

## NSW Public Works Department's New Charter

- John Tyrtil

The Public Works Department of New South Wales has been formally provided with a new charter by the New South Wales Government, which involves an enhanced role as the Government's key adviser in relation to the State's capital works programme.

Due to PWD's new responsibilities, this development will affect public sector policies, practices and contracts in New South Wales and, to some extent, might influence public and private sector procurement elsewhere.

PWD, in conjunction with Treasury and the Premier's Department, will develop standards and practices on behalf of the Government for adoption by all State Authorities. A Central Agency will be responsible for monitoring adherence to these standards and practices.

It shall be interesting to observe whether this will lead to a standardisation of general conditions of contract for NSW Government projects.

PWD shall be the Government's key advisor on the following matters relating to the development, management and conservation of the State's natural and built assets:

- demand management;
- alternative capital works strategies;
- private infrastructure development;
- strategic asset planning;
- capital works planning;
- maintenance planning;
- value management;
- life cycle costing; and
- heritage issues.

It has also been decided that PWD shall provide leadership in and interact with the building and construction industry on:

- total quality management;
- industrial agreements which affect efficiency;
- a Code of Conduct;
- consulting and contracting policies, standards and practices.

The PWD has been selected to be the NSW Government's "Manager of Project Risk", when dealing with the building and construction industry, except where other Government Authorities have the necessary skills and experience to manage the process themselves.

PWD shall have a role in managing the interface with the building and construction industry on high risk projects in relation to the following:

- the allocation of project risks between the public and private sectors;
- selection of the procurement strategy for the project;
- briefing the private sector and specifying requirements;
- maintaining panels of competent consultants and contractors and inviting tenders;
- selecting the appropriate tender processes and properly managing them to ensure probity, public accountability and value for money;
- independent auditing procedures;
- acting as the Principal in contracts;
- certifying valuations, variations, negotiating claims, extensions of time, and performance bonuses;
- making progress payments and final payments;
- accounting for expenditure; and
- negotiating and resolving claims.

PWD's services to clients will include development management, project management, contract management, construction management and asset management.

It is not yet known which of the other Departments are regarded as having the necessary skills to continue with their own construction programmes. However, the Legislative Council Standing Committee On State Development's report "Public Sector Tendering And Contracting In New South Wales - Capital Works Tendering And Contracting: Volume B" (reported on elsewhere in this Issue) comments at page xvii that:

"All organisations within the inner budget sector, apart from the Roads and Traffic Authority, are from the end of 1991 required to obtain their capital works with the assistance of the Public Works Department. PWD now has complete control of what it calls the 'interface' between client organisations and the construction industry." □