

# **Capital Works Management Framework**

## ***Guidance Note***

### **Introduction to the Capital Works Management Framework**

#### **GN 1.0**

Introduction to the Capital Works Management Framework  
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## Foreword

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### **Purpose of this document**

This document is one of a number of guidance notes aimed at facilitating the implementation of the Government's public sector construction procurement reform objectives. It is an overview of the Capital Works Management Framework (CWMF) introduced to assist in the satisfactory delivery of public sector capital works projects.

It outlines the constituent parts of the CWMF and how they fit together to provide a coherent and overarching structure to the delivery process of a public works facility.

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### **Audience**

This document is intended primarily for the guidance of Sponsoring Agencies embarking on traditional and design-and-build projects. However, the role of the Sanctioning Authorities and any external consultants appointed in relation to the capital works projects is also considered.

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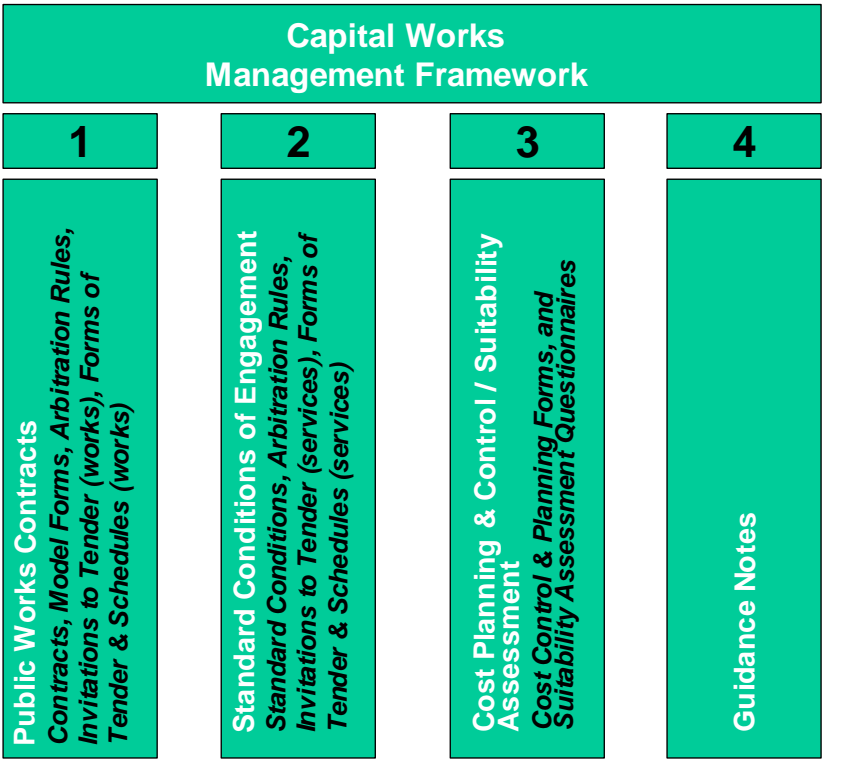
# Introduction

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**What is the Capital Works Framework**

The Capital Works Management Framework (CWMF) is a structure that has been developed to deliver the Government’s objectives in relation to public sector construction procurement reform. It consists of a suite of best practice guidance, standard contracts and generic template documents that form four pillars that support the Framework; the pillars are:

1. A suite of standard forms of construction contracts and associated model forms, dispute resolution rules, model invitations to tender, forms of tender and schedules;
2. The standard conditions of engagement for consultants, dispute resolution rules, model invitations to tender, forms of tender and schedules;
3. Standard templates to record cost planning and control information; and for suitability assessment; and
4. Extensive guidance notes covering the various activities in a project delivery process.




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## Introduction, Continued

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The content of the four pillars is outlined below. Furthermore, the documents are coded according to the following scheme:

<i>Code</i>	<i>Description</i>	<i>Code</i>	<i>Description</i>
<i>PW-CF</i>	<i>Public Works Contract Form</i>	<i>COE</i>	<i>Standard Conditions of Engagement</i>
<i>MF</i>	<i>Model Form</i>	<i>GN</i>	<i>Guidance Note</i>
<i>AR</i>	<i>Arbitration Rules</i>	<i>CO</i>	<i>Cost Planning / Control Form</i>
<i>ITTS</i>	<i>Invitation To Tender, Services</i>	<i>ITTW</i>	<i>Invitation To Tender, Works</i>
<i>QC</i>	<i>Questionnaire: Suitability Assessment for Service Provider</i>	<i>QW</i>	<i>Questionnaire: Suitability Assessment for Works Contractor</i>
<i>FTS</i>	<i>Form of Tender and Schedule</i>	<i>GL</i>	<i>Glossary</i>
<i>WE</i>	<i>Data on Weather Event</i>		

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### Strategic Objectives of the CWMF

The strategic objectives of the Government's Capital Works Management Framework are to ensure:

- Greater cost certainty at contract award stage;
- Better value for money at all stages during project delivery, particularly at handover stage; and
- More efficient end-user delivery.

