

October 2023

## Guidelines for Principals – period supply and service contracts

This TECHguide describes the documentation procedures for period supply and service contracts for the supply of materials and services required for local government. Read this TECHguide in conjunction with TG 101 *Guidelines for compiling documentation for contracts* and TG 102 *Guidelines for Principals – Standard contracts*.

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## CONTENTS

<b>1</b>	<b>General .....</b>	<b>3</b>
1.1	Introduction .....	3
1.2	Referenced documents .....	3
1.3	Contract responsibilities .....	4
1.4	Selection of period supply and service contract .....	4
<b>2</b>	<b>Management of contract documents .....</b>	<b>6</b>
2.1	Compilation of contract documents for period supply and service contracts.....	7
2.2	Section A – Tender documents.....	7
2.3	Section B – Contract documents .....	8
2.4	Volume 1 – Conditions of Contract .....	9
2.5	Volume 2 – Technical Specifications .....	10
2.6	Volume 3 – Drawings and Schedules .....	11
2.7	Volume 4 – Tender submission documents.....	11
2.8	Assembly and binding.....	11
2.9	Quality check of contract documents .....	11
2.10	Registration of contract document preparation .....	12
2.11	Review of Council documentation (major works).....	12
2.12	Security of documentation.....	12
2.13	Tender assessment for period supply contracts .....	12
2.14	Tender advertisement uniformity .....	12
2.15	Implementation of documentation .....	15
<b>3</b>	<b>Annexures .....</b>	<b>16</b>
3.1	Annexure A – PERDOC checklists .....	16
3.2	Annexure B – Tender advertisement template .....	17
3.3	Annexure C – Tender advertisement example .....	18

# GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS

## 1 GENERAL

### 1.1 Introduction

This TECHguide addresses the preparation and management of comprehensive tender and contract documentation for period contracts for the supply of goods and services. Procedures and checklists are included for preparing quality, concise and consistent tendering and contract documentation. Australian and other national standards are incorporated by reference. However local statutory and regulatory requirements and project specific requirements will also need consideration.

This TECHguide also provides:

- A framework for works and services for period contracts that are intermittent upon the Principals request or in conformance with a schedule provided by the Principal.
- A procedure for the convenient and logical compilation of document parts and a process checklist proforma to assist Councils to prepare and compile the documents.
- A template for tender advertisements.
- Guidance for the preparation of period contracts for materials and services where specifications are not sourced from other AUS-SPEC specifications.

This TECHguide is complementary to AUS-SPEC TG 102 and AUS-SPEC worksections. References are made to these documents to avoid repetition. It is assumed that Council's staff will have ready access to the other documents when compiling *Period supply and service* contracts.

See NATSPEC TECHnote GEN 019 for a summary of using AUS-SPEC for contract documentation. Refer to NATSPEC TECHnote GEN 005 *Specifications* for an overview of the importance, roles and forms of specifications and *TECHnote GEN 029 Design and specifications guidance in NATSPEC*.

### 1.2 Referenced documents

The following documents are incorporated into this TECHguide by reference:

#### **TECHguides**

*AUS-SPEC TG 101 Guidelines for compiling documentation for contracts*

*AUS-SPEC TG 102 Guidelines for Principals – standard contracts*

*AUS-SPEC TG 104 Guidelines for Principals – sample documents*

#### **Worksections**

- *0120 Pre-tendering contract preparation*
- *0122 Information for tenderers*
- *0123 Conditions of tendering*
- *0124 Tender submission documents*
- *0134 General requirements (Supply)*
- *0135 General requirements (Services)*
- *0136 General requirements (Construction)*
- *0147 Conditions of contract*
- *0152 Schedule of rates (Construction)*
- *0153 Schedules – period supply and service*
- *0161 Quality management (Construction)*
- *0162 Quality (Supply)*
- *0163 Quality (Delivery)*

#### **Australian standards**

AS 2124-1992	General conditions of contract
AS 2127-1992	Form of formal instrument of agreement
AS 4000-1997	General conditions of contract
AS 4120-1994	Code of tendering
AS 4905-2002	Minor works contract conditions (Superintendent administered)
AS 4906-2002	Minor works contract conditions (Principal administered)

## GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS

AS/NZS 4911:2003	General conditions of contract for the supply of equipment without installation
AS 4912-2002	General conditions of contract for the periodic supply of goods
AS/NZS ISO 9001:2016	Quality management systems – Requirements
NCW4-2019	General conditions of contract for construction
NPWC3-1981	National Public Works Contract - General conditions of contract

### Other publications

#### AUSTROADS

AGPD03-2022	Guide to project delivery Part 3: Contract management
AP-C87-2015	Austrroads glossary of terms
AP-C96-2022	National Prequalification System for Civil (Road and Bridge) Construction
AP-R371- 2010	National prequalification system for civil (road and bridge) construction contracts

#### IPWEA

IIMM-2020	International Infrastructure Management Manual, 6 <sup>th</sup> edition
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#### NATSPEC

NATSPEC TECHnote GEN 05 Specifications	
NATSPEC TECHnote GEN 019 Using AUS-SPEC for contract documentation	
NATSPEC TECHnote GEN 022 Using AUS-SPEC for asset delivery	
NATSPEC TECHnote GEN 029 Design and specification guidance text in NATSPEC	

### 1.3 Contract responsibilities

Many supply contracts can be a simple competitive quotation with the protection of a purchase order agreement and common law. Others will require a formal contract with general conditions of contract, technical specifications and quality assurance requirements.

