

SCOPE OF WORKS - DEFENCE INFRASTRUCTURE PANEL - MAJOR CONSTRUCTION 2025 - 2030

1. Work the subject of the Panel

Panel Contractors will be engaged under the Panel to deliver major construction and capital facilities projects and carry out related activities. The projects to be delivered under the Panel will:

- (a) generally (but need not) constitute a "work" as defined in the *Public Works Committee Act 1969* (Cth);
- (b) be carried out within Australia; and
- (c) be valued at or above \$200 million (exclusive of GST), with the average value of projects anticipated to be between \$200 million (exclusive of GST) and \$600 million (exclusive of GST).

To the extent that the Department of Defence is the procuring agency, the types of projects which are anticipated to be delivered under the Panel include those relating to airfields, heavy civil, fuel infrastructure, UXO remediation, environmental remediation, marine, engineering services and utilities and explosive ordnance.

2. Delivery Methods

Panel Contractors may be engaged under any delivery method specified by the relevant Contract. Such delivery methods may include the following:

Construct only

A construct only model is used for the engagement of a contractor for the delivery component of a project only. The principal will provide the design and the contractor is engaged to construct the project in accordance with that design. A construct only contract is predicated on the contractor being provided with a fully documented design at the time of tender with no further design work needed except for shop drawings, the documentation of any variations and any design for provisional sum work.

Design and construct

A design and construct model is used for the engagement of a contractor to design and construct the project so as to meet the needs of the principal. A works description or design documentation may include some basic or incomplete designs and specifications which the contractor will be required to complete.

Document and construct

A document and construct model is used where the principal has commenced (and possibly advanced) the design of the project, usually through the engagement of design consultants. The contractor will then take over the design (and will usually have the design consultants novated to it) and so bears single line responsibility to the principal for design in a similar manner to a design and construct contractor.

Early contractor involvement (whether construct only or design and construct)

The early contractor involvement (**ECI**) model is used for the engagement of a design services consultant and one or more head contractors in the planning or design phase of a project.

Under this delivery model, the Commonwealth enters into separate contractual arrangements during the planning phase with the ECI contractors. Subcontractors and subconsultants may also be engaged to provide input into the preparation and finalisation of the design.

The planning phase contract is the first of a 2 phase contract engagement on the project for the head contractor. The contractor may be engaged for the construction phase under a delivery phase lump sum contract. This is subject to the terms of the planning phase contract.

Managing contractor (whether single or two phase)

The managing contractor model provides for the involvement of a contractor at an early stage of the project.

The contractor is primarily responsible for the planning, design and delivery of the project, including the engagement of approved subcontractors for major works, medium works and design services.

The contract price comprises both lump sum components and reimbursable costs. The contractor has an obligation to ensure the contract price does not exceed the target cost and to achieve completion of the works by the specified target dates.

3. Forms of Contract

Panel Contractors may be engaged under varying forms of contract as specified by the Department of Defence or an Other Commonwealth Agency (as applicable) for the purposes of an Engagement and having regard to the specific circumstances of that Engagement.

To the extent that the Department of Defence is the procuring agency:

- (a) it is anticipated that the relevant Contract will be based upon the contract templates available on the Defence website including, but not limited to, the Defence Head Contract (including construct only, design and construct and document and construct), the Defence Early Contractor Involvement Head Contract – Two Contractor Planning Phase Approach and the Defence Managing Contractor Contract; and
- (b) the Department of Defence may, but is not required to, elect to engage an external service provider to act as project manager and also contract administrator.

4. Minimum Requirements

The specific requirements for the Works will be set out in the relevant Contract. However, it is anticipated that as a minimum the relevant Contract will require compliance with:

- (a) applicable Government policy (including any reporting requirements) including the Defence Policy for Industry Participation (in the case of the Department of Defence), the Australian Industry Participation policy, the Indigenous Procurement Policy, the WHS Accreditation Scheme, the Shadow Economy Procurement Connected Policy, the Workplace Gender Equality Procurement Principles, the Payment Times Procurement Connected Policy, the Commonwealth Supplier Code of Conduct, the Environmentally Sustainable Procurement Policy and the Australian Skills Guarantee Procurement Connected Policy;
- (b) applicable Statutory Requirements;
- (c) applicable technical standards and requirements including Australian Standards, the Building Code of Australia and the National Construction Code;
- (d) minimum standards relating to quality, including in respect of the integration of the quality assurance systems and processes implemented for an Engagement by the Panel Contractor with that established by the Panel Contractor under the Panel Agreement;
- (e) requirements in relation to information security, including (where the Department of Defence is the procuring agency) in respect of the Defence Industry Security Program;
- (f) requirements in relation to insurances; and
- (g) requirements in relation to the provision of security.

The Panel Contractor will be expected to maintain an ability to readily source expert subcontractors, including in the specific areas noted in clause 1 above.

Further information relating to the Indigenous Procurement Policy, the Defence Policy for Industry Participation (in the case of the Department of Defence), the Environmentally Sustainable Procurement Policy and the Australian Skills Guarantee Procurement Connected Policy is set out in clauses 5 to 8 below respectively.

5. Indigenous Procurement Policy

Further to clause 4(a) above, the Indigenous Procurement Policy (available at <https://www.niaa.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp>) seeks to stimulate Indigenous entrepreneurship and business development and provide Indigenous Australians with more opportunities to participate in the economy. More information on Indigenous Enterprises (as defined in the Indigenous Procurement Policy) is available at www.supplynation.org.au and in the Indigenous Procurement Policy.

6. Defence Policy for Industry Participation

Further to clause 4(a) above, local industry participation is an expected outcome of Commonwealth expenditure. This expectancy builds on the Commonwealth Procurement Rules, which require procurement practices that do not unfairly discriminate against Small and Medium Enterprises (SMEs) and provide appropriate opportunities for SMEs to compete for Commonwealth funded work. Panel Contractors are also referred to the Defence Policy for Industry Participation (available at <https://www.defence.gov.au/business-industry/programs/defence-policy-industry-participation>).

7. Environmentally Sustainable Procurement Policy

Further to clause 4(a) above, the Environmentally Sustainable Procurement Policy (available at www.dcceew.gov.au/sustainable-procurement) seeks to reduce the environmental impact of Australian Government procurements and support Australia's transition to a net zero, circular economy. More information on the Environmentally Sustainable Procurement Policy is available at www.dcceew.gov.au/sustainable-procurement.

8. Australian Skills Guarantee Procurement Connected Policy

Further to clause 4(a) above, the Australian Skills Guarantee Procurement Connected Policy (available at <https://www.dewr.gov.au/australian-skills-guarantee>) seeks to address gender segregation and acute skills shortages by introducing the Australian Skills Guarantee Targets (as defined in the Australian Skills Guarantee Procurement Connected Policy).

9. Related Goods and Services

As part of undertaking the activities forming part of an Engagement, Panel Contractors may be required to:

- (a) undertake design, programming and cost planning;
- (b) develop project plans, drawings, operations and maintenance manuals and other documentation;
- (c) participate in early contractor involvement processes;
- (d) undertake stakeholder consultation;
- (e) provide support in connection with obtaining Government and other approvals;
- (f) engage specialist subcontractors, including in accordance with any process prescribed in the relevant Contract; and
- (g) participate in project reporting and governance activities.