Provided there is a comprehensive definition of the Client's requirements in terms of output specifications, and adequate pre-tender detail design input (in the cast of traditional contracts), the new Public Works Contracts will enable the key objectives outlined above be achieved. The degree to which output specifications and the pre-tender detailed design input is developed is determined by the following guiding principles which underpin the new contracts:

- To ensure as far as practicable that the accepted tender prices and the final outturn costs are the same; and
- To allocate risk so that there is optimal transfer of risk to the Contractor.

The public sector Client or is called 'the Employer' in the new Public Works Contracts. The achievement of optimal risk transfer is dependent on the Employer providing complete and detailed information in the tender documentation:

- For design-and-build projects, the Employer must provide detailed output specifications; and
- For traditional projects, the Employer must provide comprehensive input designs and specifications

In response to an invitation to tender, prospective consultants and contractors can assess the impact of the risks being transferred and build the costs of such risks into their tender price.

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## Pillar 1: Contracts, Model Forms, Arbitration Rules, Invitations to Tender, Forms of Tender & Schedules (works)

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Pillar 1 of the CWMF consists of Public Works Contracts, and their associated Model Forms, Arbitration Rules, Invitations to Tender, Forms of Tender & Schedules.

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### Forms of Contract for Public Works

There are nine forms of Contract for Public Works, each of which is appropriate in different circumstances.

Code	Contract	Nature of Works	Contract Type
PW-CF1	<b>Public Works Contract for Building Works designed by the Employer</b>	Building	Traditional
PW-CF2	<b>Public Works Contract for Building Works designed by the Contractor</b>	Building	Design-and-Build
PW-CF3	<b>Public Works Contract for Civil Engineering Works designed by the Employer</b>	Civil Engineering	Traditional
PW-CF4	<b>Public Works Contract for Civil Engineering Works designed by the Contractor</b>	Civil Engineering	Design-and-Build
PW-CF5	<b>Public Works Contract for Minor Building and Civil Engineering works designed by the Employer</b>	Minor Works, Building and Civil Engineering	Traditional
PW-CF6	<b>Public Works Short Form of Contract</b>	All types of work associated with building and civil engineering	Traditional
PW-CF7	<b>Public Works Investigation Contract</b>	Investigation Work, Building and Civil Engineering above and below ground.	Traditional
PW-CF8	<b>Public Works Short Form of Investigation Contract</b>	Investigation Work , Building and Civil Engineering above and below ground	Traditional
PW-CF9	<b>Public Works Framework Agreement</b>	Any type of work associated with construction	Traditional (for draw-down under Framework Agreement)

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# Pillar 1: Contracts, Model Forms, Arbitration Rules, Invitations to Tender, Forms of Tender & Schedules (works), Continued

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**Model Forms** The seventeen model forms are *examples* of the forms that are to be used (as appropriate) under the Capital Works Management Framework.

*Model Forms* (MF 1.0) is a compendium of all of the model forms that are available. It also includes some guidance on how to fill in the forms and when they should be used.

Each of the model forms is described briefly below.

Model Forms Summary	
Code	Description
MF 1.1	<p><b>Bid Bond</b></p> <p>This is a model of the bid bond that may be used with a Public Works Contract.</p> <p>A bid bond is effectively a contract of guarantee whereby the guarantor or surety (authorised to do guarantee business) undertakes to pay damages to a second party, in this case the Employer, when the Contractor does not honour his tender. In essence, the guarantor undertakes to be answerable for losses suffered by the Employer if the Contractor withdraws following a bid.</p>
MF 1.2	<p><b>Letter to Apparently Unsuccessful Tenderer</b></p> <p>This is a model of the letter sent by the Client/Employer to all tenderers other than the tenderer deemed to have submitted the most economically advantageous tender (MEAT).</p>
MF 1.3	<p><b>Letter of Intent</b></p> <p>This is a model of the letter sent by Employer to the Tenderer deemed to have submitted the most economically advantageous tender (MEAT). It indicates that the Employer intends awarding the contract to that tenderer, subject to the tenderer meeting listed conditions.</p>
MF 1.4	<p><b>Letter of Acceptance</b></p> <p>This is a model of the letter sent by the Client/Employer to the successful Tenderer (the Consultant or Contractor), to form the Contract.</p>
MF 1.5	<p><b>Letter to Tenderers Notifying Award</b></p> <p>This is a model of the letter sent by the Client/Employer to the unsuccessful Tenderers after the Contract has been awarded.</p>

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# Pillar 1: Contracts, Model Forms, Arbitration Rules, Invitations to Tender, Forms of Tender & Schedules (works), Continued

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## Model Forms (continued)

