

BSBPMG518 MANAGE PROJECT PROCUREMENT

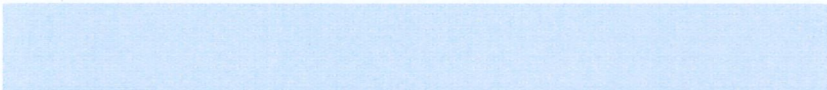
PRACTICAL ASSESSMENT INSTRUCTIONS

- The following practical assessment will require the participant to complete work related activities.
- Observations will be conducted of the participant's work to determine whether they display sufficient practical skills and knowledge.
- Please fill in the details below, providing your name, signature and date of assessment.
 - Your signature acknowledges that the assessor provided clear instructions and the participant understood what was required to complete this assessment.
- The assessor may substitute a Practical Task with another task of equal value.
 - Alternate tasks must be fully documented by the assessor.

Participant name Sarah Conley

Participant signature 

Assessor name _____

Assessor signature 

Date 10/02/2020

Number of tasks	Number of tasks completed	Satisfactory?	
		Yes	No
1		☐	☐

ASSESSOR COMMENTS

BSBPMG518 MANAGE PROJECT PROCUREMENT

Practical Task 1	
Description of task: A suitable observer is to verify the participant's ability to undertake procurement in projects. These tasks may be simulated or real. The participant is to gather evidence of how they have completed each component of the Practical Task, which is to be submitted with this Practical Assessment sheet. The observer is to provide detailed comments on the tasks completed by the participant. The assessor is to verify the observer's comments in the Assessor Comments section, and provide the Practical Assessment outcome on the front cover of this document.	
Resources required: Project documentation, Organisational documentation relevant to procurement and contracts.	
Assessment of task	
Name of participant:	Sarah Conley
Name of observer:	Adam Stuart
Role of observer (Confirm suitability to sign)	CSG Operations Manager
Email address of observer	astuart@fredon.com.au
Signature of observer:	
Date:	10/02/2020
When completing the task, did the participant:	Tick if satisfactorily completed. Provide comments if left unticked.
1 Determine procurement requirements	
1.1A. Seek input from stakeholders to identify procurement requirements.	☒
1.1B. Establish and maintain, within delegated authority, agreed procurement management plan.	☒
2 Establish agreed procurement processes	
1.2A. Obtain information from suppliers capable of fulfilling procurement requirements.	☒
1.2B. Determine or adopt established selection processes and selection criteria, and communicate to vendors to ensure transparency.	☒
1.2C. Obtain relevant approvals for procurement processes to be used.	☒
3 Conduct procurement activities	
1.3A. Identify and act according to probity and project governance constraints.	☒
1.3B. Communicate agreed proposals and/or specifications to prospective vendors to ensure clarity of understanding of project objectives.	☒
1.3C. Solicit vendor responses according to proposal requirements.	☒

1.3D.	Evaluate responses and select preferred vendors according to current legal requirements and agreed selection criteria.	☒
1.3E.	Negotiate with preferred contractor or supplier, to agree on terms and conditions of supply.	☒
4 Implement and monitor procurement		
1.4A.	Implement established procurement management plan and make modifications in line with agreed delegations.	☒
1.4B.	Review progress and manage agreed variations to ensure timely completion of tasks and resolution of conflict within the legal framework of the supply agreement.	☒
1.4C.	Identify and report procurement management issues and implement agreed remedial actions to ensure project objectives are met.	☒
5 Manage procurement finalisation procedures		
1.5A.	Conduct finalisation activities to ensure vendor deliverables meet contracted requirements.	☒
1.5B.	Review project outcomes using available procurement records and information to determine effectiveness of procurement processes and procedures.	☒
1.5C.	Document lessons learned and recommended improvements for application to future projects.	☒
The participant's performance was: ☒ Satisfactory ☐ Not Satisfactory		

OBSERVER COMMENTS

Project: 20S3890 QAS Southport

Document history and status

Revision	Date	Description	By	Review	Approve

Approval

Project Approval

☐ Approved ☐ Postponed ☐ Cancelled ☐ Review

Contents

1.	Introduction.....	4
1.1	Project Description.....	4
1.2	Purpose of the Project Execution Plan (PEP).....	4
1.2.1	PEP Structure and associated Plans.....	4
2.	Project Scope.....	4
2.1	Project Scope of Work.....	4
2.2	Interfaces.....	4
3.	Scope of Fredon Services.....	5
3.1	Summary of Scope of Fredon Services.....	5
3.1.1	Limitations.....	5
3.1.2	Objectives and KPIs.....	6
4.	Deliverables.....	6
5.	Project Organisation.....	7
5.1	Organisation Chart.....	7
5.2	Sub-Contracting.....	8
6.	Communication and Reporting.....	8
6.1	Project Numbers / Work breakdown structure.....	8
6.2	Communication Plan.....	8
6.3	Meetings.....	9
6.4	Reporting.....	9
7.	Project Procedures.....	9
7.1	External or Client Procedures.....	9
7.2	Fredon Standard Procedures.....	9
8.	Documents and Records.....	10
8.1	Drawings Control.....	10
8.2	Other documents and record control.....	10
9.	Project Controls.....	10
9.1	Cost and Revenue Forecasting.....	11
9.1.1	Project Cost Monitoring.....	11
9.1.2	Budgets.....	11
9.2	Schedule.....	11
9.3	Resource Planning, Resources Schedule and Mobilisation.....	11
9.4	Invoicing.....	12
10.	Change Control.....	12
11.	Reviews.....	13
12.	Health, Safety and Environment.....	13
13.	Risk Management.....	13
14.	Procurement.....	14
15.	Contract Management.....	14
15.1	Contract Implementation.....	14
15.2	Review of the Head Contract.....	15

15.3	Contract Formation	15
15.4	Contract Administration.....	15
16.	Commissioning	15
17.	Lessons Learned	15
18.	Project Execution Plan Sign off	16

Appendices

A.1	Appendix A – Program
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1. Introduction

1.1 Project Description

The QAS Southport facility is a 24/7/365 operational 000 emergency command and ambulance station. The ability to have reliable backup infrastructure is imperative to the operational functions of the facility. This upgrade will ensure that reliable backup contingencies are in place.

1.2 Purpose of the Project Execution Plan (PEP)

The Fredon philosophy, strategies, structure and systems for the management of the QAS Southport Project are contained within this Plan.

The Plan provides:

- Client and Fredon objectives and KPIs
- Roles and responsibilities of the project team members
- An overview of the Functional Area inputs required for project execution
- Reference to the detailed plans and procedures which guide personnel in carrying out specific tasks for the project
- Interfaces with the client and other stakeholders

Fredon have formed a Project Management team to lead, manage and coordinate all aspects of the project. This team will be supported as required by staff with relevant expertise from Functional Areas such as Project Controls, Procurement, Engineering and Construction.

The project plans and procedures referenced in the PEP are separate documents which contain specific task oriented detail to be used in the implementation of the project. Plans and procedures will be progressively developed and implemented as the project progresses.

1.2.1 PEP Structure and associated Plans

Separate Supporting Plans may be used supplement this PEP. These can either be separate plans or included as attachments to the PEP	
Fredon	Project HSEQ Plan
Fredon	Asbestos Management Plan
Department of Housing and Public Works	Specification

2. Project Scope

2.1 Project Scope of Work

The Project is an Electrical Infrastructure Upgrade to the existing Queensland Ambulance Service depot at Southport QLD.

2.2 Interfaces

Fredon will report to Building and Asset Services (BAS) who are acting on behalf of the Queensland Government. Due to the operational nature of the facility, the works being undertaken are to ensure that there is no adverse impact on the operational continuity.

3. Scope of Fredon Services

3.1 Summary of Scope of Fredon Services

The following is a general description of the scope of work, this section is to be read in conjunction with the drawings.

- Liaison with ENERGEX
- Provision of new main switchboard
- Provision of new Manual transfer switches
- Provision of new Automatic transfer switches
- Provision of new ENERGEX and generator mains
- Provision of new mains cables
- Provision of new submains
- Provision of new distribution boards as shown
- Delivery and lifting of generators into place
- Generator plinth
- Installation compliance certification of engineering systems
- Labelling of equipment
- Painting and making good of affected surfaces
- Submittal of shop drawings, samples and equipment schedules
- Testing and commissioning of systems
- As built drawings and manuals
- Production of as built drawings
- Fire rating and sealing of all penetrations,
- Provision of training to maintenance and engineering staff
- Maintenance and warranties during the 12 months Defects Liability Period
- Warranty on parts and labour

Scope Variations must be logged, with the appropriate description and approvals. (also see section 7.4 Change Management)

3.1.1 Limitations

The following limitations apply to the project:

- Access to the site is restricted. Fredon will need to submit proposed program of work to Queensland Ambulance Service (QAS) and Public Safety Business Agency (PSBA) for their review and approval prior to commencement of works.
- Dust Control. All the indoor air conditioned spaces are clean environments and works should be carried out in a manner so that it remains dust free. The ambulance plantroom although unconditioned, is required to be protected from dust.
- All works pertaining to external civil works and generator testing and commissioning should be carried out during approved day time hours so that residences and QAS staff are least affected by the works (outside quite night hours).
- Any works requiring shut down of power and lighting (such as when refurbishing old MSB) shall be carried out at night and the shutdowns shall be kept to a minimum period. Provide Method of Procedure (MOP) for approval prior to commencement of works.
- If the noise due to any works is likely to propagate into the "000" call centre, provide noise mitigation and agree on a suitable time with the clients by providing a MOP for the works to be carried out for approval prior to commencement of works. Noisy work is defined as any activity which produces noise which is obtrusive and which adversely impacts the building occupants (e.g. hammer drilling).
- Do not shut down power to any part of the building without prior written approval from the Principal. Coordinate with the principal's requirements for continuous power to various areas and allow to provide a suitably sized generator to provide temporary power as is necessary.
- Provide at least 2 weeks written notice for any work in data/comms rooms and 000 call centre rooms
- Provide at least 2 weeks written notice for any work on electrical systems

- Provide at least 2 weeks written notice for any work which involves the isolation or shutdown of any part of the electrical system, chilled water system or hydraulic system.
- Do not block the driveway entries and exits from the building at any time without prior approval. The driveways are used by ambulance vehicles in emergency situations.

