

## BG.01 – Submission of Securities v1.2

A bank guarantee (security) is a guarantee from the Works Contractor's lending institution ensuring the liabilities of the works contractor will be met. The bank guarantee provides Defence with certainty that any financial issues resulting from the works contractor's obligations during the project and during the Defects Liability Period (DLP) will not adversely impact Defence.

**Relevant GEMS phase: DELIVER**

### Refer to PM.04: Delivery Process

After PDS has procured the services of the works contractor, the works contractor is requestor to provide the security documents from their lending institution. The documents will be held by Treasury & Banking (T&B) until their release is required (refer to BG.02: Release of Securities).

Note: Process BG.01 is not a hold point – activities within PM.04 are performed while the BG.01 process continues.

#### BG.01.01 Submit Securities & letter to DEWPO CFO BA

PDS receive the security documents from the works contractor, and attach a cover letter identifying the project details and value of the security.

The documents are submitted to the DEWPO CFO BA either in person, or by registered mail / express post.

#### BG.01.02 Scan documents and acknowledge receipt

The DEWPO CFO BA signs and scans the documents submitted by PDS.

The DEWPO CFO BA also sends an email to PDS acknowledging receipt of the documents.

#### BG.01.03 Upload scanned documents to Objective

The DEWPO CFO BA uploads the scanned documents to Objective.

#### BG.01.04 Update Security register

The DEWPO CFO BA maintains a register on Objective detailing all aspects of the security documents. The register is updated with details of the securities and date of receipt.

#### BG.01.05 Send Securities to T&B

The DEWPO CFO BA sends the security documents to T&B and additionally emails T&B the relevant lines from the register to confirm the register has been updated.

#### BG.01.06 T&B provides receipt number

On receipt of the securities from DEWPO CFO BA, T&B adds the receipt number into the register and returns updated register by to the DEWPO CFO BA.

#### BG.01.07 Update register with T&B confirmation receipt

The DEWPO CFO BA updates the register to confirm that the T&B have received the securities

BG.01.08

#### Upload T&B email to Objective

The DEWPO CFO BA saves the email from T&B in Objective.

#### Refer to PM.04: Delivery Process

The remaining activities in PM.04 are followed.

## BG.02 – Release of Securities v1.2

Bank guarantees (securities) are released in two stages:

- At commencement of the Defects Liability Period (DLP) following commissioning of the completed works
- At the end of DLP during Project Close

The securities are released either to PDS, or directly to the works contractor, as specified by PDS.

**Relevant GEMS phase: TRANSITION / CLOSE**

### Refer to PM.04: Delivery Process

The first release of securities occurs following commencement of DLP in the Transition phase.

PDS issues a task to DEWPO CFO BA to release the first securities. This step is not required for works under the Minor Works Contract (MIWC).

**Note:** Process BG.02 is not a hold point – activities within Transition are performed while the BG.02 process continues.

### Refer to PM.06: Project Close Process

The final release of securities occurs in the Close phase following acceptance of completion of DLP.

PDS issues a task to DEWPO CFO BA to release the final securities.

**Note:** Process BG.02 is not a hold point – activities within Close are performed while the BG.02 process continues.

## BG.02.01 Confirm works contractor has met all contractual obligations

PDS confirms that the works contractor has:

- Completed all works leading up to commissioning at the end of the delivery phase and commencement of DLP, or
- Rectified all defects as requested during DLP

## BG.02.02 Request release of securities from DEWPO

PDS emails DEWPO requesting release of securities. The email must contain:

- The project number
- The bank guarantee number and value
- A statement confirming that the works have been commissioned (first release), or
- A statement confirming that DLP has been accepted, and any issues have been resolved (final release)
- Confirmation of the relevant item from activity BG.02.01
- Instruction whether to release the securities to PDS or directly to the Works Contractor

**Note:** If the required information is not submitted, the release of securities will be delayed until the information is provided.

- BG.02.03**      **Review request for release**  
DEWPO review the PDS request for release of securities. This review includes:
- Confirmation that all required information has been supplied by PDS
  - Confirmation that all HOTO documents and project related documents have been uploaded to Objective (applicable for release of final security only)
- BG.02.04**      **Request release of documents from T&B**  
The DEWPO CFO BA emails Treasury & Banking (T&B) to request the release of either the first or second securities.
- BG.02.05**      **Release Security & documents**  
T&B send the relevant security and related documents to the DEWPO CFO BA.
- BG.02.06**      **Confirmation of receipt from T&B**  
The DEWPO CFO BA emails T&B to confirm that the securities have been received.
- BG.02.07**      **Return of security**  
DEWPO CFO BA to returns the security to the address as advised by PDs – i.e. either PDS or directly to the Works Contractor.  
  
Should the security need to be returned by post, DEWPO CFO BA will send by registered mail or express post.
- BG.02.08**      **PDS (or contractor) send acknowledgement receipt to DEWPO CFO BA**  
Either PDS or the works contractor has received the securities from the DEWPO CFO BA. They email the DEWPO CFO BA to acknowledge receipt of the securities
- BG.02.09**      **Upload confirmation documents to Objective**  
The DEWPO CFO BA uploads documents relevant to the first / second release of securities to Objective.
- Refer to PM.04: Delivery Process (First Release)**  
The remaining activities in PM.04 are followed.
- Refer to PM.06: Project Close Process (Second Release)**  
The remaining activities in PM.06 are followed.