<b>Model Forms Summary</b>	
<b>Code</b>	<b>Description</b>
MF 1.6	<p><b>Performance Bond</b></p> <p>This is a model of the performance bond that may be used with a Public Works Contract.</p> <p>A Performance Bond is effectively a contract of guarantee whereby the guarantor or surety (authorised to do guarantee business) undertakes to pay damages to a second party, in this case the Employer, arising from a breach of contract, for losses sustained by the Employer due to non-performance by the Contractor. In essence, the guarantor undertakes to be answerable for losses (up to the limit of the Bond) suffered by the Employer if the Contractor's obligations are not performed in accordance with the Contract.</p>
MF 1.7	<p><b>Parent Company Guarantee</b></p> <p>This is a model of the parent company guarantee that may be used with a Public Works Contract.</p> <p>A parent company guarantee assures the Employer recourse to the parent company's financial standing, technical capability and resources provided the parent company is prepared to underwrite the liabilities of its subsidiary in the competition. For example, such a guarantee should be required if the partners in a joint venture go forward as the Contractor in a tender competition having relied on their parent company's financial standing, technical capability or resources to pass the assessment process.</p>
MF 1.8 and MF 1.9	<p><b>Novation and Guarantee Agreement / Novation Agreement</b></p> <p>Novation is where the Contractor takes over the role and responsibilities of the Employer in relation to a contract that the Employer has with another party. This arises where an Employer enters into a contract with another party with the intention that at some time during that contract the main Contractor will replace the Employer through a novation arrangement.</p> <ul style="list-style-type: none"> <li>▪ MF 1.8 is the model of the novation and guarantee agreement that may be used with a Public Works Contract where the contract is being novated to a joint venture company.</li> <li>▪ MF 1.9 is the model of the novation agreement that may be used in all other circumstances.</li> </ul>
MF 1.10	<p><b>Appointment of Project Supervisor</b></p> <p>This is a model of the form to be used when the Contractor is appointed as Project Supervisor for the Construction Stage (PSCS) or as Project Supervisor for the Design Process (PSDP) and PSCS. It is also used when a Contractor's nominee is appointed as PSDP.</p>

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## Pillar 1: Contracts, Model Forms, Arbitration Rules, Invitations to Tender, Forms of Tender & Schedules (works), Continued

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### Model Forms (continued)

Model Forms Summary	
Code	Description
MF 1.11	<p><b>Professional Indemnity Insurance Certificate</b></p> <p>This is a model of the form used to certify that the Contractor has professional indemnity insurance.</p> <p>Where it is requested, the Contractor is responsible for maintaining professional indemnity insurance in relation to design negligence. It may be required on traditional contracts where there is a large amount of Contractor or Specialist design, and it is always required on all contractor-designed projects.</p>
MF 1.12	<p><b>Collateral Warranty</b></p> <p>This is the model of the form of collateral warranty used to create a contractual link between specialists and the Employer.</p> <p>A collateral warranty is a form of deed that seeks to create a contractual link between the Employer and specialists contracted to the main works contractor. This can be of value where, for example, the main works contractor becomes bankrupt, as the Employer has step-in rights by virtue of the collateral warranty, and the Employer also has access to the specialists in relation to their design liability.</p>
MF 1.13	<p><b>Rates of Pay and Conditions of Employment Certificate</b></p> <p>This is a model of the certificate used to certify that the Contractor is compliant with the Industrial Relations Acts 1946 to 2004 and all other relevant legislative requirements.</p>
MF 1.14	<p><b>Bond – Unfixed Works Items</b></p> <p>This is the model of the form of bond that the Contractor must have in place as a condition of payment for certain unfixed or offsite works items.</p> <p>These are items that have not yet been incorporated into the works.</p>
MF 1.15	<p><b>Retention Bond</b></p> <p>This is the model of the form of retention bond that the Contractor must give the Employer in return for payment that would otherwise be retained until the end of the Defects Period.</p>

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## Pillar 1: Contracts, Model Forms, Arbitration Rules, Invitations to Tender, Forms of Tender & Schedules (works), Continued

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### Model Forms (continued)

Model Forms Summary	
Code	Description
MF 1.16	<p><b>Appointment of Conciliator</b></p> <p>This is the model of the form appointing the conciliator who is engaged to assist in the resolution of any dispute between the Employer and the Contractor.</p>
MF 1.17	<p><b>Bond – Conciliator’s Recommendation</b></p> <p>If the conciliator recommends that the Employer should make a payment to the Contractor and the Employer does not agree with that recommendation, the Employer should issue a <i>notice of dissatisfaction</i> and make the payment subject to the receipt of a bond provided by the Contractor for the same amount as the payment. This form is a model for such a bond.</p> <p>The purpose of the bond is to cover the eventuality that the final resolution of the dispute (by arbitration) might reverse the conciliator’s recommendation.</p> <p><b>Note:</b> This provision can also be utilised by the Contractor if the Contractor has to make a payment to the Employer on foot of a conciliators recommendation.</p>

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### Arbitration Rules

Disputes not resolved by conciliation are referred to arbitration under *Public Works and Services Arbitration Rules, 2008* (AR 1) that forms part of the Capital Works Management Framework. This is specified as follows:

Contract		Arbitration Clause
Public Works Contract	PW-CF1 to PW-CF5	Schedule, Part 1N
	PW-CF6	Does not apply
	PW-CF7 and PW-CF8	Schedule, Clause 16.2
Standard Conditions of Engagement for Consultancy Services (Technical) and Standard Conditions of Engagement for Archaeology Services		Schedule Part A, Clause 16.5 Schedule Part A, Clause 17.5

