner:

For Minor Works projects estimated to cost up to \$250,000, private invitations may be made and must be to a minimum of 3 suppliers listed on that register;

For Minor Works projects estimated to cost over \$250,000 but less than \$2M, written private invitations may be made to all suppliers on the relevant register (Note that public advertisement is not required where a relevant register exists); and

Invitations may be advertised publicly.

As an alternative, a two stage arrangement may be used where all suppliers on the register may be provided with an "expression of interest" sheet, which will allow each supplier the opportunity to indicate its interest in the preparation of a complete Tender. From the suppliers' responses, invitations to tender need only be sent to interested suppliers.

Invitation and selection processes should provide a fair opportunity to all suppliers on the register to submit Tenders over a period of time. Any local register of suitable suppliers should be reviewed at least annually. Continued eligibility for registered supplier status will depend on an assessment of supplier performance reports and the impact of any changes in a supplier's circumstances. New suppliers should be encouraged to apply for registration and to submit Tenders for Minor Works projects. Constructors who are prequalified at any relevant level under MWPS are also eligible to tender for Minor Works projects.

9.2 Pre-acceptance Administration Procedures

Step 1 (a) The department should complete the following Tender Documents:

- Invitation to Tender (Form C6992) advising of closing time, quality system requirements, etc:
- General Conditions of Tendering (Form C6993.MW) and General Conditions of Tendering - Annexure (Form C6993.A) (if required).
- Supplementary Conditions of Contract (Form C6996.MW) detailing Main Roads' amendments to AS 4905 Minor Works contract conditions, and including project specific requirements/ conditions, if

any. The Minor Works contract conditions (AS 4905 - 2002) are not included in the Tender or Contract Documents as invitees are expected to have their own copy.

- Tender Form (Form C6990) (Main Roads completes ONLY Invitation No., Invitee Name and Address, Closing Time and Tender Box Location)
- Annexure to the Minor Works contract conditions (C6994). Additional Contract conditions such as those relating to apprentice/ training requirements may be included in the Annexure.
- Job specific documents - drawings, specifications, standards, etc.

Step 1(b) If required, job specific Supplementary Conditions of Tendering may provide any special requirements, including project specific tender assessment and tender evaluation criteria.

Step 2 The department should advertise publicly, inviting interested parties to apply for Tender documents. (This step may not be required for the quotation process).

Step 3(a) The department should forward the above mentioned Tender documents, directly to invitees selected from the list of registered suppliers or to suppliers who responded to the expressions of interest or public advertisement.

Step 3(b) The department may issue Notices to Tenderers before the closing time for Tenders if required, to revise, amend or modify the above mentioned documents.

Step 4(a) Tenderers will complete, bind and return by closing time, a signed "original" of the following documents:

- Tender Form (C6990) including statements, detailed schedules and other contract documents duly signed and amended as required; and
- Complete details of any alternative Tender.

Step 4 (b) Tenders received are opened in public as soon as possible after the specified closing time.

Step 5 (a) After the nominated closing time for Tenders, the department may enter discussions with Tenderers to clarify aspects of the Tenders and should arrange confirmation in writing of such clarifications. The department may select a **best tender** based on either the lowest tendered Contract Sum (default option) or the nominated Tender evaluation criteria. Refer to **Transport Infrastructure Project Delivery System, Volume 2 - Tendering for Major Works** for a discussion of various assessment methods.

Step 5 (b) Following selection of the **best tender**, the department will complete and forward to the **best tenderer**, an acceptance of Tender (Form C6995) listing and including at least one copy of all Contract Documents.

The department should advise unsuccessful Tenderers of the Name of the successful Tenderer and the Contract Sum and encourage those Tenderers to seek feedback on the reasons for being unsuccessful.

The standard forms mentioned above are included in the Manual. Other documents such as Notices to Invitees, Supplementary Conditions of Tendering and project specific documents such as specifications and drawings should be prepared to suit local circumstances and project specific requirements and practices.

9.3 Inviting Tenders

There are a number of ways that invitations for Tender for Minor Works may be made:

- (a) **Single Stage Process using the department's Major Works Prequalification System (MWPS)**
MWPS Prequalification Levels R0, B0 and A may be used as prerequisites for acceptance of Tenders for Minor Works. These levels have been introduced for projects with an estimated value of between \$300,000 and \$1 M.