3.1.2 Objectives and KPIs

Health, Safety, Environmental and Quality objectives and targets have been established and are communicated to all personnel. The success of the objectives and targets can be attributed to the shared goal of Fredon management and site personnel. A complete set of Objectives and Targets is available on request. Below is an abridged listing of those associated to site work.

Objective	Target (or milestone)	KPIs or Measurement Tools
Management System to be continually reviewed implemented with training delivered to all employees.	Continual Improvement Ongoing Employees Training	Training Records
Reporting of Non-conformances	All non-conformances, product or service, are to be formally reported	Nil Non-conformances without formal documentation
100% Customer Satisfaction	Nil Customer Complaints	All Complaints are to be registered addressed and closed out within the specified time.
Work towards achieving an incident free workplace and preventing work related injuries and illnesses. Nil injuries, improve injury frequency rate	Lost Time Injury Frequency Rate (LTIFR) continually reducing Reduce to ZERO Total Recordable Injury Frequency Rate (TRIFR) continually reducing Reduce to < 3	LTIFR = Total lost time injury cases / total hours worked x 1,000,000 TRIFR = Total recordable cases / total hours worked x 1,000,000 "Recordable cases" is defined as any medically treated plus lost time injury.
Management demonstrate commitment to HSE by active participation in Incident Reporting and Investigations	Senior Management to review all Recordable Cases	100% of all Medical Treatment, Lost Time Cases and Near misses to be reviewed by Senior Management
Workers are familiar with hazards / risk associated with the workplace activities and provided training to enable work practices to be undertaken that are safe	SWMSs list all specific hazards and appropriate risk control measures, specific for the site & applying the hierarchy of controls; provide induction & work activity training	All SWMS reviewed. Site Audits conducted for compliance to SWMS. All workers undergo Competency Assessments
Nil Environmental Incidents. Avoid water, air and ground pollution caused by our Works. Minimise noise and vibrations impacts caused by our works.	No release of hazardous substances to soil & waterways. Control release of contaminants to the atmosphere, Minimise noise impact on occupants, neighbours, or users of facilities	Recording of Environmental Incidents. Where incidents occur, impact shall be minimised by appropriate controls implemented.
Minimise the use of non-renewable resources	Manage the use of non-renewable resources in design and in our activities.	Review designs to minimise material use. Manage paper and energy usage.
Control of waste disposal and recycling to reduce landfill and the use on non-renewable resources.	Formalise Waste Management at Branch Offices, Warehouses and Sites.	Develop Waste Management Programs to include the "Reduce, Re-use, Re-cycle" notion.

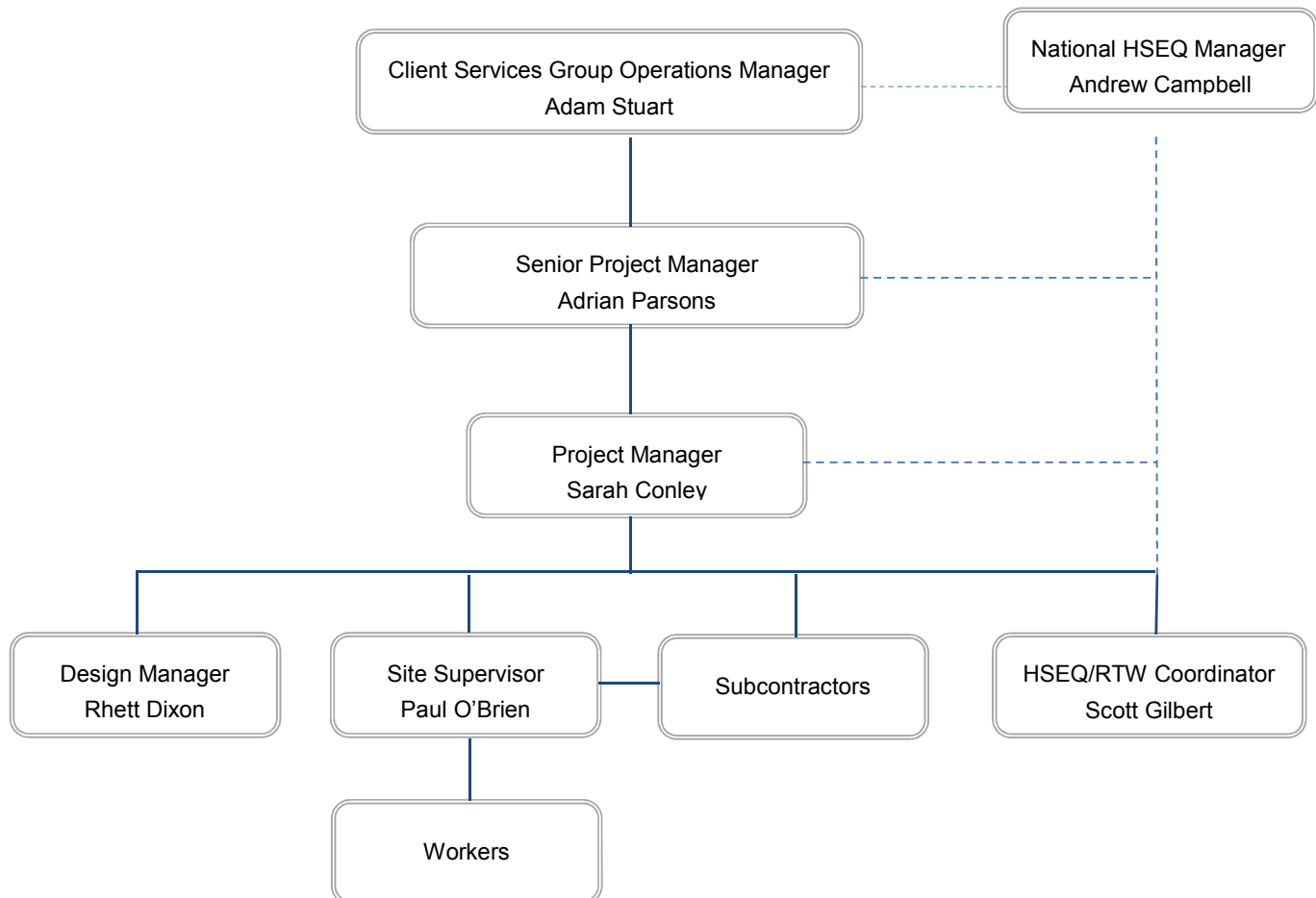
4. Deliverables

Delivery and installation of all infrastructure required to provide QAS Southport with generator backup.

5. Project Organisation

5.1 Organisation Chart

The project team structure is detailed below. This identifies the project team roles, the interfaces with the review authorities and with the client team. Revisions of this chart recording any changes will be issued for approval as appropriate.



5.2 Sub-Contracting

Approval must be gained from BAS through submission of Schedule 1 in the contract, Request for Approval to Subcontract/Sub subcontract, prior to engaging any subcontractors.

6. Communication and Reporting

Management of the communication process is essential to ensure that all communicated information is captured, documented and stored in a clear and consistent manner.

6.1 Project Numbers / Work breakdown structure

The project number for this project is 20S3890.

Where appropriate project work breakdown structures have been set up in accordance with specific disciplines and stages of the works. A breakdown of the WBS can be found in the Document Management System.

WBS	Description
0101	PREMLIMS
0205	SITE MANAGER/ SUPERVISOR
0400	UNDERGROUNDS
0500	TRAY AND CONDUIT SUPPLY
1100	DB'S (SUPPLY & INSTALL)
1101	SUBMAINS
1300	LIGHTNING PROTECTION
2900	GENERATOR
3400	ASBESTOS MANAGEMENT PC SUM

6.2 Communication Plan

Meetings:

The Project Manager will distribute a meeting agenda at least 2 days prior to any scheduled meeting and all participants are expected to review the agenda prior to the meeting. During all project meetings the Project Manager will ensure that the group adheres to the times stated in the agenda and will take all notes for distribution to the team upon completion of the meeting. It is imperative that all participants arrive to each meeting on time and all mobile phones should be turned off or set to vibrate mode to minimize distractions. Meeting minutes will be distributed no later than 24 hours after each meeting is completed.

Email:

All email pertaining to the QAS Project should be professional, free of errors, and provide brief communication. Email should be distributed to the correct project participants in accordance with the directory below, based on its content. All attachments should be in one of the organization's standard software suite programs and adhere to established company formats. If the email is to bring an issue forward then it should discuss what the issue is, provide a brief background on the issue, and provide a recommendation to correct the issue. The Project Manager should be included on any email pertaining to the QAS Project.