The worksections required for *Period supply and service* contracts are as listed in the **Contract documentation volumes table** and need to focus on the more demanding formal contract documentation.

Assign clear roles and responsibilities to each person involved in managing the contract to AGPD03 clause 3.1.

The Principal will:

- Determine the appropriate complexity of the contract documents and how comprehensive the description of the required goods or services must be.
- Focus on the delivery logistics required and provide a simpler document for contract documentation where the Principal can be reasonably confident of the product or service quality. Under these circumstances the Principal may receive lower tender prices in response to the ease of quotation for the Provider. For example: Products produced in bulk for a general market (e.g. vehicle tyres) can simply be specified by an Australian Standard manufacturer or Producer Industry Standard (e.g. SPF 15 for 4 hour sunscreen lotion).
- Need to be aware of risk exposure under the contract. Under many circumstances, poor quality service or goods can significantly reduce the value of community assets such as roads, or public buildings and parks.

A comprehensive contract document prepared to AUS-SPEC guidelines is more likely to result in the following:

- All tenderers being aware of the requirements enabling fair and competitive pricing.
- Principal awareness of risk apportionment.

### 1.4 Selection of period supply and service contract

#### 1.4.1 Contract types

Period supply and service contracts (typically annual contracts) can be of several types. They differ as follows:

- Extent of service.
- Type of quality control.
- Period of contract.
- Method of payment.

## GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS

### 1.4.2 Extent of service

The extent of service required by the contract is the provision of a service (e.g. weed spraying or debt recovery service) or any one of the three types of supply contracts set out below:

- **Supply Only:** The product/material is manufactured/prepared at a location convenient to the Contractor/Provider and made available for collection by the Principal. This is commonly termed ex-bin supply when bulk materials are involved.
- **Supply and Deliver:** The product/material is manufactured/prepared at a location convenient to the Contractor/Provider and then delivered to locations nominated by the Principal to a schedule acceptable to the Principal.
- **Supply, Deliver and Install/Lay/Place:** The product/material is manufactured/prepared at a location convenient to the Contractor/Provider, delivered to a nominated worksite and installed, laid, or placed by the Contractor as documented.

Describe the extent of service in the *0122 Information for tenderers* worksection and the appropriate worksections for construction or maintenance.

### 1.4.3 Type of quality control

Quality control can involve the following:

- Traditional quality control where the Council instigates sampling and testing and accordingly verifies conformance or otherwise with the contract. The cost of sampling and testing is borne by Council or charged to the Contractor.
- A Quality Management System with all sampling and testing provided by the Contractor.

Set out the quality management requirements in the appropriate worksections. For example the following worksections include the quality requirements:

- *TG 102 Guidelines for Principals – Standard contracts.*
- *0161 Quality management (Construction).*
- *0162 Quality (Supply).*
- *0163 Quality (Delivery).*

### 1.4.4 Period of contract

The most common period of contract is 12 months. Identify the commencement date of the period of contract in the contract documents. It is commonly related to the date shown on the letter of contract acceptance dispatched by the Principal. There are contract conditions which apply to both Principal and Contractor for the nominated contract period. Provide an explanation of the period of contract in the *0122 Information for tenderers* and the relevant worksections. Enter the period of contract in the Annexures to the General conditions of contract.

#### Flexibility

Contracts can be flexible for any nominated period with a contract period extension which is subject to the agreement of both parties (e.g. 1 year plus 1 year extension). If this practice is adopted, make sure that both parties are aware of the terms for an extension and that a time frame is nominated within which the option must be exercised or will lapse. There is a requirement for probity under these circumstances to be fair to other potential Contractors.

#### Variations

There are several ways of addressing variations in the prices of labour, materials and transport during the contract period. In many circumstances, the appropriate and simple solution is to clearly state that quoted prices and schedule rates are fixed for the period of the contract such that the Contractor bears the full risk of cost variation. In any case nominate the proposed mechanism for dealing with variations.

#### Rise and fall

If the contract price is not fixed nominate a clearly described and unambiguous rise and fall calculation method as applicable. Such clauses are commonly linked to industry price indexes which are published by third parties (e.g. Australian Bureau of Statistics (ABS)) at regular intervals.

#### Damages

Liquidated damages may often be irrelevant to period contracts but under some circumstances may be relevant. Address price variations and liquidated damages in the General conditions of contract and its Annexures.

## GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS

### 1.4.5 Method of payment

The method of payment is important in any contract and for a period contract can be as follows:

- Monthly payment.
- A proportional payment at the commencement of the period of the contract to compensate the Contractor for initial establishment costs. The balance of payment will then be nominated by the Principal.
- Payment upon delivery and receipt of subsequent invoice.

Alternate forms of payment can be based on the following:

- Lump sum price expressed as a monthly contribution.
- Schedule of rates related to work completed within the previous month.
- A combination of both as long as it is clearly defined.

AUS-SPEC TECHguides TG 101 and TG 102 define these terms.

## 2 MANAGEMENT OF CONTRACT DOCUMENTS

Apply a management plan or policy that provides assurance that the compilation of contract documents is effective and efficient whether undertaken in-house or by external consultant services.

The management titles included below and in the following sections of the guidelines may vary from Council to Council due to differing management structures, however, there will be professional officers in each Council with one or more of the assigned responsibilities described. Some Councils may assign a Contracts Manager to oversee the process.