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# Pillar 1: Contracts, Model Forms, Arbitration Rules, Invitations to Tender, Forms of Tender & Schedules (works), Continued

## The Invitation to Tender

The Invitation to Tender includes both the invitation to tender letter and the instructions to tenderers. The letter is short and simple, and all information relating to the tender should be included in the attached Instructions to Tenderers. There are two forms of Instructions to Tenderers for works, one for restricted, and one for open procedures:

If procurement procedure for works is ...	then use ...
<b>Restricted</b>	<i>Instructions to Tenderers for Works, Restricted Procedure (ITTW 1)</i>
<b>Open</b>	<i>Instruction to Tenderers for Works, Open Procedure (ITTW 2)</i>
<b>Open</b> , and for an investigation contract	<i>Instruction to Tenderers, Investigation Contract under an Open Procedure (ITTW 3)</i>

## Forms of Tender and Schedules

The Form of Tender and Schedule are issued as part of the tender documents.

- The Form of Tender is a form where the tenderer can fill in details relating to their offer, including the lump sum for which they are offering to complete the works.
- The Schedule is the part of the Contract that specifies the particular details relating to a particular project. Depending on the contract, the Schedule has one or two parts.

Contract conditions	Schedule details
PW-CF1, PW-CF2, PW-CF3, PW-CF4, PW-CF5	<p>Schedule in two parts:</p> <ul style="list-style-type: none"> <li>▪ The Employer completes Part 1 of the Schedule before tenders are invited and includes it with the form of tender.</li> <li>▪ The tenderer completes Part 2 of the Schedule and the Works Proposals in Part 1 and submits it with the <i>completed</i> form of tender and other tender proposal documents.</li> </ul>
PW-CF6, PW-CF7, PW-CF8	The Schedule is in one part only which the Employer completes before tenders are invited and includes it with the form of tender.

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## Pillar 1: Contracts, Model Forms, Arbitration Rules, Invitations to Tender, Forms of Tender & Schedules (works), Continued

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**Choosing the Form of Tender**      The correct form of tender must be used with each form of contract, as set out in the following table:

For this Form of Contract ...	Use this Form of Tender..
<b>PW-CF1</b> Public Works Contract for Building Works designed by the Employer	<i>FTS 1</i> Form of Tender and Schedule: Public Works Contract for Building Works designed by the Employer. Appendix 7 and Appendix 8 may be attached to the Schedule if PVC2 is being used.
<b>PW-CF2</b> Public Works Contract for Building Works designed by the Contractor	<i>FTS 2</i> Form of Tender and Schedule: Public Works Contract for Building Works designed by the Contractor. Appendix 7 and Appendix 8 may be attached to the Schedule if PVC2 is being used.
<b>PW-CF3</b> Public Works Contract for Civil Engineering Works designed by the Employer	<i>FTS 3</i> Form of Tender and Schedule: Public Works Contract for Civil Engineering Works designed by the Employer. Appendix 7 and Appendix 8 may be attached to the Schedule if PVC2 is being used.
<b>PW-CF4</b> Public Works Contract for Civil Engineering Works designed by the Contractor	<i>FTS 4</i> Form of Tender and Schedule: Public Works Contract for Civil Engineering Works designed by the Contractor. Appendix 7 and Appendix 8 may be attached to the Schedule if PVC2 is being used.
<b>PW-CF5</b> Public Works Contract for Minor Building and Civil Engineering works designed by the Employer	<i>FTS 5</i> Form of Tender and Schedule: Public Works Contract
<b>PW-CF6</b> Public Works Short Form of Contract	<i>FTS 6</i> Form of Tender and Schedule: Public Works Short Form of Contract
<b>PW-CF7</b> Public Works Investigation Contract	<i>FTS 7</i> Form of Tender and Schedule: Public Works Investigation Contract
<b>PW-CF8</b> Public Works Short Form of Investigation Contract	<i>FTS 8</i> Form of Tender and Schedule: Public Works Short Form of Investigation Contract

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**Pillar 1: Contracts, Model Forms, Arbitration Rules, Invitations to Tender, Forms of Tender & Schedules (works),**  
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**Choosing the Form of Tender (continued)**

For this Form of Contract ...	Use this Form of Tender..
<p><b>PW-CF9</b> Public Works Framework Agreement</p>	<p>If there is a tender competition for an initial contract as part of the establishment of a framework agreement, use FTS 1 to FTS 8 as appropriate.</p> <p>If there is not to be a tender competition for an initial contract but instead a competition to fill a number of places on the Framework Agreement then the instructions issued to interested parties competing for a place on the Framework Agreement should define the return documents required. A formal signed offer document with an acceptance section (as part of the submission documents) has the advantage of being accepted by the Employer and thereby contractually binding the party to the terms of its offer under the framework agreement. Alternatively, the winners of places on the framework can be invited to sign the Framework Agreement, and this brings the contract into existence.</p> <p>For any subsequent mini-competitions under the framework agreement FTS1 to FTS8 should be used as appropriate.</p>

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## Pillar 2: Standard Conditions of Engagement

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Pillar 2 of the CWMF consists of two Standard Conditions of Engagement, their associated Invitations to Tender, Forms of Tender and Schedule, and the Arbitration Rules.

