

SCHEDULE 1 – Statement of Requirement

(DFAT is seeking industry feedback on all aspects of the Schedule 1 and the following is provided on a draft basis only)

1. BACKGROUND

- 1.1. Under the *Joint Understanding between Australia and Papua New Guinea on further bilateral cooperation on health, education and law and order* (the JU), Australia has committed to co-fund the redevelopment of the ANGAU Memorial Hospital (ANGAU) with the Government of Papua New Guinea (GoPNG).
- 1.2. ANGAU is located in the city of Lae, Papua New Guinea which is one of the largest cities in Papua New Guinea and the industrial hub of the nation. ANGAU serves as a district hospital for the 149,000 residents of Lae; a provincial hospital for the 675,000 residents of Morobe; and a regional referral hospital for the 1.9 million residents of the Momase Region.
- 1.3. Australia will invest up to A\$207 million to redevelop infrastructure at ANGAU. The Australian High Commission (AHC) has completed a Masterplan for the redevelopment of ANGAU (refer to separate attachment on the Business Opportunities and Notifications webpage) which sets out a staged plan for the redevelopment to align with the future needs of the provincial health care system. This will require the progressive redevelopment of existing health services infrastructure at ANGAU, including the demolition of existing structures; refurbishment of extant buildings; construction of new facilities; installation of furniture, fixtures and equipment; and the operational and clinical commissioning of the revitalised facilities. It will also be essential that ANGAU retain the ability to provide the full range of health care and ancillary services during the period of the redevelopment.
- 1.4. To support the redevelopment of ANGAU, the AHC requires the services of an experienced managing contractor with a proven track record in successfully delivering health infrastructure to establish and manage a project delivery office (PDO). The PDO will be responsible for overseeing the delivery of the ANGAU redevelopment, including acting as AHC's agent in the procurement and management of design and construction services. The PDO will require specialist knowledge of health infrastructure and the ability to oversee delivery of a complex project in a challenging environment. The PDO will need to be flexible and scaleable to adjust to emerging priorities including the likelihood of adjustments to scope, timeframes and budget envelope during the course of the project.

2. OBJECTIVE

- 2.1. The project objective is to redevelop ANGAU in alignment with the approved ANGAU Masterplan and deliver a high quality facility for the people of Papua New Guinea.

3. GOVERNANCE ARRANGEMENTS

The Government of Australia

- 3.1. The Government of Australia (GoA) is providing up to A\$207 million towards the redevelopment of ANGAU, of which up to \$150 million is allocated for capital works to be delivered by the PDO. The GoA will be represented by the Australian High Commission in Port Moresby in the delivery of this project. The PDO, through its team leader, will report to a designated representative of the AHC in Port Moresby and other AHC staff as directed.

The Government of Papua New Guinea

- 3.2. The Government of Papua New Guinea (GoPNG) has committed to co-funding the redevelopment of ANGAU. It is anticipated that GoPNG co-funding of up to \$150 million will be made available to the PDO through a trust account to fund capital works at ANGAU. GoPNG will be represented in this project through the National Department of Health and those agencies represented on the ANGAU Steering Committee.

Joint Understanding Consultative Committee

- 3.3. The JUCC is a joint committee co-chaired by the Chief Secretary to the Government of Papua New Guinea and the Australian High Commissioner. Its role is to oversee the implementation of the JU. The JUCC meets frequently to review progress against key commitments in the JU and to provide advice on issues elevated by sectoral Steering Committees established to manage projects in the education, health, law and justice and transport sectors.

ANGAU Steering Committee

- 3.4. The ANGAU Steering Committee comprises representatives of ANGAU, the National Department of Health; the Department of National Planning and Monitoring; the Department of Finance; the Department of Treasury; and the Australian High Commission. The ANGAU Steering Committee meets on a monthly basis and reports to the JUCC. The ANGAU Steering Committee has primary oversight and decision making responsibility for:
- (a) facilitating clear operational level communication between the AHC, GoPNG counterpart departments, contractors and other stakeholders;
 - (b) endorsing key deliverables such as project workplans; designs, and reports and audits;
 - (c) providing advice on operational matters as necessary, including the incorporation and application of relevant GoA and GoPNG policies as they relate to the project;
 - (d) identifying emerging priorities and advising on managing risks;

- (e) evaluating progress against project objectives;
- (f) identifying issues for elevation to the Joint Understanding Consultative Committee (JUCC) as required.