### Responsibilities table

The responsibilities may be assigned as follows, for example:

Title	Responsible to	Responsible for
Director of Technical Services (Owner)	General Manager	Providing and maintaining effective infrastructure.
Manager-Assets (Owner)	Director of Technical Services	Managing Council's infrastructure in conformance with standards and a program provided. Providing contract documentation adequate to realise the commissioned supply or services in relation to an assigned timeframe and budget.
Director of Corporate Services	General Manager	Provide effective and efficient administration services for Council's operations.
Supply Manager	Director of Corporate Services	Effective administration of procurement practices for Council's operations. Security of all copies of the contract documents. Avoidance of information release in advance of formal release of Tender documents. Securing of electronic copy of all documentation to Council's archiving policy. Certification of conformance with Contract documentation compilation procedures policy as independently verified.
Purchasing Officer(s)	Supply Manager	Procurement operations to meet time and quality targets with integrity.
Product/Services Specifier		Appropriate officer charged with the task of developing/ reviewing/adopting the necessary documentation for Council's supply contracts for goods and services.

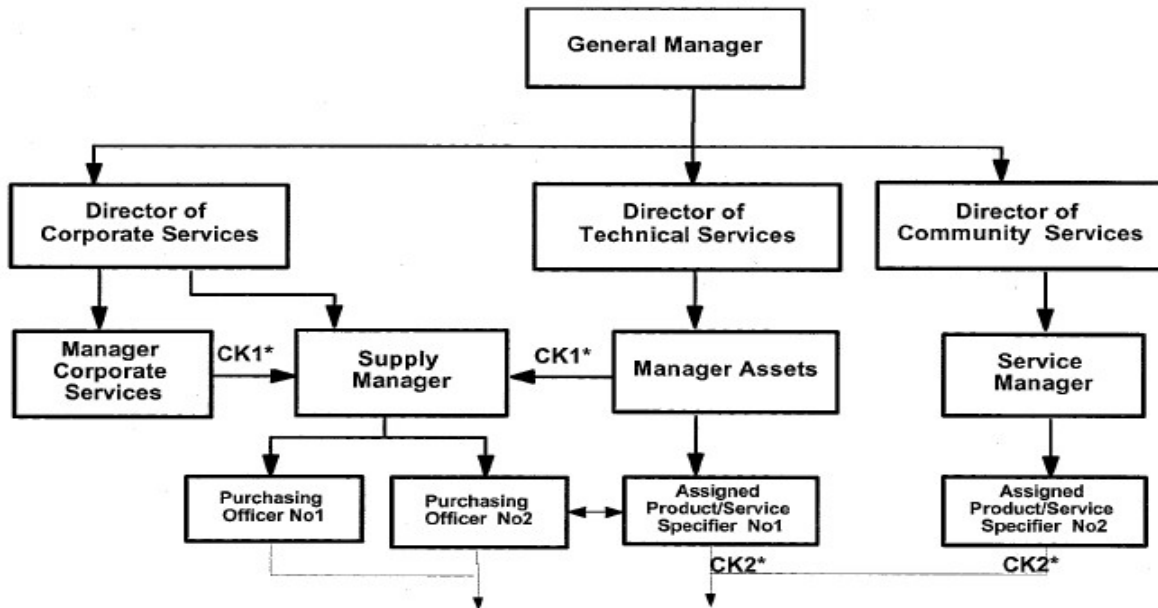
The above assigned responsibilities are described for a typical Council management structure, equivalent officers and/or managers, dealing with Contracts for a range of Council activities (e.g. Library Services, Information Technology Services, Roadworks), should be recognised with equivalent responsibilities and possibly different position titles.

Refer to **Figure 2.1 Typical flow chart – Contract documentation for the period supply and service contract** for a typical sequence of activities and personnel involvement required for the full contract

**GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS**

document compilation, the processes that need to be addressed and the personnel that need to be identified as responsible for each process.

If a business unit or like entity of Council may consider submitting a tender for the works, isolate all personnel associated with that entity from the document preparation and approval processes. Ensure confidentiality and avoid early release of contract information to any Tenderer.



\* PERDOC PERIOD DOCUMENT CHECKLIST PARTS (see Annexure A)

CK1 Commissioning of Documentation.

CK2 Determination of Technical Requirements as defined in **Contract documentation volume table**.

CK3 Document Finalisation/Advertising Approval as in **Tender advertisement uniformity**.

**Figure 2.1 Typical flow chart - Contract documentation for period supply and service contracts**

Note: This is a sample of the personnel involvement in the sequence of activities in an organisation.

**2.1 Compilation of contract documents for period supply and service contracts**

Period supply and service contracts documentation is in two sections:

- **Section A – Tender documents:** Assemble 0122 *Information for tenderers* and 0123 *Conditions of tendering* separately.
- Section B – Contract documents: Assemble contract documentation in 4 volumes as noted in the Contract documentation volumes table.

Responsibility: Make sure the documents are free of discrepancies and omissions.

Refer to the [National Worksection Matrix](#) for the following:

- Tendering and contracts: See workgroup 01 *GENERAL*.
- Technical specifications of Site, Urban and open spaces, Buildings, Road reserve and Public utilities: See Workgroups (02 to 13).

