

1 July 2016



Government of Western Australia  
Department of Finance



## Low Value Maintenance and Projects

The Maintenance Services Arrangement (MSA) is used to deliver a maintenance service for seven Government Agencies in a collaborative arrangement between the Department of Finance's Building Management and Works (BMW) and Programmed Facility Management (Programmed FM). The structure of the MSA, and Programmed FM's intended approach, recognises the importance of having a tailored delivery approach for Low Value Maintenance (LVM) and Projects.

All LVM work (under \$50,000) is managed by the dedicated agency specific Service Delivery team led by the Agency Relationship Manager (ARM). A dedicated Project Management team has been established outside of the Service Delivery team to manage and deliver conventional and complex projects (works over \$50,000). Project Management is a multi-task, multi-service and multi-client stakeholder activity. Project Management requires discipline, process and procedure to effectively and successfully deliver projects, not just once but many times, for the term of the MSA.

### What is Low Value Maintenance (LVM)?

LVM is all maintenance work not designated as Breakdown Repairs, Routine Maintenance or Property Services and for which the total value is less than or equal to \$50,000 (excluding GST) at the completion of the work. LVM can be redefined as Project works if its total value were to exceed \$50,000 (excluding GST) upon completion. There may be instances when, following a make-safe and at the discretion of the Agency, works originally designated as Breakdown Repairs may be reallocated as LVM. This would typically be in situations which may require further investigation or a more planned rather than reactive approach. LVM also includes the engagement of consultants not included as part of a Project (such as may be required to prepare technical specifications for Routine Management, Property Services or investigative work) where the cost of the consultant engagement is less than or equal to \$50,000 (excluding GST). It is recognised that the Service Delivery team will be delivering high volumes of LVM works with prompt turnaround timeframes. Typically this work is known as minor capital works or minor improvements. Programmed FM's experienced team is well-versed in managing high volumes of LVM works across a portfolio of different sites.

### What are Projects?

Projects are all maintenance work not designated as Breakdown Repairs, Routine Maintenance or Property Services and the total value of such work is greater than \$50,000 (excluding GST) at the completion of the work. The engagement of consultants outside of a Project (such as may be required to prepare technical specifications for Routine Maintenance, Property Services or investigative work), where the total value of the consulting arrangement exceeds \$50,000 (excluding GST), are also deemed to be Projects. Project works may be classified as conventional or complex, as defined as:

#### Conventional

- ✓ Lower complexity, and
- ✓ Low risk Project works.

#### Complex

- ✓ Technically complex,
- ✓ Medium to high risk profile, and
- ✓ Requires a consultant to undertake design and documentation, and contract administration.

### Engagement of Project Related Consultants

#### Conventional

- ✓ Consultants may be engaged for the preparation of technical specifications, designs, and/or the provision of other specialist advice, and
- ✓ Responsibility for project management, contract administration, or the preparation of tender documentation shall be retained by Programmed FM.

#### Complex

- ✓ Consultants may be engaged in relation to complex Projects for the preparation of technical specifications, designs, tender documentation contract administration, and/or the provision of other specialist advice, and
- ✓ Programmed FM must ensure that where the scope of an engagement exceeds the above (such as a consultant is engaged to undertake the project management of the entire Project), the cost of such engagement is not charged to the Agency.

### How to get a Budget Estimate?

A budget estimate may be required by a requester who does not necessarily have a trade or facility management background and is unsure of the approximate value of a LVM or Project. A budget estimate is an estimated value of the scope of works provided by the requester. This is not a request to proceed with obtaining quotes for work. Once a budget is established in response to a request, the requester submits a Order Form via iKnow and selects a Request for Estimate only. There is no charge applied to an Agency for requesting a budget estimate (except where a consultant may be required to provide advice on costings). Authorised personnel will be provided login details to the relevant Agency-specific iKnow portal.

Facility management > Department of Training and Workforce Development > Order Form > New Item

order form : new item

Attach File

**Job Details**

1. Date: 27/06/2016  
Order Type of Order Form Submission

2. Agency: Department of Training and Workforce Development

3. Premises Name:

4. Premises Number:

5. Programmed FM Representative:

6. Requested By:  First and Lastname

7. Requested By Position:

8. Requested By Contact Number:

9. Site Contact:

10. Site Contact Position:

11. Site Contact Number:

12. Description of Works:   
Limited to 200 characters. Any additional information please attach file (see above).

13. Trade Group:

14. Trade Code:

15. Estimated Start Date:

16. Estimated Completion Date:

**Billing Details**

17. Budget Year:

18. Budget (ex GST):   
Budget is required except where the Fee Type is "Request for Estimate only"

19. Service Type: Low Value Maintenance (< \$50k)

20. Invoice to Customer: Department of Training and Workforce Development  
If Customer provide open number in the text above