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### CWMF Pillar 2 **Standard Conditions of Engagement and Forms of Tender & Schedules (Services)**

The form of contract used for consultancy services for work relating to a capital works project and their associated forms of tender and schedules are:

Code	Description
COE 1	<b>Standard Conditions of Engagement for Consultancy Services (Technical)</b> This is used for all such contracts with consultants (other than Archaeology Services).
FTS 9	<b>Form of Tender and Schedule, Consultancy Services (Technical)</b> A Schedule (in two parts) that records the details that are specific to the particular engagement together with the form of tender.
COE 2	<b>Standard Conditions of Engagement for Archaeology Services</b> This is to be used for all contracts for archaeological services.
FTS 10	<b>Form of Tender and Schedule, Archaeology Services</b> A Schedule (in two parts) that records the details that are specific to the particular archaeology engagement together with the form of tender.

### **Invitations to Tender**

There are two forms of Invitation to Tender for services, one for restricted, and one for open procedures:

If procurement procedure for works is ...	then use ...
<b>Restricted</b>	<i>Instructions to Tenderers for Services, Restricted Procedure (ITTS 1)</i>
<b>Open</b>	<i>Instructions to Tenderers for Services, Open Procedure (ITTS 2)</i>

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# Pillar 3: Standard Templates for Cost Planning, Cost Control, and Suitability Assessment

Pillar 4 of the CWMF consists of standard templates for cost planning, cost control and suitability assessment questionnaires.

**Standard Forms for Cost Planning & Cost Control**

There are standard templates for cost planning and cost control: one suitable for building projects (CO 1.1), and a number of others that are suitable for civil engineering projects in different sectors i.e. Roads (CO 2.1), Water and Waste Water Services (CO 2.2) and Marine (CO 2.3). Each form can be used as a template for different cost planning and control functions at different stages in the delivery process of a project. There are also guidance notes on how to use the templates: CO 1 for Building and CO 2 for Civil Engineering.

All of the principal cost-holding categories are established when the Outline Cost Plan is produced. The values in each category then go through a process of being validated every time a new report is produced as the project progresses through its delivery process, up to the completion of Analysis of Outturn Costs report. The following table summarises the main cost report activities and their output documents.

Cost Document	Description
<p><b>Outline Cost Plan</b> (Building and Civil Engineering Works)</p>	<p>The Outline Cost Plan is a schedule of principal cost holding categories that are established at the start of the design process and remain constant up to the Analysis Of Outturn Costs stage.</p> <p>The value of each cost holding category can be subject to change during at the various validation stages in the delivery process of a project, ranging from realistic target costs in the Outline Cost Plan to actual incurred costs at the Analysis of Outturn Costs. The initial values entered in the Outline Cost Plan should be realistic target costs. In summary the Outline Cost Plan should be based on:</p> <ul style="list-style-type: none"> <li>▪ The Outline Sketch Scheme (design) / Preliminary Planning (design) developed for the most realistic cost effective option in a range of options for a project;</li> <li>▪ Benchmark cost data adjusted to establish realistic targets for each principal cost-holding category;</li> <li>▪ Costs associated with the assessment of site / ground conditions – using updated historical cost data and approximate quantities where appropriate.</li> </ul> <p>The Outline Cost Plan total should in addition include for VAT at the appropriate rates.</p> <p>As every project is different, professional judgement should be exercised as to the levels of investigation and reporting requirements that are needed for a particular project – including appropriate investigation into market behaviour and prices.</p> <p>The Outline Cost Plan is a key cost document that informs Project Review 3.</p>

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## Pillar 3: Standard Templates for Cost Planning, Cost Control, and Suitability Assessment, Continued

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### Standard Forms for Cost Planning & Cost Control (continued)

Cost Document	Description
<p><b>Developed Cost Plan</b> (Building Works)</p> <p><b>Outline Cost Plan, Revised</b> (Civil Engineering Works)</p>	<p>The Developed Cost Plan / Outline Cost Plan (revised) is the key cost control document developed at the conclusion of the Developed Sketch Scheme / Preliminary Planning stage.</p> <p>The principal cost holding categories in the Outline Cost Plan are disaggregated into sub-cost holding categories as appropriate in the Developed Cost Plan/Outline Cost Plan (revised) and adjusted in line with design changes as the design evolves during Project Reviews 4 and 6 in the planning stage.</p> <p>The Developed Cost Plan/Outline Cost Plan, Revised is a key cost document that informs Project Review 4. It is at this review stage that clearance from the Sanctioning Authority is required before the project can proceed.</p> <p>These cost plans may be subject to amendment as the project passes through Project Reviews 5 and 6.</p>
<p><b>Tender Cost Analysis</b> (Building and Civil Engineering Works)</p>	<p>The Tender Cost Analysis takes place at tender evaluation stage based on the preferred tenderer's price. Its purpose, during the tender evaluation stage, is to enable the comparison of the detailed tender costs under the relevant principal and subsidiary cost holding categories with those in the pre-tender budgeted costs as set out in the most recently developed/revised cost plan.</p> <ul style="list-style-type: none"> <li>▪ For Employer-designed projects, this will be the Developed Cost Plan (Building Works) or Outline Cost Plan Revised (Civil Engineering Works); and</li> <li>▪ For design-and-build projects, this will be the last cost plan developed in advance of the transfer of design risk to the Contractor – typically, the Outline Cost Plan.</li> </ul>
<p><b>Analysis of Outturn Costs</b> (Building and Civil Engineering Works)</p>	<p>The Analysis of Outturn Costs takes place as part of the Project Review when the project has been completed. Its purpose is to compare the actual outturn costs of the project with the budgeted costs as set out in the Tender Cost Analysis. It is structured in the same way as the Tender Cost Analysis with adjusted costs (as a result of compensation events) for the principal and subsidiary cost holding categories.</p>