**2.2 Section A – Tender documents**

The following section applies to traditional paper-based methods of tendering. Similar principles apply for eTendering, but production techniques are adapted to suit the digital means of distribution. Detailed guidance, and in some instances, purpose-made software is provided by the developers and administrators of the eTendering system to assist users. See **eTendering** in AUS-SPEC TECHguide TG 102.

If using 0120 *Pre-tendering contract preparation*, include the following:



## GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS

### 0120 Pre-tendering contract preparation

Refer to *0120 Pre-tendering contract preparation* which provides a framework for the development of request for tender documents based on AUS-SPEC worksections. It includes a cover page and sets out the documents required for Part A Tender information and Part B Contract documentation volumes.

TECHguide TG 104 includes sample contracts and provides guidance for completing the tender documentation in the following worksections.

### 0122 Information for tenderers

Provide a brief project description consistent with the complete scope and description of the works given in the Technical specifications. Provide all relevant information for evaluating the requirements and risks in the project.

Issue the *0122 Information for tenderers* as a separate introductory document. This will enable the prospective tenderer to determine whether the scope and type of works in the proposed contract is within the tenderers capability.

### 0123 Conditions of tendering

Complete *0123 Conditions of tendering* worksection to align with *0122 Information for tenderers* including:

- Tendering method to AS 4120 or the code of tendering for the construction industry in the relevant State or Territory.
- Prequalification requirements.
- Site inspection and briefing meeting.
- Closing date and place for tender lodgment.
- Councils contact person for enquiries.

Austrroads research report AP-R371/10 *National prequalification system for civil (road and bridge) construction contracts* introduces a uniform set of road and bridge construction prequalification categories along with a set of financial levels to provide greater certainty and consistency for the civil construction industry. AP-C96 provides a national prequalification system to create a harmonised framework for roadworks and bridgeworks construction contracts.

## 2.3 Section B – Contract documents

### Contract documentation volumes table – CK2

Contract volumes	Include the following AUS-SPEC worksections and related documents	Notes
<b>Volume 1</b> CONDITIONS OF CONTRACT	<i>0147 Conditions of contract</i>	This worksection outlines the general conditions of contract AS 2124, the annexures to the contract and the special conditions of contract. The General conditions of contract (e.g. AS 2124) is included in the contract documents by reference in <i>0147 Conditions of contract</i> .
	Annexure to General conditions of contract	Pre-printed forms of Annexure Part A and B for standard contracts are available from SAI Global.
	Special conditions of contract	
<b>Volume 2</b> TECHNICAL SPECIFICATIONS	<b>General requirements</b>	Select the worksection based on the appropriate general requirements for the project:
	<i>0134 General requirements (Supply)</i>	This worksection is applicable to the general requirements for a supply contract and includes the supply of labor, materials and plant to carry out the works.
	<i>0135 General requirements (Service)</i>	This worksection is applicable to the general requirements for a supply and service contract. The work under this contract comprises of supply of labour, materials and equipment necessary to carry out the services specified.
	<i>0136 General requirements (Construction)</i>	This worksection is applicable to the site requirements of the Principal for construction projects. It includes a description of the project, specific requirements, work not in the contract, site



## GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS

Contract volumes	Include the following AUS-SPEC worksections and related documents	Notes
		investigations, signage, survey control, environmental planning, noise and vibration controls, utilities and authorities and site facilities.
	<b>Quality system or Quality control requirements</b>	Select appropriate worksections based on the quality management system for the project:
	<i>0161 Quality management (Construction) or 0167 Integrated management.</i>	For integrated management system: <i>0161 Quality management (Construction) and 0167 Integrated management.</i>
	<i>0162 Quality (Supply)</i>	<i>0162 Quality (Supply)</i> is applicable to the quality requirements for delivery documentation of a quality assured product where the Producer has third party certification of an implemented quality system complying with AS/NZS ISO 9001.
	<i>0163 Quality (Delivery)</i>	<i>0163 Quality (Delivery)</i> is applicable to the quality requirements for delivery of products for acceptance by the Principal in accordance with AS/NZS ISO 9001.
	<b>Specific requirements</b> Other worksections	Select other worksections as required. Refer to the <a href="#">National worksection matrix</a> . Construction services: <i>Workgroups 2, 3, 11 and 13.</i> Maintenance services: <i>Workgroups 14 to 18.</i>
	Checklist: <i>0126 Period supply and service checklists</i>	This worksection consists of checklist and form provided in <b>Annexures</b> of this guide in MS Word format.
<b>Volume 3</b> DRAWINGS AND SCHEDULES	Schedules of products and/or services Estimated Quantities Delivery Sites Delivery Timetables Annual Program of Works Maps / drawings	Separate compilation not covered by this guide.
<b>Volume 4</b>	<i>0124 Tender submission documents</i>	This worksection outlines the tender submission documents required for the contract such as: <ul style="list-style-type: none"> <li>• Tender forms</li> <li>• Schedule of rates or Bill of quantities</li> <li>• Tenderer's particulars</li> <li>• Declarations.</li> <li>• Separate compilation not covered by this guide.</li> </ul>

## 2.4 Volume 1 – Conditions of Contract

### 2.4.1 Alternatives for minor works

AUS-SPEC cites AS 2124 or AS 4000 as the main *General conditions of contract* for use in construction contracts. These standards are also suitable for many supply contracts.

AS 4905 and AS 4906 may be more suitable for the supply/supply and delivery of some products or materials.

Use AS/NZS 4911 for supply of equipment and/or use AS 4912 for period supply of goods.

