



Major Capital Projects Policy

Introduction

Major capital projects undertaken by Melbourne Archdiocese Catholic Schools Ltd (MACS) schools must be:

- based on sound educational facility planning and principles
- financially affordable
- competitively tendered and demonstrate value for money
- appropriately documented and approved
- correctly executed
- executed with landowner(s) consent
- compliant with town planning and building code requirements.

The thresholds for major capital projects must align with the thresholds specified in the MACS Instrument of Delegation.

Schools that operate under the terms of a Right to Use Land and Buildings Agreement (RULBA) are required to seek approval from the Archdiocesan Building and Property Commission (ABPC) where projects are of a value greater than the specified thresholds.

Schools that operate on land beneficially owned by MACS require Executive Director approval for capital projects where the projects are of value greater than the specified thresholds.

Purpose

To establish the policy and procedure for the delivery of major capital projects in MACS schools.

Scope

This policy applies to:

- MACS primary, secondary, special and special assistance schools
- MACS primary school capital projects $\geq$ \$100,000
- MACS secondary, special and special assistance school capital projects $\geq$ \$300,000
- MACS staff involved in major capital project planning and delivery for MACS schools
- external contractors appointed by MACS office and MACS schools to assist with major capital project planning and delivery for MACS schools
- records associated with planning, approving and executing major capital projects for MACS schools.

Principles

School major capital projects are required to provide contemporary teaching and learning practices with buildings and grounds that are:

- well designed and based on the school's approved master plan that includes a design response to Catholic identity
- compliant and meet with relevant town planning and building codes
- the best use of financial resources and representing good value for money
- built with integrity and quality, and in accordance with the Procurement and Contract Management Policy
- considerate of all aspects of child safety.

There are three key phases to the delivery of capital projects:

1. design
2. delivery
3. hand over and occupancy.

Policy

Major capital project building, facilities and grounds compliance

- 1.1. The Minimum Standards and Requirements for School Registration published by the Victorian Registration and Qualifications Authority (VRQA) require that all school buildings, facilities and grounds must meet all legal and health and safety compliance requirements.
- 1.2. Major capital projects in MACS schools are required to:
 - 1.2.1. meet the Minimum Standards and Requirements for School Registration
 - 1.2.2. meet all legal and health and safety compliance requirements.
- 1.3. To demonstrate compliance, schools are required to have documented evidence of:
 - 1.3.1. a permit to operate an education centre on the school site(s)
 - 1.3.2. building and facility compliance with local planning regulations and with the Building Code of Australia, Class 9b or equivalent
 - 1.3.3. an essential safety measures register
 - 1.3.4. a maintenance program for buildings, facilities, grounds and essential safety measures
 - 1.3.5. policy and procedures to ensure the school complies with the *Occupational Health and Safety Act 2004* (Vic.)
 - 1.3.6. documentation that reasonable adjustments have been made for students and staff
 - 1.3.7. documentation that reasonable adjustments have been made for visitors with disability.

Major capital project preliminary requirements

- 2.1. As a preliminary requirement for all major capital projects, the school must have:
 - 2.1.1. an approved school master plan, developed in accordance with the [School Master Plan Policy](#)
 - 2.1.2. the capital project within the school's approved capital budget in accordance with the Operational and Capital Budgets Policy.
- 2.2. The master plan is required to identify:
 - 2.2.1. a staged approach to capital development including the costing for each stage.
 - 2.2.2. a design response to contemporary learning practice (Vision for Instruction)
 - 2.2.3. a design response to Catholic identity (*Form follows faith: Designing for Catholic identity in MACS schools*)
- 2.3. The principal is required to consult with the MACS Planning and Infrastructure team for preliminary planning of all major capital projects, as detailed in the Major Capital Project Procedures.
- 2.4. The MACS office will assign an Infrastructure Program Manager to assist the principal in the planning and execution of the major capital project.
- 2.5. The Infrastructure Program Manager is required to work with the principal to execute all major capital projects, as detailed in the Infrastructure Delivery – Service Standards.

Planning permit

- 3.1. Where a major capital project requires a planning permit approved by the Responsible Authority, the planning permit must be obtained prior to seeking ABPC or Executive Director approval.
- 3.2. Internal refurbishments generally do not require a planning permit, unless the refurbishment:

- 3.2.1. seeks to make a material change to the internal structure of the existing building or impact egress
- 3.2.2. is an addition to the existing building
- 3.2.3. changes the existing built form.
- 3.3. The Responsible Authority depends on the value and type of project, as detailed in Major Capital Projects Procedures.