ANGAU Board

- 3.5. The ANGAU Board is responsible for ensuring the effective management of ANGAU. The ANGAU Board meets on a monthly basis and reports to the Morobe Provincial Health Authority. While the ANGAU Board delegates responsibility for operational management to the ANGAU CEO, it plays a key role in ensuring appropriate governance and accountability mechanisms are in place; strategic planning for future service requirements; that services are delivered to a high standard in compliance with NDOH regulations; that appropriate financial management systems and procedures are in place; and that infrastructure is appropriate for service delivery requirements. All works planned as part of the redevelopment of ANGAU will require the approval of the ANGAU Board.

PDO

- 3.6. The PDO will act as the AHC's commercial advisor and agent in the delivery of the ANGAU redevelopment. The PDO will be responsible for providing effective management and oversight of the ANGAU redevelopment to support the delivery of high quality, fit for purpose facilities on time and within budget. The PDO's role will encompass:
- (a) managing the design, procurement, construction and commissioning of works, facilities and services at ANGAU, including engaging consultants and works contractors directly;
 - (b) supporting ANGAU and NDOH to complete operational commissioning of the facilities and clinical operations, including commissioning of clinical spaces and equipment; and
 - (c) managing the procurement and delivery of facilities maintenance services, including capacity building of the facilities management team at ANGAU.

4. THE SERVICES

- 4.1. The PDO must provide all Services necessary to manage and oversee the redevelopment of ANGAU. The PDO must establish effective project management procedures and project controls to support effective delivery of the ANGAU redevelopment in accordance with agreed targets in terms of schedule, budget and quality. Key services will include:

Provision of Logistical, Administrative and Secretariat Support

- 4.2. The PDO must provide logistical, administrative and secretariat support to the ANGAU Steering Committee and other project related events and meetings. As directed by the AHC, the PDO must:
- (a) provide and/or facilitate venue arrangements, including venue hire if necessary;
 - (b) organise and pay for travel and accommodation arrangements for ANGAU Steering Committee members and other committees as required;
 - (c) prepare and collate research, reports, briefings and documents in preparation for meetings;
 - (d) provide presentations, analysis and recommendations to the ANGAU Steering Committee and other decision making bodies as directed by DFAT ;
 - (e) prepare and circulate a draft agenda at least **ten (10) working days** in advance of scheduled meetings;
 - (f) draft and circulate meeting minutes no more than **five (5) working days** following meetings;
 - (g) chair and facilitate meetings and events as required; and
 - (h) undertake other administrative tasks as reasonably directed by the AHC.

Establishment and Management of PDO offices and staff

- 4.3. The PDO must manage the provision, staffing and operation of PDO offices in Lae. The PDO must:
- (a) ensure the effective engagement and management of all Personnel including:
 - (i) accepting novation of existing staff in designated positions as directed by the AHC;
 - (ii) facilitating secondment of GoA and GoPNG personnel to work alongside the PDO as directed by the AHC;
 - (iii) recruitment of suitably qualified Personnel to staff the PDO office and deliver project objectives, as agreed with the AHC;
 - (iv) ensuring an appropriate team composition is in place to ensure effective redevelopment of ANGAU whilst ensuring the personnel profile remains scaleable to adjust to changes in project scope and budget;

- (v) ensure that all personnel have up-to-date Terms of Reference and that terms of reference are submitted to the AHC for approval prior to recruitment;
 - (vi) ensuring that proposed Personnel inputs are derived from and incorporated in the approved Project Management Plan and accounted for in the Monthly Financial Reports, including indicative duration of engagement, overall costs and anticipated outputs and objectives;
 - (vii) mobilising Personnel in a timely manner and against an approved schedule, including organising travel, accommodation, visas and itinerary;
 - (viii) provision of pre-mobilisation briefings to Personnel covering work health and safety, security; medical/health situation; cultural environment; PDO objectives and context; operational procedures; and relevant contract obligations;
 - (ix) management of the performance of Personnel to ensure the successful delivery of the PDO's objectives; and
 - (x) ensuring compliance with all relevant legal, employment and tax regulations and provisions regarding the engagement of Personnel;
- (b) provide and maintain appropriate office facilities in the existing site office in Lae including:
- (i) maintaining and equipping the offices, inclusive of meeting rooms to facilitate project activities;
 - (ii) effectively managing office costs including rent, utilities, insurance, communications and consumables;
 - (iii) ensuring appropriate security and work health and safety arrangements are in place;
 - (iv) procurement and maintenance of vehicles; and
 - (v) maintaining a functioning IT network system for the offices;
- (c) maintain information systems, both electronic and manual, for all project documentation;
- (d) purchase equipment and materials for the office (including office equipment and furniture); and
- (e) obtain and maintain all necessary office insurances.