### 2.4.2 General conditions of contract

Council may adopt any *General conditions of contract*, (AS 2124, AS 4000, AS 4905 and AS 4906, AS/NZS 4911, AS 4912, NCW4, NPWC3) considered appropriate for its operations generally or for specific supply contracts and evaluated as compatible with other contract documents and administrative forms provided with the appropriate AUS-SPEC worksections.

Hard copy of the *General Conditions of Contract* is not necessarily bound into the contract documents. However, the Tenderer must have ready access to a copy and should be familiar with the contents. Make a

## GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS

copy available for perusal by the Tenderers. Deletions, amendments and additions are detailed in the **Annexures** to the *0147 Conditions of contract* worksection.

### 2.4.3 Annexure to the General Conditions of Contract

The entries in the **Annexure** to the *0147 Conditions of contract* require completion by the Principal, to provide information and requirements that are appropriate to the nature of the contract.

This action can be critical to the understanding between the parties and should not be routinely undertaken using default entries.

### 2.4.4 Special conditions of contract

The *Special Conditions of Contract* reference specific directives not encompassed by *0147 Conditions of contract*. They are contractual, legal, financial or industrial requirements arising from Council policy, geographical site, or project specific needs. There may not be a need for special conditions for many contracts.

The special requirements, as cited in this guide, should be executed under the 'General conditions of contract'. The special requirements act as an addendum, not as a substitute to the *0147 Conditions of Contract*. The Principal should make sure that the *Special Conditions of Contract* are fully compatible with the *General Conditions of Contract* or precedence should be clearly defined.

Special conditions must relate specifically to the product or service at hand and when combined with the *0147 Conditions of contract*, comprehensively describe the conditions under which the Contract is to be carried out.

Typical special conditions may relate to the following:

- Rise and fall of contract prices: Applicable to contracts that run over a significant period of time or contain elements subject to significant price variations.
- Fire hazard: If special precautions are necessary to prevent the risk of fire.
- Noise limitations for sensitive areas.
- Separable portions: A special condition may be required to define the order that separable portions are to be completed or any special provisions regarding the timing, the amount of security money, retention money or liquidated damages applicable to the separable parts.
- Alternative dispute resolution processes such as mediation and expert determination.
- Time constraints such as seasonal time constraints or time limitations imparted by other activities.
- Specific requirements relative to Work Health and Safety and/or Environmental Management.
- Child protection requirements for projects involving contact with Children (i.e. child care centre works).

## 2.5 Volume 2 – Technical Specifications

Assemble technical specifications from the appropriate AUS-SPEC worksections detailed in the **Contracts volume documentation table**.

AUS-SPEC construction worksections are provided for both Quality Assured and Integrated Management systems Contracts. Select the quality management system specific for the contract and edit if required.

AUS-SPEC also provides the technical specifications associated with most of Council's engineering activities. Other technical specifications, developed by Council or from other sources, may be included for activities not covered in AUS-SPEC construction worksections. The maximum lot sizes and minimum test frequencies are provided as an **ANNEXURE** in each worksection.

For example the following worksections include the contract requirements for supply and services:

*0120 Pre-tendering contract preparation* provides a MS Word template upon which materials and services supply contracts can be developed, both by using AUS-SPEC Construction worksections and also for materials and services not covered in AUS-SPEC Construction worksections. AUS-SPEC TECHguide TG 104 includes the following sample documents:

- Sample Document 1 – contains the contract documents and technical specifications required for a typical Sprayed Bituminous Surfacing period contract, utilising AUS-SPEC Construction worksections with appropriate editing.
- Sample Document 2 – contains the compilation of tender documents for the construction of a road using eTendering.

## GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS

- Sample Document 3 contains the contract documents and technical specifications required for External Building Surveillance, a non-engineering period service contract.

Editing of the technical specifications and in some cases completion of **Annexures** to the technical specifications will be necessary to suit the needs of a particular period supply contract.

### 2.6 Volume 3 – Drawings and Schedules

Provide schedules quantifying the service or product, showing indicative quantities for each pay item in this section as a schedule of rates.

If the contract is a lump sum contract or part of the Works is to be paid on a lump sum basis, provide a bill of quantities in this section. If a bill of quantities is not appropriate, a precise description of what is included in the lump sum payment is essential. The precision of the definition provided will make sure tenders are validly compared and any variations subsequently claimed can be validated.

### 2.7 Volume 4 – Tender submission documents

Tender submission documents are compiled and bound with the contract documents or may be bound in a separate volume to facilitate submission of the tender.

For period contracts the *Schedule of Rates Contract* needs an indication as to the extent of work adequate to allow the Tenderer to estimate quantities.

*0124 Tender submission documents* include a series of forms and declarations which are required to be completed together with supporting information, requested by the Principal, demonstrating the Tenderer's ability to carry out the Works.

The Principal should:

- Consider including a tender submission requirement seeking advice from Tenderers as to the nature and quantity of key resources they plan to dedicate to the contract. Such information requested in a form specific to the nature of the contract would be helpful in evaluating the Tenderer's ability to complete the Works satisfactorily.
- Select the appropriate forms from *0124 Tender submission documents* and nominate the supporting information required for a particular contract. Additional forms appropriate specifically to supply contracts are also included in this worksection.
- Prepare a form, 'Nomination of Required Tender Submissions', to confirm the selection and require Tenderers to acknowledge the listing by signature. This process reduces the likelihood of technically informal tenders.