Informal Communications:

While informal communication is a part of every project and is necessary for successful project completion, any issues, concerns, or updates that arise from informal discussion between team members must be communicated to the Project Manager so the appropriate action may be taken throughout the project.

The Project Manager will negotiate with all necessary functional managers in order to identify and assign resources for the QAS Project. All resources must be approved by the appropriate functional manager before the resource may begin any project work. The project team will not be co-located for this project and all resources will remain in their current workspace.

Project team directory for all communications is:

Name	Title	E mail	Mobile Phone
BAS- Bob Builder	Client Management Representative	bbuilder@bas.gov.au	0400 000 000
Sarah Conley	Project Manager	sconley@fredon.com.au	0438 870 945
Adam Stuart	CSG Operations Manager	astuart@fredon.com.au	0413 805 190
Adrian Parsons	Senior Project Manager	aparsons@fredon.com.au	
Andrew Campbell	HSEQ Manager	acampbell@fredon.com.au	0408 096 170
Paul O'Brien	Site Supervisor	pobrien@fredon.com.au	0402 598 015

6.3 Meetings

Throughout the duration of the Project, BAS is to arrange meetings at fortnightly or other agreed intervals with appropriate Subcontractors, the BAS Superintendent's Representative, and the nominated Principal's Representative. Minutes of such meetings are to be kept by BAS and have electronic (PDF) copies forwarded to all attendees within 3 working days after each meeting. A Fredon representative is to attend all site meetings.

6.4 Reporting

Fredon is to provide the BAS Superintendent with site photographs (including sufficiently descriptive captions) of those portions of the Works under construction each fortnight to demonstrate progress.

The Project Manager is to complete the monthly HSEQ Report template and return to the Fredon HSEQ Manager by the second business day after the end of month.

7. Project Procedures

7.1 External or Client Procedures

Any works requiring shut down of power and lighting (such as when refurbishing old MSB) shall be carried out at night and the shutdowns shall be kept to a minimum period. Fredon is to provide Method of Procedure (MOP) for approval by BAS prior to commencement of works.

7.2 Fredon Standard Procedures

Fredon's maintains an integrated management system that is a suite of all of Fredon's documents and consists of the following:

The hierarchy and precedence of documentation includes the following levels:

- Policy Statements;
- Management System Manual;
- Procedures, Standards and forms; these include any entity or project-specific documents;
- Project specific plans, associated procedures/instructions, schedules, and deliverables;
- Records as specified by project system requirements.

To ensure the system remains consistent but has the flexibility to meet different operational and legislative requirements, systems documentation is subject to on-going review.

8. Documents and Records

The Document and Record Control Procedure (MSP-017) will be applied to control records (electronic data and hard copies) including provision for record identification, storage, protection, retrieval retention time and disposition.

All documents are reviewed and approved for adequacy by authorised personnel prior to issue.

Changes to the documents are communicated and superseded documents are retained for legal, references or knowledge preservation purposes.

Records are established to provide evidence for conformance of the services provided and the effective operations of the business.

Where files are kept on site, Project Managers are responsible for confidentiality and security of documents. Strict Control of all documentation must be maintained by site management/supervision during the course of the project.

8.1 Drawings Control

Drawings for project use must be strictly controlled as follows:

- All drawing must be appropriately identified (number, project etc.)
- Any drawing used for site work **MUST** be registered on the system drawing register;
- Any drawing or part of drawing being photocopied must also show drawing number to cross-reference if title block is not part of photocopy;
- Drawings that are for reference only i.e.: Architectural, other services etc., must be stamped 'FOR REFERENCE ONLY' on the drawing holder and not registered or stamped as it is not required to register 'Reference Only' drawings.
- Any customer imposed system (e.g Aconex)

8.2 Other documents and record control

- Administration, transmittals, project correspondence and any other related documentation must be filed appropriately in co-ordination with the Project Manager.
- Transmittal forms must be used for any documentation (especially drawings) handed over to client/client representatives, builders, sub-contractor and any other third party.
- Regular recording in the company's site diary forms part of the day to day routine of documentation.
- When a PC/Laptop is used on site, regular back-up must be carried out and access to the PC/Laptop should be limited to authorised personnel.
- All records of site work must be filed as per Fredon Document and Record Control Process, where full back-up of any electronic data must be carried out daily. Hard copy information must be filed appropriately and consistent with other files and records.

9. Project Controls

Project control activities include estimating, planning, progress control (schedules), progress measurement and cost management, all of which have an input to change management.

Project controls will ensure that the points listed below are addressed.

- Project Schedule
- Identify the key milestones and milestone dates
- Control of reward / penalty clauses associated with the milestones
- Opportunities for schedule improvement

- Project Controls for external contractors
- Managing Change system
- Weekly and Monthly reporting requirements

9.1 Cost and Revenue Forecasting

9.1.1 Project Cost Monitoring

The tracking of costs against budget will be carried out on a monthly basis and will be reported to:

- Fredon General Manager

Project costs will be monitored and controlled using Coins (Fredon specific financial management tool).

During delivery of the project, hours to complete will be reforecast and progress updated on a fortnightly basis. Earned Value of the work will be undertaken to calculate and to extrapolate a project completion cost. Earned Value, Forecast Cost at Completion and Variances are determined and Summary Reports are generated for internal and external use.

9.1.2 Budgets

The Project Manager will be responsible for delivering packages of work within agreed budgets. A CVR is to be completed monthly and presented to the Fredon General Manager for review.

9.2 Schedule

Project construction progress will be updated on a monthly basis in accordance with the process outlined in the below Table:

■ **Table – Schedule Monitoring Process**

Sequence	Task	Responsibility
1	Consultation with Project team, • Achievement of milestones in the last week; • Percentage completion of other design / activities in the last week; • Expected achievement of milestones in the next 4 weeks; • Receipt of design inputs in the last week; • Design inputs required in the next 4 weeks; and • Other information related to program and progress.	Project Manager
2	Update the Schedule to show actual progress compared with program and any changes to forecast delivery dates.	Project Manager
3	Produce Report (in accordance with the Communication Plan).	Project Manager
4	Review the updated Schedule and Report and take action to address any program issues, in particular: • Rectification of anticipated late delivery of milestones; and • Flagging of potential delay and issue of scope change notification (if applicable) to BAS.	Project Manager

9.3 Resource Planning, Resources Schedule and Mobilisation

The purpose of the resource schedule is to identify personnel, their inputs (in hours) and the timing of those inputs. This enables resource levelling to be addressed so that resourcing trends towards a smaller team with a greater level of input in percentage terms on a weekly basis.

The resource schedule is detailed in the CVR for the project.

Personnel leave will generally be covered by minimising (where possible) leave taken by key personnel during key activity periods.

9.4 Invoicing

Fees will be invoiced on a four weekly basis for payment within 30 days. Should payment not be received within 30 days from the date of issue of our invoice, Fredon reserve the right to cease or suspend work immediately. The application of this clause is at the Project Manager and Designated Project Executive's (PD) discretion.

10. Change Control

No work outside the agreed scope may be carried out without written agreement from the Project Manager.

If out-of-scope work is identified this must be immediately communicated to the Project Manager together with a rough assessment of the number of hours required, personnel / categories and schedule implications. The implication to the current work schedule resulting from delays in the issue of an instruction to proceed must also be highlighted.

A change is defined as any project change which may result in one or more of the following:

- Significant rework of calculations, drawings or other design documents.
- Significant changes to an issued design document.
- Significant changes, which will affect the performance or outcome of the project.
- Significant delays in the receipt of input (information, directions, approvals etc.) from others which may affect design delivery schedule.

Scope changes will be managed in accordance with the procedure outlined in the below table.

■ **Table – Change Management Process**

Sequence	Task	Responsibility
1	Incoming correspondence (either written or verbal instruction) are reviewed for any potential change effects.	Team Member
3	Scope change effects are determined, including implications on: • Project costs and program; and • Fredon costs and program.	Discipline Lead
4	Review and confirm change.	Project Manager
5	Informally discuss potential scope change with BAS prior to formal submission of scope change notice.	Project Manager
6	Complete Project Variation Request form	Project Manager
7	Send to BAS in accordance with Communication protocols.	Project Manager
8	Enter change details into Variation Register.	Project Manager

A-Project Variation Request form will be submitted BAS to seek approval prior to progressing the work. However, in some instances, changes to scope may be identified as work progresses; in these instances the variation form will be issued to BAS as soon as practicable.

A Variation Register/Change log will be maintained that records the unique identity, topic, date sent, requested date of response and date response received. The Change or Variation Register will be kept up-to-date by the Project Manager.

Any Changes will be discussed at regular meeting between the Fredon Project Manager and BAS. Where an agreement cannot be reached, the decision will be escalated to the Fredon CSg Operations Manager and BAS.

Under no circumstances will Fredon commence work on a change prior to formal approval by BAS.

A Fee Variation Register will be maintained by the Project Contracts Manager and located in the project files.

11. Reviews

The Quality Plan for QAS Southport will be developed to clearly define the assurance processes, procedures and reviews that will be employed. The plan sets out the general or project specific assurance and quality related activities to be undertaken by Fredon personnel which will give confidence that the all project KPIs will be met.

The Quality Plan is a support document of the Project Execution Plan (PEP), and provides:

- An overview on the assurance processes for the Project
- Guidance for specific project assurance documentation to be developed
- The review and monitoring philosophy and activities for the project
- A project review/audit plan including all proposed project and external (corporate) reviews

The Quality Plan is prepared to comply with the requirements of **AS/NZS ISO 9001**.