Major capital project design – budget

- 4.1. An initial financial assessment is required to be undertaken by the principal and the MACS Finance team to determine:
 - 4.1.1. if the school can self-fund the capital project from a capital loan or cash reserves
 - 4.1.2. if the school cannot self-fund the capital project and therefore requires either financial assistance via a capital grant or from the Supplementary Capital Fund (SCF).
- 4.2. If the school requires:
 - 4.2.1. grant assistance, the principal is required to apply to Catholic Capital Grants (Vic.) Ltd (CCG) in accordance with CCG's annual application procedures
 - 4.2.2. assistance from the SCF, the principal is required to apply to CCG in accordance with CCG's annual application procedure and if unsuccessful, apply to SCF in accordance with SCF annual application procedure
 - 4.2.3. a transfer of funds from the School Building Fund, the transfer of funds must be in accordance with the requirements detailed in the Deductible Gift Recipient Policy.

Major capital project – approval

- 5.1. Major capital projects require the approval of the principal and the ABPC or MACS internal feasibility approval before the project can proceed.
- 5.2. Application for ABPC or Executive Director endorsement is to be made by the principal via the Infrastructure Project Application Form and is required to follow the ABPC application procedures outlined in Major Capital Projects Procedures.
- 5.3. Capital projects also require approval to proceed to tender or 'commitment to spend' stage, in accordance with the MACS Delegation Instrument as relevant to the school, and as outlined in Major Capital Projects Procedures.

Major capital project architect, superintendent and other consultants

- 6.1. Major capital projects must be:
 - 6.1.1. designed by a qualified architect or building designer, in accordance with the Major Capital Project Procedures, the [School Master Plan Policy](#), the MACS Master Planning Guidance Note for Schools, MACS Roof and Drainage Design Guidance Note and MACS Form Follows Faith designing for Catholic identity in MACS schools
 - 6.1.2. overseen by a qualified superintendent to ensure the contractual obligations of the Building Works Agreement (BWA) or Minor Works Contract (MWC) are fulfilled.
- 6.2. General Manager, Infrastructure Services and Capital Delivery approval is required for appointment of all major capital project consultants, including superintendents not on the list of recommended superintendents, all architects and all quantity surveyors.
- 6.3. Superintendent and consultant selection and appointment must be in accordance with the Procurement and Contract Management Policy.
- 6.4. Schools can only appoint project superintendents, architects and quantity surveyors by using the approved MACS Design Consultancy Agreement (DCA) contract template via their Infrastructure Program Manager.

Capital project delivery – tendering and contracting

- 7.1. MACS has developed an e-tender process to ensure a high level of probity is maintained and that all tenders are managed in accordance with AS4120-1994 Code of Tendering.

- 7.2. The superintendent is responsible for conducting the tender process on behalf of the principal and submitting tender documents to the MACS Infrastructure Program Manager prior to proceeding to tender.
- 7.3. The MACS Infrastructure Program Manager:
 - 7.3.1. is required to review tender documentation prior to tender
 - 7.3.2. will assist the principal and the superintendent in the tender process.
- 7.4. The principal is required to ensure the capital project superintendent:
 - 7.4.1. is instructed to follow the MACS e-tender process
 - 7.4.2. clearly understands the MACS e-tender process
 - 7.4.3. follows the MACS e-tender process, in accordance with Major Capital Projects Procedures.
- 7.5. The tender procurement process to shortlist for suitable building contractors for all projects must be publicly advertised in the Tender section of *The Age* newspaper at a minimum, plus any online platform or other regional newspaper that may be relevant. The advertisement should run on a Wednesday and Saturday for two consecutive weeks.
- 7.6. The MACS office may elect to remove any building contractor from the architect's nominated short list prior to proceeding to tender acceptance and approval.
- 7.7. In accordance with AS4120-1994 the 'best value' tenderer will be awarded the work.
- 7.8. Significant justification is required by the principal and superintendent where the recommended tender is not the lowest priced conforming tender.
- 7.9. Tender acceptance and approval must be executed by the MACS office prior to issuance of the Letter of Intent and construction contract in accordance with the MACS Delegation Instrument.