This arrangement would generally be used for higher risk Minor Works with an estimated value less than \$300,000 or medium risk Minor Works with an estimated value between \$300,000 and \$2 M. Refer to the **Transport Infrastructure Project Delivery System, Volume 3 - Major Works Prequalification System** for details of how to apply prequalification to Minor Works.

- (b) **Specialised Requirements**

For Minor Works projects requiring specialised asphalt contractors, Invitations to Tender may be limited to Registered Asphalt Contractors in accordance with "Tenders for Supply and Laying of Asphalt EP111".

Refer to the **Transport Infrastructure Project Delivery System, Volume 3 – Major Works Prequalification System** for a discussion of specialised suppliers.

- (c) **Fully Open Invitations**

A single stage process open to all interested parties using combined Price/Non-Price assessment is the basis of this procedure. This would be appropriate for once off situations. Heavy emphasis would be required on identifying the non price criteria to ensure that suitable contractors are selected. Refer to the **Transport Infrastructure Project Delivery System, Volume 2 - Tendering for Major Works** for a discussion of single stage delivery methods that may be appropriate to Minor Works.

- (d) **Two Stage Registration Process**

In the first stage, expressions of interest would be sought and a short list determined from Non-Price criteria.

In the second stage, short listed Tenderers should be assessed on price.

Such arrangements may be undertaken on either:

- a project specific basis or
- for a specific time period (say two years)

where only registered organisations are invited to submit Tenders for Minor Works contracts.

This arrangement would be satisfactory for situations involving a large number of similar low risk Minor Works projects. Refer to the **Transport Infrastructure Project Delivery System, Volume 2 - Tendering for Major Works**, for a discussion of two stage delivery methods that may be appropriate to Minor Works.

9.4 Tender Evaluation

Contracts should be made with Tenderers who can demonstrate "value for money".

Where an appropriate register of suitable contractors or approved suppliers is used, Tender selection may be based on price only, provided low bids are reviewed to ensure that the contractor has adequate financial capacity to complete the work and a full understanding of project and contract requirements.

However, price may not be the only selection criteria. Consideration of comparative costs (price, discounts, payment terms etc), timely delivery of service, personnel, management and quality of work are all issues which cannot be determined from the register.

The Tender evaluation criteria which are to apply to the Tenders, including criteria weighting, must be stipulated to invitees in the Tender documents. In most cases, Tenders will be assessed on a Price Only basis ("Default" Option) in accordance with the General Conditions of Tendering. Where other than the Default Option is proposed, tender evaluation criteria and selection methodology must be outlined in the Supplementary Conditions of Tendering. Non-price Criteria on which Tender evaluations may be based, include the Tenderer's:

- technical and commercial conformance with the specification and invitation documentation;
- quality of the products/service;
- financial viability and commitments;
- technical, personnel and managerial resources;
- quality assurance system;
- ability to provide delivery, warranty, after sales service, training support, as required, on a long term basis;
- past performance; and
- comparative costs through the complete project life cycle.

Reference should also be made to the **Transport Infrastructure Project Delivery System, Volume 2 – Tendering for Major Works**, which discusses tender evaluation issues relevant to Minor Works.

9.5 Alternative Tenders

Providing a conforming Tender is received, it will be possible for Tenderers to provide alternative Tenders. Innovative alternative Tenders should be encouraged, although any Tender or any alternative Tender is not guaranteed to be accepted. Where the Tenderer provides a design or construction technique that is accepted by the department, then the department will, unless otherwise provided for, have a royalty free licence to use the design/ technique on the project. Where the alternative involves a change to the design, additional costs to the department over the design life of the works must be considered. The **best tenderer** will own the design and accept responsibility for its fitness for purpose.

Reference should be made to the **Transport Infrastructure Project Delivery System Volume 2 – Tendering for Major Works**.

9.6 Programming

Provision has been made for Tenderers to provide a Tender Program with their Tender. Any issues associated with the program should be clarified prior to the award of the Tender. The program for the **best tenderer**, subject to a direction to its suitability by the Superintendent, will become the Construction Program during construction.

10 SOLE INVITEE SITUATIONS

10.1 General

Minor Works Performance Contracts (MWPC) for sole invitee situations should be used only with Local Government or RoadTek and **should not be used for contracts with private contractors**.