A Formal Instrument of Agreement will be signed by the Principal and the Contractor formally agreeing that a contract exists between the two parties to carry out the service or supply the products.

A standard form is included in *0124 Tender submission documents*; however, pre-printed pads of agreement forms AS 2127 are available from Standards Australia [www.standards.org.au](http://www.standards.org.au). This form is often included with the tender submission documents for the information of Tenderer's. It is only signed at award of the contract. Its inclusion with the Tender Submission Documents is considered optional as it may confuse some tenderers.

### 2.8 Assembly and binding

Assemble contract documentation in 4 volumes as noted in the **Contract documentation volumes table**. Make sure the documents are free of discrepancies and omissions.

Volumes: Bind volumes separately.

Exhibit copies: Spiral bind to fix editions for legal and contractual reasons.

Working copies: Assemble in ring binders.

Associated documents: Bind separately without volume status to indicate their exclusion from the formal contract documents.

### 2.9 Quality check of contract documents

Complete PERDOC (**Annexure A** of this guide provides a set of 3 checklists which when progressively completed and compiled provide a quality record for each period contract compilation).

## GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS

With reference to the flow diagram, the duties of the Project/Service specifier are to review contract and specification compilations and provide a certification for the Director that contract documentation is as follows:

- Adequate for the scope and nature of the work.
- Expressed in plain English.
- Practical to 'deliver' the product or service required.

Establish a hold point on advertising of tenders based on the prerequisite that a satisfactory PERDOC form for the contract documentation has been executed and a certification provided for the Director. Application for the release of this hold point shall be prepared by the Purchasing Officer. Release of the hold point will be by the authority of the appropriate Manager and/or Director for a specific contract in conformance with Council's policy for financial delegation.

### **2.10 Registration of contract document preparation**

The preparation of contract tender documents for a contract of estimated value exceeding \$50,000 will require the following:

- Approval by the Director.
- Registered with the General Manager.
- Assignment of a contract title and number to be utilised consistently throughout project management.

Cite the title and number when arranging access to up-to-date technical specification parts by application to the Manager-Assets and registering the project on the Council Contract Administration System. This contract threshold may vary with Council's financial delegations register.

### **2.11 Review of Council documentation (major works)**

The preparation of contract tender documents for a contract of estimated value exceeding \$250,000 will require the following:

- Completion of the PREPCHECK checklist (available in *0125 Standard contract checklists*) by a party independent of the compilation team.
- Certification by the Purchasing Officer that Council's procedures have been followed and that this has been verified by the independent check.
- Approval and authorisation by the Director and the General Manager.

It is suggested that a Tender Assessment/Evaluation Panel should be introduced to the documentation at this stage and allowed input as necessary. Evaluation criteria should also be determined at this stage.

### **2.12 Security of documentation**

The Contracts Manager and/or Supply Manager are responsible for the security of documentation as detailed in the **Responsibilities table**.

### **2.13 Tender assessment for period supply contracts**

Tender assessment and evaluation for 'Supply and Deliver' and 'Supply and Install' type contracts need to be on a valid comparative basis. If calculation of scheduled rates for the delivery component are involved, Councils need to identify the location of the work and accurately compute the comparative cost to Council for materials on-site. Delivery distances from point-of-supply will need to be assessed.

Similarly, for 'Supply Only' type contracts, the distance of haul from the point-of-supply to the likely location for deliveries will be a cost to Council for its own haulage resources. Suppliers need to be assessed based on the total cost to Council related to their proximity to current work.

Under some circumstances the consequential costs of delivery delays may be relevant. Accessibility for emergency supplies or supplies for materials variations may be matters for consideration in evaluating alternative tenderers.

### **2.14 Tender advertisement uniformity**

#### **2.14.1 Background**

An examination of the Local Government tenders advertised in newspapers over a 3 month period during development of this guide reveals that most of Council's supply contracts are for materials and services associated with road construction or maintenance.

## GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS

The major materials and services contracts advertised were for:

### SUPPLY/SUPPLY AND DELIVER:

Road materials:

- Bituminous sealing aggregates
- Asphaltic concrete
- Cold-mix asphalt
- Bitumen emulsion
- Base and subbase material
- Sand and gravel
- Topsoil/landscaping materials/turf
- Ready-mixed concrete
- Concrete and FRC pipes
- Precast drainage products
- Gabions and mattresses

Other:

- Fuels and lubricants
- Tyres, tubes and batteries
- Water supply chemicals
- Swimming pool liquid chlorine

### SUPPLY, DELIVER AND INSTALL/LAY/PLACE:

Road materials:

- Sprayed bituminous sealing
- Asphaltic concrete
- Line marking
- Stabilisation of roads

Other:

- Turf
- Timber fencing

### SUPPLY OF SERVICES:

Road:

- Road plant hire
- Construction of concrete works
- Cartage of road materials
- Maintenance grading
- Pavement patching, crack sealing
- Milling and resheeting
- Bitumen enrichment
- Pavement testing

Other:

- Manage and disposal of waste
- Street sweeping
- Tree pruning / stump grinding
- Weed and pest control
- Maintenance of gardens and parks
- Cleaning Council premises
- Tyre repair

This list is by no means exhaustive, and the products under tender vary accordingly to the time of year the tenders were called.