Capital project delivery – construction contracts

- 8.1. MACS has developed a suite of construction contract templates to preserve the interests of MACS schools in undertaking major capital projects.
- 8.2. Principals must ensure that:
 - 8.2.1. only the MACS-approved construction contracts are used for major capital projects/works
 - 8.2.2. construction contracts are only prepared once project and tender approvals are received in writing
 - 8.2.3. execution of construction contracts is in accordance with instructions from the Infrastructure Program Manager and the MACS Delegation Instrument
 - 8.2.4. construction contract bank guarantees required by the construction contract are delivered to MACS Head Office, James Goold House for secure storage

Capital project delivery – site establishment and OHS

- 9.1. In accordance with the BWA or MWC, MACS acknowledges that the capital project construction site and the safe conduct of all persons within the construction site is the primary responsibility of the contractor.
- 9.2. The principal must ensure that:
 - 9.2.1. a superintendent, usually the architect, is appointed at the commencement of contract administration for the project, including preparation and administration of the BWA or MWC, until the completion and acquittal of the project
 - 9.2.2. the superintendent holds an important function in occupational health and safety, including providing an appropriate site induction to all capital project contractors and making contractors aware of any site-specific risks that may be relevant to the construction project, with specific reference to any known site contamination, hazardous materials or asbestos
 - 9.2.3. the superintendent establishes routine fortnightly site meetings during the construction stage with the head contractor, principal or school representative and/or Infrastructure Program Manager present at each site meeting
 - 9.2.4. any OHS breaches are promptly reported to WorkSafe Victoria as required and the Infrastructure Program Manager

- 9.2.5. the contractor executes his/her responsibility for any required essential safety measures for the capital project up to and including the end of the defects period.
- 9.3. Very large or complex capital projects may require the appointment of an external project manager who may also act as superintendent.
- 9.4. The requirement for a project manager will be determined by the Chief Planning and Infrastructure Officer or the General Manager, Infrastructure Services and Capital Delivery.

Capital project delivery – variations, extensions of time and defects

- 10.1. During the construction period, the principal must ensure that the superintendent:
 - 10.1.1. executes all procedures outlined as the superintendent's responsibility in the Procedures section of this policy
 - 10.1.2. responds to all notices and instructions from the building contractor in a timely manner and in accordance with the BWA or MWC
 - 10.1.3. withholds agreement to any price variations until approval is obtained from the appropriate financial delegate, in accordance with MACS Delegation Instruments and the price of the variation, in accordance with the MACS Delegation Instrument
 - 10.1.4. withholds agreement for extensions of time until approval is obtained from the Infrastructure Program Manager
 - 10.1.5. prepares, distributes and retains accurate records (agendas and minutes) for every site meeting
 - 10.1.6. provides an electronic copy of site meeting records to Infrastructure Program Manager
 - 10.1.7. updates the Webcert project management system applicable to grant funded projects, as detailed in Major Capital Projects Procedures.

Capital project delivery – reporting requirements

- 11.1. Superintendents are required to report on performance against original time and cost parameters monthly to MACS Planning and Infrastructure team, as defined in the Major Capital Projects Procedures.
- 11.2. Capital projects in progress are to be recorded as a Work In Progress (WIP) in the school's balance sheet. A WIP cannot be depreciated.
- 11.3. The Director, Finance, Infrastructure and Digital will report to the MACS board via the MACS Finance and Audit Board Committee, any project that is of high risk against:
 - 11.3.1. estimated time to complete the capital project
 - 11.3.2. estimated cost to complete the capital project
 - 11.3.3. contractual risk, including risk within the RULBA criteria.

Hand over and occupancy – practical completion

- 12.1. Once a project has reached practical completion, a certificate is issued by the superintendent, and the principal must ensure that:
 - 12.1.1. all architectural plans, certificates, manuals, warranties and 'as-built' documentation is received from the superintendent and appropriately maintained at the school
 - 12.1.2. a copy of the documentation is provided to the Infrastructure Program Manager who will seek to release a portion of the bank guarantee to the contractor in accordance with the BWA or MWC
 - 12.1.3. where an occupancy permit or certificate of final inspection is issued to the school, it is displayed in a prominent place at the entrance of the building and as advised by the building surveyor
 - 12.1.4. a copy of the occupancy permit or certificate of final inspection is provided to the Planning and Infrastructure team
 - 12.1.5. a register of all outstanding defects has been prepared by the superintendent and provided to the principal, Infrastructure Program Manager and the contractor in accordance with Major Capital Projects Procedures, acknowledging that the

building contractor has 12 months to finalise defects in accordance with the BWA or MWC

- 12.1.6. the capital project is transferred from WIP to school building assets on the school's balance sheet and is depreciated from the date of commission, in accordance with the Fixed Assets and Depreciation Policy
- 12.1.7. a post-occupancy evaluation is conducted for projects $\geq$ \$1,000,000
- 12.1.8. essential safety measures associated with the new building/works are documented in the school's essential safety measures register and testing regime
- 12.1.9. maintenance requirements associated with the new building/works are documented in and added to the school's maintenance program.