21. Claim Number:

22. Customer Program and Category of Work: \$51\_04 - Non-urgent Head Office funded work to restore Gem back to original condition

23. Customer Reference Number:   
Limited to 20 characters

24. Invoice for the Attention of:   
Name of Officer requesting the work

25. Special Instructions:



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PROGRAMMED

Each Agency has a different iKnow website address:

**DoE South** - <https://iknow.programmed.com.au/customers/fm/departamentofeducationsouth/>

**DoE North** - <https://iknow.programmed.com.au/customers/fm/departamentofeducationnorth>

**DCA** - <https://iknow.programmed.com.au/customers/fm/DepartmentofCultureandtheArts>

**DCS** - <https://iknow.programmed.com.au/customers/fm/DepartmentofCorrectionalServices>

**DFES** - <https://iknow.programmed.com.au/customers/fm/dfes>

**DotAG** - <https://iknow.programmed.com.au/customers/fm/deptoTAG>

**DTWD** - <https://iknow.programmed.com.au/customers/fm/dtwd>

**MRWA** - <https://iknow.programmed.com.au/customers/fm/mrwa>

The Order Form will be submitted to Programmed FM's Contract Administration team who will forward the Request for Estimate to the relevant Programmed FM representative. The representative will contact the requester, discuss the scope of works and provide a budget estimate. The budget estimate will be updated in the Order Form request by the representative and provided as a return email to the requester with a Service Request (SR) reference number.

### How do I register a works order for LVM or a Project?

Where LVM or a Project is required or where a requester has decided to proceed with a budget estimate, then an Order Form needs to be raised in the iKnow portal.

To complete an Order Form:

- ✓ Complete all the fields. Those fields marked with an asterisk are mandatory. Drop down lists have been created specific to Agencies' requirements,
- ✓ You can attach documents using the Attach File button at the top left hand side. Browse your local directory and click the OK button,

Note: If a SR number was previously provided based on a Request for Estimate then the SR number should be quoted in field number 25: Special Comments.

- ✓ Click the OK button,
- ✓ The form is then issued to Programmed FM's Contract Administration team and a Work Order is raised, and
- ✓ A Programmed FM representative; ARM, Facility and Asset Manager (FAM) or Building and Asset Management Officer (BAMO) will review and if necessary seek further information from the requester.

A guide on how to complete the Order Form is available in iKnow. BMW is also developing an online tutorial to show requesters how to use the client iKnow portal and complete an Order Form.

### Do I speak with a Programmed FM representative first or lodge the work request in iKnow?

While all requests for estimates and Work Order requests must be registered using the Order Form, Agency representatives can discuss works requirements with their respective ARM, FAM or BAMO.

It's important to remember that by selecting a Request for Estimate only, the requester will be provided with a budget estimate for the description of works provided. However, in order to receive quotes for a Work Order request, the requester must select LVM or Projects on the Order Form, enter a budget figure, determine the customer to be invoiced and select a customer program and category of works. This is not the approval to proceed with the work, simply a registration to proceed with quoting the LVM or Project works.

Depending on the value of the work request, the Programmed FM representative will seek the relevant number of quotes from Programmed FM's panel of prequalified subcontractors, or tender the works if the project is of a high value, and recommend the best value for money offer to the requester. Once the requester has approved a quote or tender, the Work Order and corresponding purchase order will be issued to a subcontractor as they are awarded the work so that they can proceed with the job.

### Will a Consultant be required?

Programmed FM will determine if a consultant is required, due to the complexity of the LVM or Project requested, or appoint a consultant if required by the Agency or BMW. Programmed FM will obtain an estimate of costs from the consultant.

If the costs will exceed \$50,000, Programmed FM will notify the Agency/BMW and reallocate the LVM work as a Project Work Order. Programmed FM is required to seek approval to engage a consultant for a Project prior to proceeding.

### What fees apply to LVM and Projects?

LVM works are charged as a pass through cost (that is the cost invoiced from the subcontractor). There is no coordination fee for an individual LVM Work Order as these costs are part of each Agency's annual management fee. Projects will be invoiced as the cost of works for the Project (project value) plus the Project Management fee applied at marginal rates (that is per dollar in each bracket). The exception is the Department of Education where the project management fee for school funded works is invoiced to the Department of Education, not the school.

### Project Value

The total cost (excluding GST) of a Project over its life excludes Programmed FM's fees however includes (but is not limited to):

- ✓ Costs directly associated with the engagement of subcontractors (including consultants) in connection with the Project,
- ✓ Any compliance costs (such as obtaining permits, licenses), and
- ✓ Any other costs directly attributable to the performance of the Project which is to be charged to the Agency.

### Further Information

Please contact BMW Transition Lead Samantha Johnston on [MSAtransition@finance.wa.gov.au](mailto:MSAtransition@finance.wa.gov.au) or 6551 1704 for more information about the MSA.