12. Health, Safety and Environment

A specific Health, Safety and Environment Plan will be developed for QAS Southport. The HSEQ plan is designed to cover all aspects of the project, from design to commissioning and handover to BAS and Queensland Ambulance. This HSEQ plan acknowledges the responsibilities to meet the relevant statutory requirements, specifications and standards.

The purpose of the plan for this project is to:

- Outline the project team responsibilities for management of health and safety activities
- Detail the Occupational Health and Safety policies and systems adopted for the project
- Detail the requirements for the management of hazards at the project site
- Provide the framework for the implementation of all health and safety activities
- Detail the requirements for the management of Environmental issues

The plan is supported by the HSEQ team. This HSE plan has been developed in line with the Fredon HSEQ Management System. It complies with the requirements of AS/NZS 4801.

13. Risk Management

The approach for managing risks for the BOQ Project includes a methodical process by which the project team identifies, scores, and ranks the various risks. Every effort will be made to proactively identify risks ahead of time in order to implement a mitigation strategy from the project's onset. The most likely and highest impact risks were added to the project schedule to ensure that the assigned project manager take the necessary steps to implement the mitigation response at the appropriate time during the schedule. The Project manager will provide status updates on their assigned risks in the weekly project team meetings, but only when the meetings include their risk's planned timeframe.

Upon the completion of the project, during the closing process, the project manager will analyze each risk as well as the risk management process. Based on this analysis, the project manager will identify any improvements that can be made to the risk management process for future projects. These improvements will be captured as part of the lessons learned knowledge base.

14. Procurement

The Project Manager will provide oversight and management for all procurement activities under this project. The Project Manager is authorised to approve all procurement actions up to \$10,000 and in accordance with PRP-005 Purchasing Process and Authorisation Levels (QLD). Any procurement actions exceeding this amount must be approved by the QLD Director. The Project Manager must ensure that purchase orders over \$5000 have a completed Major Bid Analysis (MBA) and supplier Price Comparison (PRF-003) and that it is unloaded onto the Coins system. Prior to uploading into Coins the MBA must be completed and include the recommendation by the Project Manager and why by completing all sections of the MBA. The MBA must have 3 quotations attached to it and have the appropriate authorisation level signed off.

The Project Manager will work with the project team to identify all items or services to be procured for the successful completion of the project. The Project Manager will use the tendering department's register of preferred suppliers or subcontractors to assist them in procurement for the project. The Project Manager will then ensure these procurements are reviewed by the CSG Operations Manager and presented to the contracts and purchasing group in Sydney head office once reviewed. The contracts and purchasing group will review the procurement actions, determine whether it is advantageous to make or buy the items or resource required services internally, and begin the vendor selection, purchasing and the contracting process.

In the event a procurement becomes necessary, the Project Manager will be responsible for management any selected vendor or external resource. The Project Manager will also measure performance as it relates to the vendor providing necessary goods and/or services and communicate this to the purchasing and contracts group.

Once a supplier or contractor has been confirmed and meets the requirements for the project the Project Manager must engage them using the Fredon 'PRF-020 Sub-Contract Agreement_Fredon QLD' for engagement of service and have them complete the Subcontractor Pre-qualification document at the meeting they have to finalise the signing of the terms and conditions.

The suppliers that will be used for the QAS project will mainly come from the estimating departments list of service providers as long as they can meet the specific scope of the project and that the Project Manager reviews to ensure that they can meet the expectations of the project. If the Project Manager wants to use other service providers they must demonstrate why it does not meet the scope, budget and time allocations originally set for the project by the estimating department.

15. Contract Management

15.1 Contract Implementation

A comprehensive handover meeting with appropriate minutes shall be held between the Tender Team and the Project Execution Team.

Subsequent to handover the Project Manager is responsible for the overall performance of the project within the specification, allocated time and cost during the Contract Execution Phase. The Project Team members are responsible to the Project Manager for the performance of their particular area and shall report progress and costs to the Project Manager on a regular basis.

The purpose of the meeting is:

- To ensure that engineering and project departments clearly understand contractual and customer requirements;
- To ensure full understanding of the Scope of Work;
- To ensure any questions and concerns are resolved; and
- The handover of all tender documentation and correspondence.

Any information that cannot be provided by the Estimating Manager should be the subject of an action in the minutes of meeting within identifying the outstanding item and the necessary timing of its supply to allow the work to proceed in line with the Contract program.

At the completion of the handover meeting all parties present shall sign the Contract Handover Form.

15.2 Review of the Head Contract

The Project Management team will meet at regular intervals to review the status of the project. The meeting will be chaired by the Project Manager.

The contract status review, interfaces and communications will be coordinated with the client as appropriate and through the regular progress meetings. These reviews will include the monitoring of Variation Orders and modifications to continually assess their impact on the contract.

The Project Manager, shall ensure that the requirements of any 'Variations to the Work' and modifications are verified against those of the signed contract between Fredon and the client and resolve any differences.

15.3 Contract Formation

A suite of contractual documents will be generated and forwarded to the client for approval. This will consist of the Tender Document package and the Contract Document package including General Terms and Conditions, Special Terms and Conditions and the Formal Instrument of Agreement. Once agreed, these documents will be used for all installation contracts.

Pre-qualified tenderers will be invited to bid for each package. A tender evaluation process will provide a recommendation to award.

15.4 Contract Administration

Contract Administration is the responsibility of the Project Manager.

16. Commissioning

Commissioning inspections and tests of installed building services and equipment systems have been satisfactorily completed and passed and the BAS Superintendent has been provided with copies of the inspection and test results verifying that these systems are working within optimum design parameters.

Persons nominated by the Principal have satisfactorily completed training in use of the building services and equipment systems.

17. Lessons Learned

The Lessons Learned process is designed to encourage the project management team to actively seek out and use lessons from other projects as an integral part of risk management and project execution planning.

Good and bad practices and experiences on the project should be captured, communicated and addressed to benefit the implementation this and future projects.

A lessons learned session is to be conducted at the end of the project using PMF-057 Lessons Learned record.

18. Project Execution Plan Sign off

Name, signature and date of all appropriate stakeholders (sponsor/client, project manager) signing this document.

Name	Role	Signature	Date

Appendices

A.1 Appendix A – Program

Major Purchase Bid Analysis

Date: 14/02/2018 Project: QAS southport Job N°: 20S3890/1100

Materials Required: metering Cost Centre: _____

	Vendor 1 (Exclude GST)	Vendor 2 (Exclude GST)	Vendor 3 (Exclude GST)
Vendor Name:	Hexeis	Supplier 2	Supplier 3
Price (Buy):	\$25,258.39	\$0.00	\$0.00
Tender (Budget):	\$44,240.00	\$44,240.00	\$44,240.00
Variance +\:-	\$18,981.61	\$44,240.00	\$44,240.00

*** PLEASE ATTACH ALL QUOTATIONS**

Vendor Recommendation items is specified Recommended By: Sarah Conley Date: 14/02/2018

Vendor Recommended Why? not allowed to using anything else. Items is specified

Is this the lowest possible price we can obtain? Yes ☒ No ☐

Does this spreadsheet include all materials of this type required for the job? Yes ☐ No ☒ If 'No' what value has still to be purchased? \$ 15,000.00

Do the materials being purchased meet the specification? Yes ☒ No ☐

If 'No' provide details: _____

CONTRACTUAL CONDITIONS

Does delivery meet project requirements? Yes ☒ No ☐ Do we have a signed contract from our client? Yes ☒ No ☐

Has the supplier been issued and accepted Fredon's T & C and/or Subcontractor conditions? Yes ☒ No ☐

Submitted By: Print Name: Sarah Conley Signature: _____ Date: 14/02/2018

1st Line Manager Approval: Adrian Parsons _____ 14/02/2018

2nd Line Manager Approval: Adam Stuart _____

Director/State Manager Approval: Michael Steuart _____

Head Office Approval: _____

Issued By:	Sarah Conley
Title:	Project Manager
Email:	sconley@fredon.com.au
Variation No:	20S3890-V001
Date Issued:	Monday, 5 March 2018
Request No.	As per email from

Description of works	
	Inclusion of phase rotation meters into Fredon switch boards as per engineers requirements

Reason for Variation to Sub-Contract

Request from the Builder

Qualifications & Exclusions

Rotations meters only

Pricing Summary		TOTAL
1	Phase rotation meters	\$1,523.25
2		
3		
4		
5		
6		
7		
8		
9		
10		
	SUBTOTAL	\$1,523.25
	GST @ 10%	\$152.33
	TOTAL	\$1,675.58

To prevent delays to the current construction program approval is required within	N/A	Days
Extension of time is requested due to above works	N/A	Days

CONDITIONS (✓ = Applicable)	
☒	The above pricing is valid for 14 days from date of the Letter.
☐	As instructed we are proceeding with the works. Approval of our action and price is requested.
☒	We await instructions and approval of our price before proceeding with the works.
☐	The above works have already been carried out. Your formal acceptance of our price is requested
☐	Prices have been based on normal working hours only.
☒	The above pricing is based on the same responsibilities, extent of work and contractual limitations as applies for the main contract for the project.
☒	The above pricing is based on the attached Variation Specific Details

Signed:

Best Answer

Release: 1

Date: 13 September 2019

Author: Sarah Conley

The information provided within this report is for the purpose of learning which should be seen as an opportunity for all sides of the business

Table of Contents

Page

1	Overview _____	3
2	Project scope _____	3
3	Project Commercial summary _____	3
4	Could Do Better _____	3
5	What we must do better _____	5

1 Overview

The Lessons Learned report is created for the purpose of recording and sharing lessons learned to:

- Avoid making the same mistakes
- Improving on current delivery standards by adopting proven good practice
- Responding to changes in the Project Management environment including new priorities, initiatives and strategies
- Contributing to organisational growth and maturity by effecting long term improvements in the way an organisation embeds and shares Project Management best practice.