Final completion hand over, occupancy and end of defect period

- 13.1. At the end of the 12-month construction defect liability period, the principal must ensure that the superintendent has:
 - 13.1.1. worked with the contractor to resolve all defects and document resolved defects in accordance with Major Capital Projects Procedures
 - 13.1.2. documented any outstanding defects that will remain unresolved
 - 13.1.3. informed the Infrastructure Program Manager in writing of the finalisation of defects, and where they exist, any remaining defects that will not be resolved.
- 13.2. On receipt of advice of finalisation of defects, MACS will release the residual bank guarantee to the building contractor.
- 13.3. Following the satisfactory completion of the defects liability period, the superintendent will issue a final certificate for the works.
- 13.4. Additionally, for government-funded projects, the principal must ensure that:
 - 13.4.1. the acknowledgement and opening ceremony is performed in accordance with the government guidelines provided by CCG
 - 13.4.2. CCG acquittal documentation is completed, audited and appropriately returned to CCG.

Capital project professional development

- 14.1. The MACS office will provide professional development in relation to this policy and its associated procedures for principals and architects on an annual basis.

Capital project records

- 15.1. All documentation associated with major capital works is subject to both the Financial Records Management and Accountable Documents Management Procedures and the Information and Records Management Policy, as appropriate to the nature of the record:
 - 15.1.1. project approvals, tenders and tender approvals, purchase orders, contractor invoices and payments are financial records
 - 15.1.2. all other project records are infrastructure records.
- 15.2. Financial records should be retained and made available to internal and external auditors and other authorised agencies on request.
- 15.3. Infrastructure records should be retained and made available to internal and external auditors and other authorised agencies on request.

Definitions

Archdiocese Building and Property Commission (ABPC)

The Archdiocese Building and Property Commission is a consultative body appointed by the Archbishop to advise him, the Executive Director's Stewardship's office and parishes in the best use of the lands and buildings. Previously known as the PBFC.

Building Works Agreement (BWA)

MACS-approved modified AS400 construction contract or Minor Works Agreement template to engage building practitioners for capital works.

Catholic Development Fund (CDF)

Catholic Development Fund is the MACS-preferred financial institution.

Catholic Capital Grants (Victoria) Limited (CCG)

CCG is the BGA for Victorian Catholic schools and receives and allocates government funds under the *Australian Education Act 2013* (Cth), and most other capital grant programs, in the form of grants to participant schools.

Construction contract

The MACS-approved contract template for the engagement of the head building contractor for capital works.

Delegate

A role, position or group (such as a committee) that has authority to act or make decisions in the manner and to the extent prescribed in the delegation instrument.

Delegation

The powers, authority, duties and functions delegated to a role, position or group (such as a committee) by the MACS board and contained in the delegation instrument.

Design Consultancy Agreement

MACS-approved consultancy agreement to be used to engage consultants, such as architects, for master planning and capital works.

Expression of Interest (EOI)

Expression of Interest by a tenderer, in response to a tender advertisement.

Landowner

MACS school land is owned by the Roman Catholic Trusts Corporation (RCTC).

Melbourne Archdiocese Catholic Schools Ltd (MACS)

MACS is a reference to Melbourne Archdiocese Catholic Schools Ltd, and / or its subsidiaries, MACSS and/or MACSEYE (as the context requires).

Melbourne Archdiocese Catholic Schools Early Years Education (MACSEYE)

Melbourne Archdiocese Catholic Schools Early Years Education, a wholly owned subsidiary of MACS established to conduct and operate Early Years Education and Out of Hours Services.

Melbourne Archdiocese Catholic Specialist Schools Ltd (MACSS)

Melbourne Archdiocese Catholic Specialist Schools Ltd, a wholly owned subsidiary of MACS established to conduct and operate specialist schools.

Major capital projects

Projects ≥ \$100,000 for MACS primary schools and ≥ \$300,000 for MACS secondary, special and special assistance schools.

Notifiable incident (WorkSafe)

Under the *Occupational Health and Safety Act 2004* (Vic.), employers and self-employed persons must notify WorkSafe immediately after becoming aware an incident has occurred. Failure to report an incident to WorkSafe is an offence and may result in prosecution. Refer to the [WorkSafe Guide to incident notification](#) for further information.

Practical completion

As defined by the BWA, Clause 1, 'Practical Completion'.

Principal

The role of the principal in a MACS school is to lead and manage the planning, delivery, evaluation and improvement of the education of all students.