Establishment and Operation of PDO operational, financial and accounting systems

- 4.4. The PDO must ensure the effective management of operational, financial and accounting systems. The PDO must:
- (a) establish financial management policies, systems and procedures and financial reporting for the project to monitor financial cash flows including balances, reconciliations and forecasts;
 - (b) develop and maintain policy and procedures manuals, including a PDO Operations Manual in accordance with Clause 5.2(a);
 - (c) manage the PDO finance and accounting system and records to ensure the provision of timely and accurate financial and procurement information including:
 - (i) preparation of accurate Monthly Financial Reports of expenditure and financial forecasts; and
 - (ii) provision of ad hoc variation reports, exception reports and forecasts as requested by the AHC;
 - (d) establishing and managing project accounts, including trust and/or imprest account(s), including:
 - (i) identifying the project account structures required for co-funding by GoPNG and GoA to deliver the ANGAU redevelopment;
 - (ii) identifying the protocols and approvals required to establish the accounts, including consulting with GoA and GoPNG stakeholders and ensuring accounts align with relevant GoA and GoPNG financial management regulations;
 - (iii) establishing accounts and ensuring compliance with relevant GoA and GoPNG financial management regulations; and
 - (iv) developing and applying governance protocols for management of the accounts and replenishment and disbursement of funds that comply with relevant GoA and GoPNG policies;
 - (e) managing funding provided for PDO activities, including:
 - (i) providing a suitable and effective management accounting and financial accounting function;
 - (ii) certifying invoices and processing payment against delivery by suppliers subject to satisfactory completion of work;
 - (iii) actively monitoring, controlling and reporting on project costs to ensure cost effectiveness and that project remains within its budget envelope;
 - (iv) identifying and managing financial risks to project delivery;

- (f) maintaining auditable financial and administrative records up to date and to a standard consistent with Commonwealth requirements;
- (g) engaging an independent third party to undertake annual audits of the project accounts, including project trust and/or imprest accounts; and
- (h) obtaining and maintaining all necessary insurances, including insurance for project assets (including insurance for works and equipment prior to commissioning and handover), professional indemnity, and public liability insurance.

Stakeholder Engagement and Communications

4.5. The PDO must manage delivery and development of PDO communications and stakeholder engagement services including:

- (a) establishing and maintaining an ANGAU Stakeholder Engagement and Communications Strategy, to be updated and maintained as current;
- (b) engaging with key stakeholders including the AHC and other GoA entities, relevant GoPNG stakeholders, ANGAU Steering Committee, ANGAU staff and management, government and community representatives and to further PDO objectives,
- (c) development and maintenance of an ANGAU redevelopment website and social media sites with relevant information, e-groups and interactive capability;
- (d) preparation of promotional material for key aspects of the ANGAU redevelopment work, including written, internet web page and audio visual material tailored for specific audiences in consultation with the AHC;
- (e) organising and manage travel, logistics and coordination of events and large public meetings to facilitate community consultation and promote the ANGAU redevelopment;
- (f) identifying public diplomacy opportunities for the ANGAU redevelopment as directed by the AHC; and
- (g) ensuring PDO funding and activities are appropriately branded in accordance with the AHC policy '<http://dfat.gov.au/about-us/corporate/Pages/branding-aid-projects-and-initiatives.aspx>'

Project Planning

4.6. The PDO must undertake project planning and preparation to facilitate effective delivery of the ANGAU redevelopment. The PDO must:

- (a) undertake detailed analysis of the ANGAU Masterplan and document its findings in a ANGAU Masterplan Prioritisation Report. The ANGAU Masterplan Prioritisation Report must provide a recommended pathway for

the redevelopment of ANGAU to a fully functional facility for approval by the AHC. The proposed approach must take account of:

- (i) future service demands;
 - (ii) potential for alternative models of care;
 - (iii) workforce planning requirements;
 - (iv) relationship with the provincial health system;
 - (v) the need to decant existing hospital functions in order to maintain ANGAU as a working hospital during the redevelopment;
 - (vi) stakeholder views and priorities; and
 - (vii) budgetary constraints, including consideration of recurrent costs;
- (b) develop a detailed Project Management Plan for the staged redevelopment of ANGAU based on the agreed recommendation for approval by the AHC. The Project Management Plan must be maintained as current and include:
- (i) stakeholder meeting schedules and governance arrangements;
 - (ii) Mobilisation Plan for establishing systems and processes and mobilising resources to redevelop ANGAU Human Resources Plan outlining approach to the deployment of personnel and overall approach to their assignments;
 - (iii) Works Plan outlining:
 - (A) proposed approach to tendering work packages to facilitate progressive redevelopment of ANGAU in line with the approved ANGAU Masterplan Prioritisation Report;
 - (B) proposed project budget and relevant cashflows;
 - (C) schedule for project activities, including a detailed master programme and critical path analysis covering planning and approvals, interim and preparatory works, design, construction, commissioning and handover;
 - (iv) Commercial Management Plan outlining the PDO's approach to managing procurements and contracts to maximise value in accordance with the Commonwealth Procurement Rules;
 - (v) Quality Management Plan to ensure works are delivered to a high standard and in accordance with applicable policies, standards, regulations and codes;
 - (vi) Environmental Management Plan in accordance with regulatory requirements. The Environmental Management Plan must