2 Project scope

Fredon estimating team negotiated and were formally awarded the project on 1st December 2017.

The QAS Southport facility (generally abbreviated to QAS), is a 24/7/365 operational 000 emergency command and ambulance station. The ability to have reliable backup infrastructure is imperative to the operational functions of the facility. This upgrade was to ensure that reliable backup contingencies are in place. The intention was to have the project completed prior to the Commonwealth Games in March 2018.

3 Project Commercial summary

Contract (tendered)		Contract report (July 2018)		Differential
Value	\$417,561	Value	\$484,058	+\$66,497
Margin 15%	\$62,634	Margin 3.55%	\$ 17,198	-\$45,436
Project labour \$	\$129,800	Project labour used \$	\$121,196	+\$8,604
Project labour Hrs	1,615 Hrs	Project labour Hrs used	1,738 Hrs	41 Hrs
		Variation hours.	82 Hrs	
Labour gang rate	\$65.00		\$70.00	\$5.00
Project duration	16 weeks	Actual duration	29 weeks	+ 13 weeks

4 Could Do Better

The below are findings / observations which presented during the project journey.

Whilst in most project scenarios there is generally a pendulum effect (risks v opportunities) which ultimately find a point of balance.

ID	Subject	Issue	Actual Impact	Next time
1	CONTRACT	Contract was issued Dec 2017. The Project Manager (PM) was not placed on the project until the end of January 2018. Another PM had been given the project to start however he was due to go on paternity leave	Delayed start in the project meant that essential items were not covered, resulting in a temporary measure being constructed to allow for Comm Games period.	Allocate a PM at project commencement that is able to commence the project when required. If removing from another project ensure contingencies are in place to cover the other project.
2	PROJECT TIME FRAME	The initial project period was 16 weeks. The PM was allocated with approx. 6 weeks left to go prior to the lock out period.	No undergrounds had occurred No Energex connection No paperwork had been completed No metering done or organised No property pole No consultation with lightning protection	If a PM is unable to start on the project, allocated another resource to commence essential items. Energex connections required approx. 12 week lead time.
3	SWITCHBOARDS	Initial PM placed the order for switchboards, however no approvals had been given, or manufacturing had commenced. Second PM had to follow up	PM had to accelerate the switchboard builder, at additional cost to enable weekend work.	If a PM is unable to start on the project, allocated another resource to commence essential items, and monitor until handover to permanent PM
4	ENERGEX	Consultant had stated they had organised Energex to help out. No contact was made with Energex until PM commenced on the project. Energex contact was given during the kick off meeting with estimator and initial PM.	Energex lead time is approx. 12 weeks, which resulted in no permanent connection and Fredon failed to meet the Comm Games cut off.	If a PM is unable to start on the project, allocated another resource to commence essential items, and monitor until handover to permanent PM
5	PLAN B OPTION	Due to not meeting deadlines because of the above. Labour and material had to be used in order to give QAS a plan "B" option. Which gave them their N+1 backup for the Comm Games.	PM designed and reused parts of the current system in order to re-route the generators in a way that achieved this goal with what QAS had on site	If a PM is unable to start on the project, allocated another resource to commence essential items, and monitor until handover to permanent PM
6	POST COMM GAMES	Work recommenced after the Comm Games lock out period	As there was no longer a push for works to be completed, minor hurdles and cut overs would regularly be pushed back resulting in extra time required. To avoid lost time workers were allowed to take RDOs and annual leave, or sent to other sites.	Complete works in initial timeframe.
13	DESIGN	The project was supposed to have a Discrimination study done before the boards were built. This was done based on consultant's design which was found to be flawed. The Discrimination study as per contract was meant to be done 1 week after	This held up switchboard manufacture and Energex as the project was unable to confirm site supply requirements	If a PM is unable to start on the project, allocated another resource to commence essential items, and monitor until handover to permanent PM

ID	Subject	Issue	Actual Impact	Next time
		contract issue. It wasn't done until February.		
14	TRENCHING	The trenching budget was \$4,000 material plus 40 hours approx. Vac trucks were required to be used (in contract due to asbestos contamination in soil)	Actual cost came to \$35,000-\$40,000 plus 160 hours for spotters and supervision	Estimator to confirm trenching requirements before assuming excavators are acceptable
15	METERING	The metering allowed for was EDM1 which was below specified and not an adequate equivalent.	The metering allowed for was EDM1 which was below specified and not an adequate equivalent.	Estimating checklist of all specified materials to be completed during tender phase
16	LOAD BANK	There was meant to be two load banks on the project. Only one was picked up on the tender.	Each load bank was \$16,000, this resulted in a short fall in the budget	There was meant to be two load banks on the project. Only one was picked up on the tender.

5 What we must do better

- Tendering - Scope needs to be understood in its entirety – inclusive of any existing site conditions, builders' safety requirements, make good requirement, external provider timeframes and client programming restrictions.
- More efficiently allocate appropriate management to the Project on award, to ensure fast moving deadlines are met.

The information provided within this report is for the purpose of learning which should be seen as an opportunity for all sides of the business.

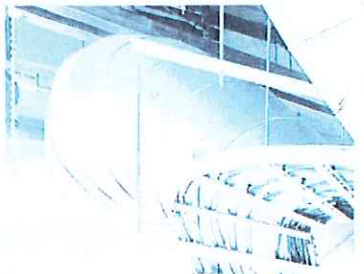
FREDON

Electrical & Communications

Air Conditioning

Security

Technology



Delegation of Authority Procedure

Document Control:

	Name	Title	Date
Prepared by:	Scott Bryant	Group Commercial Director	25 th September 2017
Reviewed by:	David Simpson	Group Managing Director & CEO	25 th September 2017
Approved by:	Alan Lipman	Chairman	25 th September 2017

Revision Status			
Rev No.:	Date:	Approved by:	Amendment:
1	25-9 -17	Alan Lipman	Original
2	25-10-17	Alan Lipman	Air & GMDCEO Tender Limits Amended
3	01-02-18	David Simpson	Project Procurement Authority Levels Amended to include Site Managers & Foreman.
4	31-05-18	David Simpson	Project Procurement Authority Levels for Security amended
5	18-09-18	David Simpson	Project Procurement Authority Levels for Asset Services added

Contents

1.0	PURPOSE	3
2.0	SCOPE	3
3.0	REQUIREMENTS	3
3.1	General	3
3.2	Amendments	3
3.3	Fredon Authority Levels	3
4.0	EXPENDITURE	4
4.1	Operating Costs Expenditure	4
4.2	Capital Expenditure	4
4.3	Credit Notes / Debtor Write Off	4
4.4	Employee Expenses and Entertainment	5
4.5	Travel and Accommodation	6
5.0	PROCUREMENT	6
6.0	Commercial	7
6.1	Tenders, Budgets, Proposals or Alliances	7
6.2	Disputes and Claims	7
6.3	Financial and Non-Financial Contracts – Approval & Executing	8
7.0	FINANCE AND ADMINISTRATION	9
7.1	General Finance and Administration	9
7.2	Media Releases, Intranet & Social Media Posts	9
8.0	INDUSTRIAL AND EMPLOYEE RELATIONS	10
9.0	Appendix	12
9.1	Staff Project Procurement Authority Levels	12
9.1.1	ACT Electrical	12
9.1.2	Air & Air (NSW)	12
9.1.3	NSW Electrical	12
9.1.4	QLD Electrical	12
9.1.5	Security	12
9.1.6	Technology	12
9.1.7	VIC Electrical	12
9.1.8	WA Electrical	12
9.1.9	Asset Services	12

1.0 PURPOSE

The purpose of this Delegation of Authority Procedure is to set out those matters which require Approval by the various levels of Management, as delegated to the Group Managing Director & CEO, by the Fredon Industries Pty Ltd Board of Directors ("Board"). This document must at all times be consulted as a guide towards achieving best operating practice.

2.0 SCOPE

The Board has defined the levels of materiality, reserving specific power to itself, and delegating responsibility relating to the discharge of statutory obligations and other matters that relate to the Company with the necessary written authority to Management. These Delegations will be monitored and reviewed on a regular basis to address risks as they become apparent.

3.0 REQUIREMENTS

3.1 General

In all circumstances, Managers and persons in positions of authority shall be expected to act reasonably. Where there could be doubt in any reasonable person's mind as to the level or extent of the authority held by the Manager or person in authority as described in this document, then upon becoming aware of the issue which raises this doubt they shall immediately refer the matter to the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, for review with the Group Managing Director & CEO.

Those having responsibility within this procedure may, in consultation with their "one up" Manager, nominate a person or persons to whom their authority is delegated in their absence, or the relevant Manager of that person takes responsibility.

Transactions that exceed the delegated authority level of the Group Managing Director & CEO are to be referred to the Board.

3.2 Amendments

Material changes to the levels of delegation contained within this document can only be authorised by the Board.

3.3 Fredon Authority Levels

The Authority Levels within Fredon follow a tiered approach whereby the Group Managing Director & CEO, Directors, General Managers and Managers are classified as to their delegated Authority.