Sole invitee contracts have many advantages over conventional contracts, which may contribute to greater efficiencies. Overheads of these contracts are generally less due to the absence of Security and Retention. In

addition, there are no unsuccessful tendering costs. Any surpluses generated by local government are generally invested back into roadworks.

10.2 Local Government as a Contractor

This Manual incorporates principles embodied in the following documents with respect to dealings with local government in so far as they do not conflict with the requirements of the Contract:

- Policy for the delivery of the department's Works by Local Government; and
- The "Protocol for guiding dealings between Transport and Main Roads and Local Government in respect of the Planning, Construction, Maintenance, Operation and Management of Roads and Road Corridors".

When dealing with local government, notwithstanding the contractual nature of the relationship, major importance and value should be placed on goodwill, good faith and cooperation between the parties.

In sole invitee contracts, local governments may include competitive neutrality adjustments and full cost pricing.

After the expiry of the Defects Liability period, the Local Government must certify actual costs of the Works to the department (including approved variations, delay costs, etc).

Where the actual cost for the Works is greater than the amount as certified by the Superintendent in the Final Payment Certificate, the Local Government must absorb that difference in cost. In these circumstances, reference is to be made to the "Protocol" agreement between Transport and Main Roads and Local Government.

Where the amended actual cost for the Works is less than the amount as certified by the Superintendent in the Final Payment Certificate, the Local Government must spend that difference on roadworks by the end of the succeeding financial year after the end of the Defects Liability period.

Roadworks for this purpose includes:

- construction and maintenance of road transport infrastructure on any road in the Local Government Area;
- a contribution to the purchase of road making plant and equipment provided that the percentage contribution shall not exceed the percentage which the department funded construction or maintenance of road transport infrastructure represents to the total Local Government expenditure on such construction or maintenance in that Local Government Area in the year the surplus was accrued; and
- training of Local Government employees for construction work.

10.3 RoadTek as a Contractor

It is acknowledged that RoadTek is a commercialised Business Unit of the Principal. RoadTek, as a business unit of the Principal, cannot in any legal sense enter into a contract with the Principal (i.e. the State of Queensland). Therefore an agreement is required in the case where the Tenderer is RoadTek.

Any dealings between the department and RoadTek in respect of the provision, maintenance and management of State Road Infrastructure should be based on the "Mutual Obligations Agreement". Dealings with RoadTek should take into consideration "payment equivalents" for such matters as insurances, taxation, etc. Related administration procedures such as the provision of insurance particulars before commencement of work therefore do not apply. These "concessions" are as annotated in the Contract documents as they occur. In addition, profits or losses shall be in accordance with the current policy. Relationship management

should be given a priority in dealing with RoadTek and any disputes, if they arise, should be dealt with as per the procedure set out in “Mutual Obligations Agreement”.

10.4 Value for money

Value for money should be a major consideration of all sole invitee contracts. Value for money in roadworks delivery is defined as the achievement of maximum overall benefit to the users of the facility and to the wider community, at an appropriate agency cost. For sole invitee works, the most appropriate cost is an effective balance of price and non-price outcomes which link to government priorities. Value for money in a sole invitee offer shall be evaluated by first assessing the non-price benefits of accepting the offer over an open market tender process, then comparing the offered price against market-based expectations. If this comparison reveals the offered price to be above market-based expectations (adjusted to account for non-price benefits,) this becomes a basis for further negotiation with the tenderer.

Use of guidelines and documentation in Engineering Policy EP123 is mandatory for all sole invitee roadworks costing more than \$300,000.

10.5 Reaching Conditional Agreement

Once the Tenderer has prepared and presented its Tender, the stage is set for the negotiating procedure which will usually end in a binding contract with the Local Government or an agreement with RoadTek (which is to be executed as if it is a binding contract).

It is essential that the Principal’s negotiating officer has available a range of cost estimates and historical information on the items in the schedule to ensure the negotiated price represents value for money.

For a part Schedule of Rates/part Lump Sum contract, it is necessary to agree on the rates and lump sum amounts for all items in the schedule so that an agreed Contract Sum can be calculated.