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# Pillar 3: Standard Templates for Cost Planning, Cost Control, and Suitability Assessment, Continued

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**Suitability Questionnaires**

The suitability assessment procedure involves inviting applicants to submit information (and their named specialists where so requested by the Employer) in response to a customised standard questionnaire. The Employer uses the information in the responses to determine which applicants (under a restricted procedure) or which tenderers (under an open procedure) meet the suitability standards and which do not.

The standard approach to suitability assessment is intended to ensure only those service providers or works contractors that qualify against certain objective and transparent, non-discriminatory, proportionate and fair criteria progress to the next stage of the procurement procedure for publicly funded projects.

The Capital Works Management Framework includes a number of suitability assessment questionnaires that are used in different circumstances, as outlined in the following table:

Suitability Assessment for Service Providers	
QC 1	Questionnaire: Suitability Assessment for Service Provider: Restricted Procedure
QC 2	Questionnaire: Suitability Assessment for Service Provider: Open Procedure
QC 3	Questionnaire: Suitability Assessment for Service Provider: Independent PSDP
QC 4	Questionnaire: Suitability Assessment for Service Provider: Independent PSCS
Suitability Assessment for Works Contractors	
QW 1	Questionnaire: Suitability Assessment for Works Contractor, Restricted Procedure
QW 2	Questionnaire: Suitability Assessment for Works Contractor, Open Procedure
QW 3	Questionnaire: Suitability Assessment for Works Specialist for Specialist Area of Work

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## Pillar 4: Guidance Notes

Pillar 3 of the CWMF consists of a comprehensive suite of guidance notes aimed at facilitating the implementation of the Government's reforms in construction procurement.

### Guidance Notes and Project Stages

The following table summarises where the individual guidance notes fit into the delivery process of a works project. This is followed by a detailed summary of the content and purpose of each guidance note. The project stages in the headers of the four columns relate to three of the stages in the *Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector*.

		Project Stages			
		1 Planning Initial	2 Planning Developed	3 Implementation	4 Review
<b>GN 1</b>	<b>Introduction to the Capital Works Management Framework<sup>1</sup></b>	✓	✓	✓	✓
GN 1.1	Project Management	✓	✓	✓	✓
GN 1.2	Project Definition and Development of the Definitive Project Brief	✓	✓		
GN 1.3	Budget Development	✓	✓	✓	
GN 1.4	Procurement and Contract Strategy for Public Works Contracts	✓	✓		
GN 1.5	Public Works Contracts	✓	✓	✓	
GN 1.6	Procurement Process for Consultancy Services.	✓	✓		
GN 1.6.1	Suitability Assessment of Construction Service Providers, Restricted Procedure	✓	✓		
GN 1.6.2	Suitability Assessment of Construction Service Providers, Open Procedure	✓	✓		
GN 1.7	Standard Conditions of Engagement, Guidance Note and Sample Schedule	✓	✓	✓	
GN 2.1	Design Development Process		✓		
GN 2.2	Planning and Control of Capital Costs		✓	✓	✓
GN 2.3	Procurement Process for Works Contractors		✓		
GN 2.3.1	Suitability Assessment of Works Contractors, Restricted Procedure		✓		
GN 2.3.2	Suitability Assessment of Works Contractors, Open Procedure		✓		
GN 3.1	Implementation Process			✓	
GN 4.1	Project Review				✓
GL 1.0	Glossary				✓

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<sup>1</sup> The current guidance note

## Pillar 4: Guidance Notes, Continued

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### Guidance Notes and Project Stages (continued)

From the foregoing table it is evident that the bulk of the guidance is focused on the Planning stages. This emphasis is deliberate and significant, it highlights the importance of extensive planning and the development of comprehensive designs and tender documentation (traditional contract) before a main Contractor is awarded a works contract.