4.0 EXPENDITURE

4.1 Operating Costs Expenditure

Relates to corporate, project, overhead or general business operating costs, that are for the purpose of tendering, project delivery, or services, other than Capital Expenditure.

Refer to the Appendix for the *Staff Project Procurement Authority Levels* per Division.

4.2 Capital Expenditure

Relates to the purchase, or lease of assets, plant, equipment, furniture, and fittings including motor vehicles, mobile plant, computers & software, office equipment etc.

Limits of Authority

Refer to Clause 5.0 of the PRP-001 Procurement Procedure

Group Managing Director & CEO	\$ 10 M
Group Financial Director	\$ NIL
Group Commercial Director	\$ NIL
Group Electrical Director	\$ 10K
Group Air Managing Director	\$ 10K
Divisional Managing Director	\$ 10K
Regional General Manager WA	\$ 10K
Director WA	\$ 5K
Branch Manager	\$ 5K
General Manager	\$ 5K
Procurement Manager	\$ 5K

4.3 Credit Notes / Debtor Write Off

Relates to the raising of all credit notes and write-off of bad debts for each single event.

- Values Up To \$1,000.00;**
Managed by the "one up manager" starting with the Project Manager, reviewed and recommended by the General Manager / Branch Manager / Director WA and approved by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, and the Group Financial Director.
- Values over \$1,000.00 and less than \$100,000.00;**
Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA, reviewed and recommended by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, and approved by the Group Financial Director and the Group Managing Director & CEO.

3. Values over \$100,000.00;

Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA, reviewed and recommended by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, and by the Group Financial Director and the Group Managing Director & CEO and approved by the Board.

4.4 Employee Expenses and Entertainment

Relates to all Employee general company expenses, ex gratia payments and company entertainment expenses per single event.

1. General Company every day expenses Up To \$ 500.00;

Managed by the "one up manager" starting with the Project Manager and approved by the General Manager / Branch Manager / Director WA / Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate.

2. General Company every day expenses Over \$ 500.00;

Managed by the "one up manager" starting with the Project Manager and approved, in advance, by the General Manager / Branch Manager / Director WA and the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate.

3. Ex gratia payment for loss of or damage to personal effects, tools etc.;

Managed by the "one up manager", reviewed and recommended by the General Manager / Branch Manager / Director WA and approved, in advance, by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, the Group Financial Director and the Group Managing Director & CEO.

4. Company entertainment expenses Up To \$ 500.00;

Managed by the "one up manager" starting with the Project Manager and approved by the General Manager / Branch Manager / Director WA / Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate.

5. Company entertainment expenses Up to \$5,000.00;

Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA and approved, in advance, by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate.

6. Company entertainment expenses over \$5,000.00;

Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA, reviewed and recommended by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, and approved, in advance, by the Group Managing Director & CEO.

4.5 Travel and Accommodation

Relates to all domestic and international airfares, travel and accommodation expenses.

(All Domestic & International travel to be economy class airfare, unless approved by the Group Managing Director & CEO.)

1. **Travel expenses Up To \$2,500.00;**
Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA and approved by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate.
2. **Travel expenses Over \$2,500.00;**
Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA, reviewed and recommended by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, and approved by the Group Managing Director & CEO.
3. **All Supplier, Client, and Industry Conferences;**
Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA, reviewed and recommended by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, and approved by the Group Managing Director & CEO.

5.0 PROCUREMENT

Relates to general project procurement. Project procurement must be in accordance with the PRP-001 Procurement Procedure and PRP-002 Procurement Process Flow Chart.

Refer to the Appendix for the *Staff Project Procurement Authority Levels* per Division.

6.0 COMMERCIAL

6.1 Tenders, Budgets, Proposals or Alliances

Relates to the total revenue (including all labour, materials, plant, equipment, subcontractors etc.) of Tenders, Proposals, Bids, Budgets, Major Variations, Joint Ventures, Alliances, or Consortiums.

Limits of Authority

Group Managing Director & CEO	\$ 50 M
Group Financial Director	\$ NIL
Group Commercial Director	\$ NIL
Air Group Managing Director	\$ 25 M
Air (NSW) Managing Director	\$ 20 M
Group Electrical Director	\$ 15 M
Divisional Managing Director	\$ 5 M
Regional General Manager WA	\$ 5 M
Director WA	\$ 2 M
Branch Manager	\$ 1 M
General Manager	\$ 1 M

6.2 Disputes and Claims

Relates to the instigation of any formal Contract Dispute, Notice of Dispute, Insurance Claim, Litigation, Mediation, Arbitration, Security of Payment legislation, and the Appointment of any Legal Advisors, Experts or Consultants to assist with the dispute.

1. Regardless of the value of the dispute or claim, all disputes or claims must be escalated to the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, the Group Commercial Director, the Group Financial Director and the Group Managing Director & CEO.
2. The appointment of any legal or claim advisors, experts or consultants must be approved by the Group Commercial Director and the Group Managing Director & CEO.

6.3 Financial and Non-Financial Contracts – Approval & Executing

Relates to all Contracts, Confidentiality Agreements, preferred Supplier Agreements, MOUs, JV Agreements, 1 on 1 Agreements, Alliances or Consortiums etc.

1. All documents must be reviewed and approved by the Group Commercial Director.
2. The Group Commercial Director will escalate to the Group Managing Director & CEO if required.
3. All documents must be executed in accordance with S127 (i) of the Corporations Act by two (2) Directors of the applicable Division or Entity.
4. Prior to agreement with the other party, all "1 on 1" Agreements, Joint Ventures, Alliances or Consortiums (with either Clients or Subcontractors / Suppliers) must be reviewed and discussed with the Group Electrical Director, Group Air Managing Director, Divisional Managing Directors, Regional General Manager WA, and approved by the Group Managing Director & CEO.
5. All documents, once executed, must be logged on the "*Document Register*" and a hard copy filed at Head Office by the Group Financial Director.
6. All proposals, or contracts, in a foreign currency, or where revenue is in a different currency to cost, must be reviewed and recommended by the Group Financial Director and approved by the Group Managing Director & CEO.
7. All Security (insurance bonds, bank guarantees, performance bonds, retention or other surety) to be provided must be managed by the Group Financial Director subject to the approval of the Group Managing Director & CEO.
8. The extension of Payment Terms to Clients and Suppliers will be managed by the Group Financial Director subject to the approval of the Group Managing Director & CEO.
9. All Parent Company Guarantees to be provided must be reviewed by the Group Commercial Director, recommended by the Group Managing Director & CEO and approved by the Board.
10. **Under no circumstances will any of Fredon's Directors provide Personal Guarantees.**

7.0 FINANCE AND ADMINISTRATION

7.1 General Finance and Administration

Relates to all General Finance and Administration items.

1. All finance, property leases, vehicle agreements, equipment rental agreements etc. will be managed by the Group Financial Director, reviewed by the Group Commercial Director and approved by the Group Managing Director & CEO
2. All Supplier Credit Applications will be reviewed by the Group Commercial Director and managed and approved by the Group Financial Director.
3. All corporate branding, logos and trademarks must be approved by the Group Managing Director & CEO.
4. All donations, sponsorships, or subscriptions must be approved by the Group Managing Director, in consultation with the Board.
5. All Final Claims or Deed of Release's are to be managed by the Project Manager, reviewed and recommended by the General Manager / Branch Manager / Director WA / Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, and approved by the Group Financial Director.

7.2 Media Releases, Intranet & Social Media Posts

Relates to all Media, Social Media, & Website Announcements, Releases & Posts

1. All announcements, statements, releases or comments, on behalf of the company, to any media organisation or similar, must only be made by the Group Managing Director & CEO.
2. All announcements, statements, releases or comments, on behalf of the company, to any social media or internet web site platform, or similar, including Fredon's own Intranet & Website, must be approved, in advance, by the Group Managing Director & CEO.
3. All posts, on behalf of the company, to any social media or internet web site platform, or similar, including Fredon's own Intranet & Website, must be approved, in advance, by the Group Commercial Director or the Group Managing Director & CEO.

8.0 INDUSTRIAL AND EMPLOYEE RELATIONS

Relates to all General Industrial and Employee Relations items.

1. Negotiation and Approval of Employment Agreements (EBAs);

Managed by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA / General Manager / Branch Manager, as appropriate, and the ER Manager, and approved by the Group Managing Director & CEO.

2. Employee Remuneration Reviews;

Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA, reviewed and recommended by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, and approved by the Group Managing Director & CEO.

NB. Remuneration reviews are carried out once annually. A review outside of this time must be in exceptional circumstances only and must be approved by the Group Managing Director & CEO.

3. Salary Employee Appointments – Promote or Demote Staff;

Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA together with the ER Manager, and approved by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA / Group Managing Director & CEO, as appropriate.

Where the employee reports direct to the Group Managing Director & CEO, the appointment must be approved by the Board.

4. Salary Employee Recruitment (Permanent, Casual, Temporary, Contractors, Consultants);

Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA together with the ER Manager, and approved by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA / Group Managing Director & CEO, as appropriate.

Where the employee reports direct to the Group Managing Director & CEO, the appointment must be approved by the Board.

5. Salary Employee Termination (Permanent, Casual, Temporary, Contractors, Consultants);

Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA together with the ER Manager, reviewed and recommended by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, and approved by the Group Managing Director & CEO, in accordance with all statutory requirements.

6. Authorise Employee Weekly Timesheets including Overtime;

Managed by the "one up manager" starting with the Site Manager or Project Manager, where applicable.