It is expected that the Principal’s negotiating officer will have carried out the following prior to the closing date for the Tender:

- Build the estimate as if it were a bid;
- Price major items from first principles using basic cost estimating procedures;
- Where items of work may be best performed by subcontract, obtain indicative prices;
- Adopt “commercial” plant hire rates;
- Compare estimates for items (major only) with costs achieved for similar items from any private contractors, other RoadTek bids, Local Government (where performance is proven);
- Check and review the price by reference to estimated total cost of resources and overheads, i.e. labour, plant, subcontract, materials on-site and off-site, overheads and management reserve as calculated from the Works Programme;
- Determine items that may be best treated as Provisional Items;
- Compare rates with costs from similar jobs; and
- Estimate the number of wet days during the Contract period.

While price will be a major consideration in reaching agreement, it is important, prior to and during any negotiation, to give consideration to other matters that may be used to offset financial considerations:

- changes in completion dates;
- use of different materials or procedures that will increase (or decrease) normally acceptable standards;
- use of a manual Construction Programme instead of the default computer based programme (if desired);

- specific expertise (contractor has appropriate plant available in the area);
- staff and equipment to be allocated by the Contractor for the project (possession of adequate skills and knowledge);
- engineering risk management (demonstrated successful experience with local conditions); and
- ability to contribute to the broader objectives of the purchaser (community and social factors e.g. building Queensland regions.).

10.6 Negotiation

The major aim of negotiating is to:

- agree on price;
- agree on changes to the Tender Documents; and
- sign the Conditional Agreement Form (C6013.MWPC).

The price agreed must ensure the Principal receives at least equal value as would have been obtained from any available source of alternate supply.

During any negotiations the following issues must be considered:

- basis for rates for individual items;
- Contract Sum;
- composition of the Daywork Rates so that delay rates e.g. for Variations etc. may be readily calculated;
- estimated number of wet days and the effect on individual rates;
- effect of the Quality Management requirements on rates;
- realistic alternatives that provide advantages for either or both parties;
- provisional items;
- trade-offs between quality and price;
- effect of safety provisions on the rates (job safety must not be compromised);
- effect of contract duration on price; and
- supply of major materials required on the project.

11 CONTRACT DOCUMENTS

Minor Works Contract documents consist of the following forms:

- Tender Form - MINOR WORKS (C6990)
- Invitation to Tender - MINOR WORKS (C6992)
- General Conditions of Tendering - MINOR WORKS (C6993.MW)
- General Conditions of Tendering – Annexure (C6993.A) (if used)
- Minor Works Contract Conditions (AS 4905 – 2002, NOT INCLUDED)
- Supplementary Conditions of Contract - MINOR WORKS (C6996.MW)
- Annexure to Minor Works Conditions of Contract (C6994)
- Acceptance of Tender - Minor Works (C6995) (*NOT to be distributed with the Tender Documents*)

Minor Works Performance Contract documents consist of the following forms:

- Tender Form - MINOR WORKS (C6990)
- Invitation to Tender - MINOR WORKS (C6992)
- General Conditions of Tendering - MINOR WORKS PERFORMANCE CONTRACT (C6993.MWPC),
- General Conditions of Tendering – Annexure (C6993.A) (if used)
- Minor Works Contract Conditions (AS 4905 – 2002, NOT INCLUDED)
- Supplementary Conditions of Contract - MINOR WORKS PERFORMANCE CONTRACT (C6996.MWPC)
- Annexure to Minor Works Conditions of Contract (C6994)
- Conditional Agreement (C6013.MWPC) (*NOT to be distributed with the Tender Documents*)
- Acceptance of Tender - Minor Works (C6995) (*NOT to be distributed with the Tender Documents*)

Also, there are some RCC Forms that may be used for Minor Works contracts (Refer to Standard Contract Provisions Roads -Volume 1 Road Construction Contract). They are given below:

- Tender Schedule M1 - Schedule of Rates (C6810.M1), or
- Tender Schedule M2 - Schedule of Prices (C6810.M2), as appropriate
- Tender Schedule M3 – Planned Cash Flow Schedule (C6810.M3)
- Tender Schedule M4 – Tender Program (C6810.M4)
- Tender Schedule M5 – Form of Security (C6810.M5)
- Tender Schedule M6 – Receipt of Notices to Tenderers (C6810.M6)
- Tender Schedule M7 – Daywork Schedule (C6810.M7)

In addition, Workplace Health and Safety Act 1995 (Form 34) and Trainee Employment Returns (Form A, B, and C Series) forms should be used in Minor Works contracts as required.