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### Guidance Notes Summary

The following table summarises the content and purpose of each of the guidance notes:

Code	Description
GN 1.0	<b>Introduction to the Capital Works Management Framework</b> This document presents an overview of the Capital Works Management Framework and the four pillars that are the key components of it.
GN 1.1	<b>Project Management</b> Gives an overview of the project management structures that are required, the processes and procedures that need to be followed, and the contracts and templates to be used in the delivery process of a works project. The main areas covered by <i>Project Management</i> (GN 1.1) include the following: <ul style="list-style-type: none"><li>▪ The content of the <i>Project Execution Plan</i>, including a sample plan;</li><li>▪ A description of the main project roles and responsibilities involved in the project process – including management, design teams; and other technical expert roles;</li><li>▪ An overview of the main project processes and the stages that a project goes through after approval in principle – i.e. Planning Initial, Planning Developed, Implementation and Project Review stages; and</li><li>▪ A description of the risk and value management strategies that may be applied to public works projects.</li></ul>

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## Pillar 4: Guidance Notes, Continued

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### Guidance Notes Summary (continued)

Code	Description
GN 1.2	<p><b>Project Definition and the Definitive Project Brief</b></p> <p>This document explains the process that should be used to define precisely the output requirements of a project in the Definitive Project Brief. The project definition is the first exercise undertaken in the Planning Initial stage<sup>2</sup>. The project definition covers a range of activities that have as their end goal the comprehensive description of all project requirements. These activities are carried out in a systematic, rigorous and formal manner, and lead to definition of the ultimate outcomes in the form of the <i>Definitive Project Brief</i>:</p> <ul style="list-style-type: none"><li>▪ <b>Step 1:</b> Preliminary Project Brief</li><li>▪ <b>Step 2:</b> Preliminary Output Specification</li><li>▪ <b>Step 3:</b> Feasibility Study / Preliminary Report</li><li>▪ <b>Step 4:</b> Design Brief</li><li>▪ <b>Step 5:</b> Final Output Specification</li><li>▪ <b>Step 6:</b> Definitive Project Brief</li></ul>
GN 1.3	<p><b>Budget Development</b></p> <p>This guidance note explains the structure and format of budget estimates for public works projects. It covers such issues as</p> <ul style="list-style-type: none"><li>▪ The development of a budget for the capital cost of a project and budget costs for other issues associated with the provision of a facility.</li><li>▪ Allocating contingency amounts for inflation and other unquantifiable events.</li></ul>

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<sup>2</sup> This is part of the Planning Stage in the Department of Finance's *Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector*.

## Pillar 4: Guidance Notes, Continued

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### Guidance Notes Summary (continued)

Code	Description
GN 1.4	<p><b>Procurement and Contract Strategy for Public Works Contracts</b></p> <p>This document provides guidance on procurement strategy and on the selection of the most appropriate Public Works Contract to use to deliver a particular project.</p>
GN 1.5	<p><b>Public Works Contract</b></p> <p>This guidance note provides practical advice to Employers on the operation of the Public Works Contracts. It deals with:</p> <ul style="list-style-type: none"><li>▪ <i>Introducing the Contract:</i> Includes details of the key elements of Public Works Contracts, and the characteristics of the different types of contract.</li><li>▪ <i>Managing the Pre-Contract Phase:</i> Outlines the procurement and related issues that Employers need to consider in preparing tender documents.</li><li>▪ <i>Administering the Contract:</i> Describes how contract-related issues are administered during the course of the construction works.</li></ul>
GN 1.6	<p><b>Procurement Process for Consultancy Services (Technical)</b></p> <p>This document provides guidance in relation to the appointment of technical consultants for all stages of the project delivery process including those for the planning, design and supervision stages of construction projects. It covers the following:</p> <ul style="list-style-type: none"><li>▪ The procurement procedures available and which one to choose;</li><li>▪ The tender process, including how to prepare tender documents, invite submissions and evaluate responses;</li><li>▪ Details relating to the Standard Conditions of Engagement for Consultancy Services (Technical); and</li><li>▪ Calculating fee adjustments.</li></ul>

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## Pillar 4: Guidance Notes, Continued

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### Guidance Notes Summary (continued)

Code	Description
GN 1.6.1	<p><b>Suitability Assessment of Construction Service Providers, Restricted Procedure</b></p> <p>This guidance note deals with suitability assessment under the restricted procedure for pre-qualification of Service Providers. Topics include:</p> <ul style="list-style-type: none"><li>▪ Key concepts of suitability assessment;</li><li>▪ The tasks and forms required to assess service providers;</li><li>▪ Determining which criteria to use and how to devise the marking scheme;</li><li>▪ How to complete each section of the suitability questionnaire;</li><li>▪ Evaluating health and safety competency; and</li><li>▪ Evaluating the rest of the responses to the questionnaire.</li></ul>
GN 1.6.2	<p><b>Suitability Assessment of Construction Service Providers, Open Procedure</b></p> <p>This guidance note deals with suitability assessment under the open procedure to establish eligibility of Service Providers to have their tenders evaluated. Topics include:</p> <ul style="list-style-type: none"><li>▪ Key concepts of suitability assessment;</li><li>▪ The tasks and forms required to assess service providers;</li><li>▪ Determining which criteria to use and how to devise the marking scheme;</li><li>▪ How to complete each section of the suitability questionnaire;</li><li>▪ Evaluating health and safety competency; and</li><li>▪ Evaluating the rest of the responses to the questionnaire.</li></ul>
GN 1.7	<p><b>Standard Conditions of Engagement, Guidance Note and Sample Schedules</b></p> <p>This document provides practical advice on how to complete the Schedule to the <i>Conditions of Engagement for Consultancy Services (Technical)</i>.</p>