7. Authorise Employee Annual Leave, Sick Leave, Time Off, RDOs, Special and Study Leave;

Managed by the "one up manager" starting with the Site Manager or Project Manager and approved by the General Manager / Branch Manager / Director WA / Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as applicable, in accordance with all statutory requirements.

8. Authorise Employee Unpaid Leave (Leave Without Pay LWOP);

Managed by the "one up manager" starting with the Site Manager or Project Manager, reviewed and recommended by the General Manager / Branch Manager / Director WA / Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as applicable, and approved by the Group Managing Director & CEO.

9. Authorise Employee Training & Personal Development;

Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA, and approved by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, or the Group Managing Director & CEO, in accordance with the Fredon Training Policy.

10. Authorise Employee Professional and Technical Association Fees;

Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA and approved by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, or the Group Managing Director & CEO.

11. Authorise Employee Pre-Payments, Pay-in-Lieu or Leave outside of Accrued Entitlements;

Managed by the "one up manager" starting with the General Manager / Branch Manager / Director WA and approved by the Group Electrical Director / Group Air Managing Director / Divisional Managing Director / Regional General Manager WA, as appropriate, or the Group Managing Director & CEO.

Where the employee reports direct to the Group Managing Director & CEO, the pre-payment, pay-in-lieu, or leave outside of accrued entitlements must be approved by the Board.

12. Conflicts of Interest;

The employment or appointment of family members, relations, friends, acquaintance's or any other conflict of interest must be approved by the Group Managing Director & CEO.

9.0 APPENDIX

9.1 Staff Project Procurement Authority Levels

9.1.1 ACT Electrical

9.1.2 Air & Air (NSW)

9.1.3 NSW Electrical

9.1.4 QLD Electrical

9.1.5 Security

9.1.6 Technology

9.1.7 VIC Electrical

9.1.8 WA Electrical

9.1.9 Asset Services

ACT Electrical Staff Project Procurement Authority Levels

- a) This Schedule is to be read in conjunction with the Procurement Procedure (PRP-001) and the Procurement Process Flow Chart (PRP-002)
- b) Sub-Contract and Purchase Orders requiring amended Terms and Conditions are to be approved by the Group Commercial Director.
- c) Letters of Intent are to be approved by the Group Commercial Director.
- d) This table excludes authority levels for Capital Expenses, Travel, and Accommodation.

[illegible]

FREDON

Air Staff Project Procurement Authority Levels

Notes:-

- a) This Schedule is to be read in conjunction with the Procurement Procedure (PRP-001) and the Procurement Process Flow Chart (PRP-002)
- b) Sub-Contract and Purchase Orders requiring amended Terms and Conditions are to be approved by the Group Commercial Director.
- c) Letters of Intent are to be approved by the Group Commercial Director.
- d) This table excludes authority levels for Capital Expenses, Travel, and Accommodation.

[illegible]

FREDON

NSW Electrical Staff Project Procurement Authority Levels

Notes:-

- a) This Schedule is to be read in conjunction with the Procurement Procedure (PRP-001) and the Procurement Process Flow Chart (PRP-002).
- b) Sub-Contract and Purchase Orders requiring amended Terms and Conditions are to be approved by the Group Commercial Director.
- c) Letters of Intent are to be approved by the Group Commercial Director.
- d) This table excludes authority levels for Capital Expenses, Travel, and Accommodation.

[illegible]

QLD Electrical Staff Project Procurement Authority Levels

- a) This Schedule is to be read in conjunction with the Procurement Procedure (PRP-001) and the Procurement Process Flow Chart (PRP-002)
- b) Sub-Contract and Purchase Orders requiring amended Terms and Conditions are to be approved by the Group Commercial Director.
- c) Letters of Intent are to be approved by the Group Commercial Director.
- d) This table excludes authority levels for Capital Expenses, Travel, and Accommodation.

[illegible]

Security Staff Project Procurement Authority Levels

Security Staff Project Procurement Authority Levels

- a) This Schedule is to be read in conjunction with the Procurement Procedure (PRP-001) and the Procurement Process Flow Chart (PRP-002)
- b) Sub-Contract and Purchase Orders requiring amended Terms and Conditions are to be approved by the Group Commercial Director.
- c) Letters of Intent are to be approved by the Group Commercial Director.
- d) This table excludes authority levels for Capital Expenses, Travel, and Accommodation.

[illegible]

Technology Staff Project Procurement Authority Levels

- a) This Schedule is to be read in conjunction with the Procurement Procedure (PRP-001) and the Procurement Process Flow Chart (PRP-002)
- b) Sub-Contract and Purchase Orders requiring amended Terms and Conditions are to be approved by the Group Commercial Director.
- c) Letters of Intent are to be approved by the Group Commercial Director.
- d) This table excludes authority levels for Capital Expenses, Travel, and Accommodation.

[illegible]

VIC Electrical Staff Project Procurement Authority Levels

- a) This Schedule is to be read in conjunction with the Procurement Procedure (PRP-001) and the Procurement Process Flow Chart (PRP-002)
- b) Sub-Contract and Purchase Orders requiring amended Terms and Conditions are to be approved by the Group Commercial Director.
- c) Letters of Intent are to be approved by the Group Commercial Director.
- d) This table excludes authority levels for Capital Expenses, Travel, and Accommodation.

[illegible]

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Asset Services Staff Project Procurement Authority Levels

Notes:-

- a) This Schedule is to be read in conjunction with the Procurement Procedure (PRP-001) and the Procurement Process Flow Chart (PRP-002)
- b) Sub-Contract and Purchase Orders requiring amended Terms and Conditions are to be approved by the Group Commercial Director.
- c) Letters of Intent are to be approved by the Group Commercial Director.
- d) This table excludes authority levels for Capital Expenses, Travel, and Accommodation.

POSITION	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 7	Tier 8
	LIMIT \$1K	LIMIT \$5K	LIMIT \$25K	LIMIT \$100K	LIMIT \$500K	LIMIT \$5M	LIMIT \$10M	NO LIMIT
Service Technicians								
Coordinators								
Site Managers & Foreman								
Service Managers								
Office Administrators								
Administration Managers								
Account Managers								
General Manager								
Divisional Managing Director								
Group Commercial Director								
Group Managing Director & CEO								
Deputy Chairman								
Chairman								

1.0 PURPOSE AND SCOPE

The purpose of this procedure is to ensure that the procurement of any Materials, Plant items (hire) or Subcontractors are processed and managed in such a way that is fit for purpose, value for money and available when required.

This procedure applies to all Fredon Divisions.

2.0 DEFINITIONS

COINS: 'Construction Industry Solutions' is the Financial Accounting and Job Costing System.

3.0 PROCUREMENT PROCESS AND AUTHORISATION LEVELS

All Procurement is to be carried out in accordance with these procedures, Fredon Delegation of Authority Procedure (MSP-032) and the Procurement Process Flowchart (PRP-002).

Each Fredon Division has specific staff sign-off Authorisation Levels and these are detailed within the Fredon Delegation of Authority Procedure (MSP-032).

The Flowchart and Delegation of Authority Procedure are available on the Fredon Management System and are listed in Section 5.0 Related Documents.

3.1 New Suppliers / Subcontractors

COINS has an extensive database containing Suppliers and Subcontractors that are currently being used.

Should the need arise to have new accounts set up or transferring an existing account from one Fredon company to another then this is handled by Accounts Payable via EFTSURE.

Each Fredon division will have EFTSURE administrators set up internally who will log onto <https://portal.eftsurance.com.au> and send invitations to the supplier / subcontractor to provide the necessary details to complete Fredon's On-boarding process.

Once details are received then the Accounts Payable team shall finalise the process and make the supplier / subcontractor available in Coins

All Suppliers and Subcontractors must comply with the National Code of Practice for the Construction Industry and agree to the Fredon Standard Terms and Conditions relevant to each State.

3.2 Purchasing using COINS

When procuring from a Supplier or Subcontractor, it is the responsibility of the Project Manager or Coordinator to initiate all purchase orders within COINS. All correspondence to the Procurement Department shall be submitted via email to procurement@fredon.com.au

The Purchase Order is to include the name of the Supplier or Subcontractor, the delivery address, details of what is being ordered (Scope of Work) and the price.

The **order must not** refer to the Supplier or Subcontractor's quotation or their Terms & Conditions in any of the Purchase Order documentation.

As applicable, the originator will upload the MBA with the appropriate sign off in accordance with the Delegation of Authority Procedure, Subcontract Agreement / or Supply Agreement and any other applicable documentation into COINS and request the Procurement Department to process the order.

The Procurement Department shall assess the validity of the documentation before committing the order. The purchase order shall then be emailed to the Supplier / Subcontractor directly or to the creator of the purchase order to issue to the Supplier/Subcontractor together with any appropriate documentation.

Purchase Order Numbers **must not** be issued to Suppliers or Subcontractors before the Purchase Order has been reviewed, approved and committed in COINS.

Standard Terms and Conditions shall be sent to Suppliers when a purchase order is raised. The Standard Terms and Conditions are listed in Section 5.0, Related Documents.

3.3 Major Bid Analysis (MBA) and Supplier Price Comparison

Purchase orders over the value of \$10,000 require a Major Bid Analysis and Supplier Price Comparison (PRF-007) Form to be completed and uploaded into COINS. These forms must be used for all Major purchases of Materials or Subcontractors. In conjunction with the three quotations obtained for either Material or Subcontractors, the form assists the user in maintaining budget and contractual obligations. These forms must be signed off in accordance with the Delegation of Authority Procedure.