In the advertisements examined, there was a range of descriptions given for the types of supply contracts and for the materials required in the contract. The terms used to describe the 'road making' products also varied considerably (e.g. aggregates, quarry products, road making materials, base materials). The terminology should create a reasonably accurate impression to make sure a Council attracts all prospective tenderers to participate in the tender process and thereby gain the advantage of price and quality.

#### **2.14.2 Recommendations**

It is distinctly advantageous for a degree of industry uniformity to be applied both to the content of advertisements for period contract tenders and to the descriptions of the products.

The NSW Local Government Practice Note 8 – *Code of Tendering for the Construction Industry* provides the minimum requirements for tender advertisements but does not offer any advice as to the structure or layout to promote uniformity within the tender advertisements.

This guide provides a template upon which advertisements can be prepared for the supply of any material or service that Councils may require. The advertisement template and a completed example are provided at the end of these guidelines as **Annexures B and C**.

Essentially, the advertisement template is in two parts:

## GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS

### **Contract requirements:**

- Tender/Contract number.
- Contract type:
  - Supply.
  - Supply and Deliver.
  - Supply, Deliver and install/lay/place.
- Contract period.
- Payment basis.
- Material/Service description.
- Additional contract information (optional):
  - Quantities.
  - Delivery locations/times.

### **Tender information**

- Where documents may be obtained.
- Cost of documents.
- Compliance with Construction Industry Codes.
- Lodgement requirements:
  - Submit on Tender Forms.
  - Clearly marked sealed envelope.
  - Tender Box location.
  - Tender closing date.
- Additional tender information (optional):
  - Compulsory pre-tender meeting?
  - Opening.
  - Assessment.
  - Lowest tender.
  - Lobbying Councillors.
  - Mailed tenders.
- Council's contact person.

It is recommended that Council consider citing that the tender documents are based on the AUS-SPEC documentation set.

Uniform terminology for the materials, in particular road construction materials, described in supply contracts is also desirable to remove uncertainty with Tenderers and to further promote uniform tender advertisements. Road construction materials may be categorised into base/subbase and surfacing materials, for flexible pavements, and subbase and base materials for rigid pavements.

The following list shows the AUS-SPEC preferred materials terminology for both pavement types together with the preferred terminology for bituminous surfacing types. This terminology conforms to AP-C87.

**GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS**

Other similar texts should be referenced for materials terminology in particular industry sectors.

<p><b>FLEXIBLE ROAD PAVEMENTS:</b></p> <p>BASE/SUBBASE MATERIALS</p> <p>Fine crushed rock</p> <p>Unbound crushed rock:</p> <ul style="list-style-type: none"> <li>• Densely graded base</li> <li>• Densely graded subbase</li> <li>• Graded Macadam base</li> <li>• Graded Macadam subbase</li> <li>• Graded limestone subbase</li> </ul> <p>Unbound natural gravel:</p> <ul style="list-style-type: none"> <li>• Natural gravel base</li> <li>• Natural gravel subbase</li> </ul> <p>Bound crushed rock (stabilised)</p> <p>Stabilisation (insitu)</p>	<p><b>RIGID ROAD PAVEMENTS:</b></p> <p>SUBBASE MATERIALS</p> <p>Rolled concrete</p> <p>Mass concrete</p> <p>BASE MATERIALS</p> <p>Plain concrete</p> <p>Steel fibre reinforced concrete</p> <p>Continuously reinforced concrete</p> <p>Jointed reinforced concrete</p>
<p><b>BITUMINOUS SURFACING MATERIALS:</b></p> <p>Aggregate for bituminous surfacing (Nominal size ..... mm)</p> <p>Aggregate precoating agent</p> <p>Bitumen adhesion agent</p> <p>Bitumen emulsion</p> <p>Cutback bitumen</p> <p>Bitumen binder:</p> <ul style="list-style-type: none"> <li>• Scrap rubber modified</li> <li>• Polymer modified</li> </ul> <p>Flux oil</p> <p>Cutter oil</p>	<p><b>BITUMINOUS SURFACING TYPES:</b></p> <p>Bituminous cold mix</p> <p>Bituminous slurry surfacing</p> <p>Sprayed bituminous surfacing</p> <p>Asphaltic concrete:</p> <ul style="list-style-type: none"> <li>• Dense grade</li> <li>• Open grade</li> </ul> <p>Reclaimed asphalt pavement (RAP)</p>

**2.15 Implementation of documentation**

**General**

TECHnote GEN 019 provides guidance on using AUS-SPEC for contract documentation and TECHnote GEN 022 provides guidance on using AUS-SPEC for asset delivery.

**Case studies**

TECHguide TG 104 includes three sample documents to demonstrate tendering and contract documentation for different types of projects using the AUS-SPEC specification system. The sample documents included are for supply, delivery and placement of sprayed bituminous surfacing, construction of a road and external surveillance services.

IIMM Case study 4.5.5a Contract scoping and packaging, demonstrates an example of contract scoping and documentation of a major construction project by Liverpool City Council implementing the AUS-SPEC contract documentation system. More AUS-SPEC Case studies are also available at [www.aus-spec.com.au](http://www.aus-spec.com.au).



**GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS**

**3 ANNEXURES**

The Annexures A, B and C are available in word format in *0126 Tender forms – period supply and service*.

**3.1 Annexure A – PERDOC checklists**

**CK1 Commissioning of documentation**

Title Description of Product / Service: .....

Period of Contract: ..... from ..... to .....