Roman Catholic Trusts Corporation for the Archdiocese of Melbourne (RCTC)

The RCTC holds, manages and deals with land in conformity with express trusts where applicable and otherwise as the trustees from time to time by resolution direct.

Responsible Authority

The authority responsible for approving and issuing a planning permit for a major capital project. The relevant authority is linked to the value of the project, as detailed in Procedures point 2 of this policy.

Right to Use Land and Building Agreement (RULBA)

Right to Use Land and Building Agreement, executed between the RCTC and MACS.

School environment

Means any of the following physical, online or virtual places used during or outside school hours:

- a campus of the school
- online or virtual school environments made available or authorised by MACS or a MACS school for use by a child or student (including email, intranet systems, software, applications, collaboration tools and online services)
- other locations provided by the school or through a third-party provider for a child or student to use including, but not limited to, locations used for camps, approved homestay accommodation, delivery of education and training, sporting events, excursions, competitions and other events ([Ministerial Order No. 1359](#)).

Safety in Design (SiD)

Safety in Design, as applicable to the architectural design of buildings and other major capital works.

Superintendent

The role as defined in the MACS-approved DCA and BWA.

Victorian School Building Authority (VBSA)

Victorian School Building Authority is part of the Victorian Department of Education and manages education construction.

Victorian Registration and Qualifications Authority (VRQA)

The Victorian Registration and Qualifications Authority, the regulator of Victorian schools and school boarding premises.

Webcert

CCG capital project management system.

WIP

Capital project 'work in progress' prior to the capital project completion stage.

Works

Works associated with the major capital project.

Work under Contract (WUC)

Work under contract refers to the work which the contractor is or may be required to execute under the contract and includes all variations, remedial work, constructional plant and temporary works.

Related policies and documents

Supporting documents

Major Capital Project Procedures

Related MACS policies and documents

[Fixed Assets and Depreciation Policy](#)

[Procurement and Contract Management Policy](#)
[School Master Plan Policy](#)
[School Provision Planning Policy](#)
[Supplementary Capital Funding Policy](#)

Resources

[Australian Building Codes Board](#)
[Australian Standard Code of Tendering \(AS4120-1994\)](#)
[Building Act 1993 \(Victoria\)](#)
[DET Building Quality Standards Handbook](#)
[Form follows faith: Designing for Catholic identity in MACS schools](#)
[Green Building Council of Australia](#)
[Green Star Sustainable Products Calculator](#)
[Managing Asbestos in Workplaces \(WorkSafe\)](#)
[National Construction Code](#)
[Notifiable incidents \(WorkSafe\)](#)
[Occupational Health and Safety Act 2004 \(Victoria\)](#)
[Occupational Health and Safety Regulations 2017, Division 5](#)
[ABPC Application Form](#)
[Removing Asbestos in Workplaces \(WorkSafe\)](#)
[Victorian Building Authority](#)
[Victorian Building Authority Essential Safety Measures Maintenance Manual](#)
[Victorian School Building Authority](#)
[Flourishing Learners position statement, Vision for Instruction](#)
[VSBA Building Quality Standards Handbook Section 3.5.2 – Sustainability](#)
[Work Health and Safety \(Construction Work\) Code of Practice 2015](#)
[WorkSafe Guide to incident notification](#)
[WorkSafe Victoria – Safe work method statements](#)
[VRQA Minimum Standards and Requirements for School Registration](#)

Policy information

Responsible director	Director, Finance, Infrastructure and Digital
Policy owner	Chief Planning and Infrastructure Officer
Approving authority	MACS Executive Director
Assigned board committee	Finance and Audit Board Committee
Approval date	26 September 2024
Risk Rating	Moderate
Date of next review	September 2028
Publication	CEVN

POLICY DATABASE INFORMATION	
Assigned framework	Infrastructure
Supporting documents	Major Capital Project Procedures Tender Process Flow Chart MACS Capital Contractual Delegation Instrument MACS Master Planning Guidance Notes for Schools MACS Primary School Financial Delegation Instrument MACS Secondary, Special and Special Assistance School Financial Delegation Instrument MACS Primary School Financial and Administrative Procedures Manual, Chapter 3 – Budgeting and Cash Flow Forecasts MACS Primary School Financial and Administrative Procedures Manual, Chapter 6 – Purchasing and Payment Procedures MACS Primary School Financial and Administrative Procedures Manual, Chapter 13 – Assets and Insurance MACS Roof Design Guidelines

	MACS Tender Opening Record Form MACS Tender Evaluation Spreadsheet
Superseded documents	Major Capital Projects Policy – v1.0 – 2021 Major Capital Projects Policy – v2.0 – 2022
New policy	