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## Pillar 4: Guidance Notes, Continued

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### Guidance Notes Summary (continued)

Code	Description
GN 2.1	<p><b>Design Development Process</b></p> <p>This guidance note deals with all events that take place during the design process for both building and civil engineering projects. It deals with the role of design in both traditional (Employer-designed) projects and in design-and-build (Contractor-designed) projects. In the case of the latter, it highlights that much or all of the design is carried out by the Contractor; as a result, the guidance note is less specific about design where the design risk is transferred to the Contractor. The guidance note covers the following topics:</p> <ul style="list-style-type: none"><li>▪ Concepts and considerations during the design process;</li><li>▪ Details of how design is managed and coordinated;</li><li>▪ Details of the design activities that take place during the Planning Initial stage; and</li><li>▪ Details of the design activities that take place during the Planning Developed stage.</li></ul>
GN 2.2	<p><b>Planning and Control of Capital Costs</b></p> <p>This document sets out best practice on how to plan and control capital budgets for public works projects, both building and civil engineering, through all stages in the design process. It covers:</p> <ul style="list-style-type: none"><li>▪ The principles of cost planning and cost control of capital budgets;</li><li>▪ The practical application of those principles during design development;</li><li>▪ Whole-life cost appraisal;</li><li>▪ How to manage corrective action and change control; and</li><li>▪ Risk management tasks in relation to planning and control of costs.</li></ul>
GN 2.3	<p><b>Procurement Process for Works Contractors</b></p> <p>This guidance note provides advice on the procurement process used for Works Contractors for both building and civil engineering projects. It covers the following:</p> <ul style="list-style-type: none"><li>▪ Preparing tender documentation;</li><li>▪ Inviting tender submissions; and</li><li>▪ Evaluating tender submissions and awarding the Contract.</li></ul>

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## Pillar 4: Guidance Notes, Continued

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### Guidance Notes Summary (continued)

Code	Description
GN 2.3.1	<p><b>Suitability Assessment of Works Contractors, Restricted Procedure</b></p> <p>This guidance note deals with the restricted procedure to establish suitability of Works Contractors to be included on a tender list. Topics include:</p> <ul style="list-style-type: none"><li>▪ Key concepts of suitability assessment;</li><li>▪ The tasks and forms required to assess main contractors and their specialists;</li><li>▪ The tasks and forms required to assess main contractors without specialists;</li><li>▪ The tasks and forms required to assess Specialists that are to be proposed in a panel(s) in tender documents;</li><li>▪ Determining which criteria to use and how to devise the marking scheme;</li><li>▪ How to complete each section of the suitability questionnaire;</li><li>▪ Evaluating health and safety competence and compliance; and</li><li>▪ Evaluating the rest of the responses to the questionnaire.</li></ul>
GN 2.3.2	<p><b>Suitability Assessment of Works Contractors, Open Procedure</b></p> <p>This document deals with the open procedure to establish the suitability of Works Contractors to determine which tenders are eligible to be evaluated. Topics include:</p> <ul style="list-style-type: none"><li>▪ Key concepts of suitability assessment;</li><li>▪ The tasks and forms required to assess main contractors and their specialists;</li><li>▪ Determining which criteria to use and how to devise the marking scheme;</li><li>▪ How to complete each section of the suitability questionnaire;</li><li>▪ Evaluating health and safety competency and compliance; and</li><li>▪ Evaluating the rest of the responses to the questionnaire.</li></ul>
GN 3.1	<p><b>Implementation Process</b></p> <p>This document provides guidance on the Implementation stage of building and civil engineering projects. It covers:</p> <ul style="list-style-type: none"><li>▪ The main roles and responsibilities of the Employer and the Employer's Representative and the Contractor;</li><li>▪ The management process for administering the Public Works Contract during the construction stage of a project;</li><li>▪ How to manage risk during implementation; and</li><li>▪ Dealing with price variation issues as they arise during the contract; and</li><li>▪ The project completion and handover process.</li></ul>

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## Pillar 4: Guidance Notes, Continued

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### Guidance Notes Summary (continued)

Code	Description
GN 4.1	<p><b>Project Review</b></p> <p>This guidance note gives an overview of the review that is carried out on a project after the facility has been completed and handed over. This is the final stage of the management of a capital works project and it covers a range of activities that have as their end goal the comprehensive collection of project data recorded in an appropriate format so that it can be of benefit on future projects. The following types of material that might be found in a review :</p> <ul style="list-style-type: none"><li>▪ Records of lessons learned from experience during the planning and implementation stages that would be of future benefit.</li><li>▪ Exceptional costs incurred during the delivery process that may be of value as reference material; and</li><li>▪ Performance data in relation to the Consultants, the Contractor and specialists that could be of benefit on future projects.</li></ul>
GL 1.0	<p><b>Glossary</b></p> <p>The glossary is intended as a resource for use with all documents (other than the Conditions of Engagement for Consultancy Services [Technical] and the Public Works Contracts) across the entire Capital Works Management Framework. It includes definitions of terms that are used throughout the suite of guidance notes.</p>

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