3.4 Subcontractors

It is the Project Manager's responsibility to engage Subcontractors in accordance with the Subcontractor Selection and Management Procedure (HSP-038). An evaluation of the Subcontractor shall be conducted and then the Procurement process shall be carried out in accordance with the Procurement Process Flowchart (PRP-002) and these Procurement Procedures.

Whenever Subcontractors are to be engaged on projects, Fredon will engage them under a Purchase Order and Subcontract Agreement:

The Subcontract Agreement Forms are listed in Section 5.0, Related Documents.

During the Procurement Process, as a minimum, the following documents shall be obtained before commencement on site:

- List of workers;
- Safe Work Method Statement (SWMS) (and a Site Health and Safety Plan if requested by the Project Manager);
- Certificates of Currency for both Workers Compensation and Public Liability Insurances;
- ABCC Letter confirming compliance to the National Code of Practice for the Construction Industry.
- Schedule of Rates for any variation of works.
- Signed Subcontract Agreement

Note: It is Fredon Policy not to engage Sole Traders unless prior approval has been obtained from a Fredon Company Director.

3.5 Material Procurement (Service, Onsite Personnel and Coordinators)

When purchasing Materials from a Supplier, Service and Onsite personnel shall complete a Material Requisition Form (PRF-003) and have either the Procurement Department, their Coordinator or their Manager process it by:

- Phoning the Procurement Department on 02 9475 9455; or
- Emailing the Material Requisition to Procurement at procurement@fredon.com.au
- Having their Coordinator raise the Purchase Order in COINS in accordance with Clause 3.2

Phone Order requests are capped at \$1,000.

Order requests in excess of this value are to be emailed to either Procurement, the relevant Coordinator or Manager to be raised in COINS along with any relevant documents in accordance with Clause 3.2 above.

Material Requisition books are available from the Procurement Department and from the Fredon Management System on SharePoint, Material Requisition Form (PRF-003).

A purchase order number along with the contract number shall be issued once the Material Requisition has been processed by the Procurement Department.

The Purchaser shall then forward the Purchase Order number to the Supplier for Phone Orders.

The Procurement Department will issue the Purchase Order to the Supplier for email requested or Orders initiated by a Coordinator or Manager in COINS unless requested otherwise.

3.6 Purchasing Out of Hours, on Weekends or when COINS is not available

If Materials or Services are required either out of hours, on weekends or whenever COINS is not available, the following information shall be provided to the Supplier; and issued to the Procurement Department by email procurement@fredon.com.au or phone call the next business day.

- Material Requisition number;
- Contract number & name;
- Initials of the person requiring the Order; and
- Order value

The Purchase Order will be issued by the Procurement Department on the next business day.

3.7 Submain Control Sheet

Submain Control Sheet (PRF-009) shall be used for tracking changes to Major Cable Orders. Monitoring and updating shall be completed by the Project Manager or Coordinator from Site & uploaded directly into COINS.

The Procurement Department must be informed of any/all changes to the order, to update job costing.

3.8 Project Control Worksheet

Project Control Worksheet (PRF-008) shall be used for tracking changes to Major Orders, mainly lighting but can be used as an ancillary tool for changes to Orders. Monitoring and updating shall be completed by the Project Manager or Coordinator from Site. The Procurement Department shall be informed of any changes to the Order so the job costing is updated.

3.9 Labour Hire

When placing a requisition for a Labour Hire company, the following documents must be obtained before commencement on site:

- List of workers;
- Certificates of Currency for both Workers Compensation and Public Liability Insurances;
- ABCC Letter confirming compliance to the National Code of Practice for the Construction Industry.
- Schedule of Rates for any variation of works.

3.10 Hazardous Chemicals

Safety Data Sheets (SDS) are required for all Materials purchased that contain any form of hazardous chemicals or Materials. The purchaser must ensure that the Supplier provides the SDS with the purchased Materials. The Materials shall be listed in the Hazardous Chemicals Register (HSF-052) on site before being used by the Purchaser.

3.11 Capital Expenditure

Prior to placing Material Requisitions (PRF-003) for Capital Expenditure the Request for Capital Expenditure Form (APF- 061) must be completed and authorised in accordance with the Delegation of Authority Procedure (MSP-032) and emailed to the Procurement Department for Processing.

All items of Plant & Equipment must have an Asset number allocated from the Plant & Equipment register for that Division which must also be painted / engraved onto the equipment along with "Fredon" prior to being put into use

Where Capital Expenditure orders are being delivered to site please ensure full delivery address and site contacts details are included for reference on the order.

3.12 Development & Training

Prior to placing Material Requisitions (PRF-003) for Development and Training the Development and Training Application Form (HRF-001) must be completed and authorised in accordance with the Delegation of Authority Procedure and emailed to the Procurement Department for Processing.

3.13 Purchasing Company Uniforms, PPE and Stationery

Company uniforms are to be supplied and replaced in accordance with the EBA and the Uniform Policy (MSP-030) using the Uniform Requisition forms and submitted to the Procurement Department for processing. The forms are listed in Section 5.0 Related Documents.

Personal Protective Equipment (PPE) shall be provided in accordance with the EBA and the PPE policy (HSP-014). Request for Personal Protective Equipment Form (PPE) (PRF-023) shall be submitted to the Procurement Department for processing.

For Company Stationery the Material Requisitions (PRF-003) Form shall be submitted to the Procurement Department for processing.

3.14 Order Amendment

For Order Amendments, Order Amendment Form (PRF-004) and (PMF-217 Air Only) must be completed by the Project Manager / Coordinator and uploaded directly into COINS for processing in accordance with clause 3.0.

For Order Amendments (amended value only) these have the same staff sign-off Authorisation levels as per Clause 3.2.

The Procurement Department will review and process the Order and send it back to the Project Manager or Coordinator to issue to the Supplier/Subcontractor.

3.15 Request for Credit - Goods Return Authority

When required to return goods to the Supplier for credit, the Goods Return Authority form (PRF-005) shall be completed and approved by the Supplier. Prior to completing this form, the Supplier shall be contacted and advised of the goods being returned. Some Suppliers require a Goods Return Authority Form (GRA) to be completed before any goods will be accepted back for return.

3.16 Letter of Intent

Letters of Intent (PRF-002) can be used for Major Orders where official Contracts have not been finalised or executed.

Letters of Intent are subject to the finalisation and execution of the contract.

4.0 CONTROL OF COMPANY ASSETS (Vehicle, Plant and Equipment)

4.1 Purchasing Vehicles, Plant and Equipment

For the Procurement of Company Vehicles or Plant and Equipment consideration should be given to safety, suitability and the Safe Use, Inspection and Maintenance of Plant and Equipment Procedure (HSP-023) shall be complied with.

Requests for new vehicles should be directed to Procurement at procurement@fredon.com.au along with any specific fit out or accessory requirements to obtain pricing.

Once 3 quotations have been obtained by Procurement these shall be forwarded to the requestor and the requestor will then submit a Request for Capital Expenditure - Motor Vehicle form (APF-068) and have it approved by the Divisional Manager and Divisional Director.

Once approved at the Divisional level then email the signed off form to Procurement for final approval by the Group Managing Director and CEO prior to processing.

All accessories or fit outs not included by the Dealership shall require a separate Request for Capital Expenditure – Motor Vehicle form (APF-068) and be approved in accordance with the above process.

The Fleet Management Company will assist in obtaining quotations and coordinating deliveries, fit outs and sign writing on all company vehicles.

The Procurement of all Company Assets will be done in accordance with Clause 3.11 Capital Expenditure as above.

4.2 Company Vehicle Management

The Company Vehicles Management Procedure (APP-001) shall be followed when company vehicles require repairs or maintenance.

Vehicle Condition Reports for all company vehicles are to be filled out at the end of each month and forwarded directly to the designated Fleet Co-Ordinator of your business for reporting.

For Vehicle Maintenance and Servicing the driver can use any of our existing approved service Suppliers shown in the Fleet Management company's manual or alternatively any manufacturers approved dealership and follow the procedure below:

Step1: Book the vehicle in at your preferred approved service centre at a time convenient.

Step2: Identify the vehicle to the service centre as a Fleet Managed vehicle for authorisation and

payment.

Step3: Collect your vehicle and do not make any payments.

For any assistance call the Fleet Management company on the number provided in their manual.

4.3 Repairs and Maintenance of Plant and Equipment

For Plant & Equipment requiring repair the Project Manager or Site Supervisor will complete the Plant & Equipment Form (PMF-001) and issue it to the Procurement Department. A detailed description of the repairs must be identified in the "Repairs Required" column. The Project Manager or Site Supervisor will return the equipment to the office with the form for repairs. The Procurement Department will then arrange for the repairs to be made.

5.0 RELATED DOCUMENTS

For all related documents refer to Fredon Management System on SharePoint

6.0 GOVERNANCE

Responsibility

Document Owner	National Procurement Manager
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Revision Control and Change History

Revision No.	Date	Approved by	Amendment
1	25/02/2015	Group Executive Director	
2	8/09/2015	Group Executive Director	Update reflects organisational changes
3	2/02/2016	Group Executive Director	Update reflects MBA Limit increase
4	4/03/2016	Group Commercial Director	Update includes general amendments to procedures.
5	15/01/2018	Group Commercial Director	Inclusion of Delegation of Authority Procedure and general update of procedures.
6	30/09/2019	Bob Eyles	Update