Estimate of Cost: \$.....

'Project' is budgeted:  YES  NO Budget Ref: .....

Contract Administration No.: .....

Approved to develop documentation

Signed: ..... Director Date .....

**CK2 Determination of technical requirements**

Assigned technical specifications is ..... (name)

Access to previous documentation provided ..... (initial)

Assessment of AUS-SPEC Construction worksections as a source ..... (initial)

Information from Principal prepared including Maps, Schedules, Drawings etc. .... (initial)

Quality Control requirements determined ..... (name)

...../...../..... (date)

**CK3 Document finalisation/advertising approval**

Document final review by ..... (name)

Advertisement Script review by ..... (name)

Certification to Proceed based on adequate Documentation and confirmed current budget allocation

Signed: ..... (signature)

Print name: ..... (name)

Date: ...../...../..... (date)

**GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS**

**3.2 Annexure B – Tender advertisement template**

COUNCIL LOGO (Optional)

COUNCIL NAME

TENDER / CONTRACT NO:	
(Contract Type):	
for the period	to
Tenders are invited for the	
of the following	on a basis:

Additional contract information (Optional)	e.g. Approximate Quantities Delivery locations / times
--	---

The tender documents may be obtained from .....

.....

at a non-refundable fee of \$..... per set of documents.

Tenderers are required to comply with the NSW Government Code of Practice and Code of Tendering for the Construction Industry in the preparation of their tenders.

**TENDERS MUST BE SUBMITTED, ON COUNCIL'S TENDER FORMS CONTAINED IN THE DOCUMENTS, IN A SEALED ENVELOPE AND CLEARLY MARKED ON THE FRONT IN CAPITAL LETTERS:**

TENDER: .....

.....

and must be placed in the Tender Box provided at .....

.....

no later than .....

Additional tender information (Optional)	e.g.: Opening Assessment lowest tender	lobbying Councillors
--	--	----------------------

Tenders are based on the AUS-SPEC documentation set.

For further enquiries, please contact .....

.....

(Council Address here)

GENERAL MANAGER

**GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS**

**3.3 Annexure C – Tender advertisement example**

COUNCIL LOGO (Optional)

GOVERNVILLE (COUNCIL NAME)

TENDER/CONTRACT NO:	2020-123
(Contract Type):	SUPPLY AND DELIVERY OF MATERIALS
for the period	1 JULY 2020 to 30 JUNE 2021
Tenders are invited for the	Supply and delivery within the Shire
of the following	materials on a schedule of rates basis:
	<ul style="list-style-type: none"> <li>• Base and Subbase Material</li> <li>• Sand</li> <li>• Topsoil</li> </ul>

Additional contract information (Optional)	e.g. Approximate Quantities Delivery locations/times
---	---

The tender documents may be obtained from Council’s Customer Service Centre, Ground Floor, Administration Centre, Local Street, Governville at a non-refundable fee of \$25.00 per set of documents. Tenderers are required to comply with the NSW Government Code of Practice and Code of Tendering for the Construction Industry in the preparation of their tenders.

**TENDERS MUST BE SUBMITTED, ON COUNCIL’S TENDER FORMS CONTAINED IN THE DOCUMENTS, IN A SEALED ENVELOPE AND CLEARLY MARKED ON THE FRONT IN CAPITAL LETTERS:**

TENDER: No. 2020-123

Supply and delivery of materials

and must be placed in the Tender Box provided at Council’s Customer Service Centre, Ground Floor, Administration centre, Local Street, Governville no later than 2.00 pm on WEDNESDAY 28 MAY 2021

Additional tender information (Optional)	e.g.: Opening      lobbying Assessment      Councillors lowest tender
---	---

Tenders are based on the AUS-SPEC documentation set.

For further enquiries, please contact Ivan Lumberman, Technical Services Section on xx xxxx xxxx.

PO Box 111, Governville NSW XXXX

GENERAL MANAGER

**GUIDELINES FOR PRINCIPALS – PERIOD SUPPLY AND SERVICE CONTRACTS**

Council Logo (Optional)

GOVERNVILLE SHIRE COUNCIL

Tender No: 2020-123

Supply and Delivery of Materials

for the period 1 July 2020 to 30 June 2021

Tenders are invited for the supply and delivery within the Shire of the following materials on a schedule of rates basis: base and subbase material, sand, topsoil.

The tender documents may be obtained from Council's Customer Service Centre, Ground Floor, Administration Centre, Local Street, Governville at a non-refundable fee of \$25.00 per set of documents.

Tenderers are required to comply with the State Government Code of Practice and Code of Tendering for the Construction Industry in the preparation of their tenders.

**TENDERS MUST BE SUBMITTED, ON COUNCIL'S TENDER FORMS CONTAINED IN THE DOCUMENTS, IN A SEALED ENVELOPE AND CLEARLY MARKED ON THE FRONT IN CAPITAL LETTERS: TENDER No. 2020 -123 SUPPLY AND DELIVERY OF MATERIALS** and must be placed in the Tender Box provided at Council's Customer Service Centre, Ground Floor, Administration Centre, Local Street, Governville no later than 2.00 pm on WEDNESDAY 28 MAY 2020.

Tenders are based on the AUS-SPEC documentation set.

For further enquiries, please contact Ivan Lumberman, Technical Services Section on XXXXXXXX.

PO Box 111

GOVERNVILLE NSW XXXX

GENERAL MANAGER