address procedures for minimising waste; handling and disposal of hazardous materials, including asbestos containing materials (ACM), radioactive material and unexploded ordnance (UXO);

- (vii) a current version of the contractor's Work Health and Safety Management System. As a minimum, the PDO's WHS Management System must demonstrate compliance with all the duties of a person/organisation with a business or undertaking (Person Conducting a Business or Undertaking (PCBU) as specified under WHS legislation. The WHS Management System shall include:

- A. WHS Policy;
- B. WHS objectives and targets;
- C. organisational structures, WHS roles and responsibilities in-country; and
- D. procedures including:
 - consultation and communication;
 - WHS hazard management;
 - construction risk management;
 - emergency preparedness and response;
 - auditing and inspections;
 - performance monitoring;
 - training and induction;
 - management review;
 - safe work practices;
 - performance reporting on a monthly basis addressing the number of incidents and type, nature of incident, number of hazards and hazard types and any non-compliance with legislative requirements; and
 - procedures for regularly reviewing the WHS Management System.

The AHC may request the PDO to improve its WHS Management System where the AHC considers that the PDO's WHS Management System is deficient with regards to the

business or undertakings being conducted in relation to the redevelopment of ANGAU.

- (viii) Risk Management Plan consistent with ISO9000 and incorporating a review of risks associated with the ANGAU redevelopment and mitigating strategies, including evaluation of new risks as they emerge; and
- (ix) Stakeholder Engagement and Communications Strategy including details of public relations and communications initiatives and how the PDO will maximise opportunities for public diplomacy and positive publicity on the ANGAU redevelopment;

The Contractor must make amendments to the Project Management Plan as reasonably requested by the AHC.

Project Risk Management

4.7. The PDO must actively monitor and manage project risks including:

- (a) developing and maintaining a comprehensive risk management framework that addresses risks to project delivery and risks associated with key DFAT policies such as WHS (including hazardous materials), fraud control, anti-corruption, child protection, resettlement and the environment;
- (b) proactively identifying risks to the delivery of the ANGAU redevelopment;
- (c) analysing the potential impact of risks to identify appropriate management strategies;
- (d) advising the AHC of potential risks to project delivery and proposed mitigation strategies as appropriate; and
- (e) taking appropriate action to avoid or mitigate risks.

Management of Procurement and Contracts

4.8. The PDO must undertake procurement and management of contracts as required to support the redevelopment at ANGAU. The PDO must:

- (a) optimise tendering of equipment, design and construction work packages based on the agreed designs to ensure cost effective, efficient and timely delivery;
- (b) manage procurements and contracts to support the project and project activities as required in accordance with the key principles of the *Commonwealth Procurement Rules*, including:
 - (i) arranging and delivering industry and community briefings about forthcoming PDO procurements;

- (ii) advertisement of tenders as appropriate, including arranging advertising in print media and through the PDO website and social media sites;
- (iii) developing pro forma approach to market and agreement documentation based on industry standard templates (e.g. FIDIC, ICE, NEC, JCT for works). Contracts must include provisions that:
 - (A) ensure that appropriate warranties are secured;
 - (B) ensure assets are free from defects in design, material, manufacture or workmanship;
 - (C) require replacement of defective assets under warranty provisions or at supplier's cost;
 - (D) require compliance with key Commonwealth regulatory and legislative requirements;
- (iv) preparing approach to market and 'for construction' documentation for tendering, construction and fit-out including:
 - (A) drawings;
 - (B) room data sheets;
 - (C) architectural and engineering specifications including details of finishes, fixtures and fittings;
 - (D) medical equipment specifications reflecting outcomes of user group consultations;
- (v) seeking and obtaining stakeholder endorsement for designs, drawings and tender documentation as necessary prior to issue of an approach to market;
- (vi) issuing clarifications to tenderers during briefings and the tender opening period as required;
- (vii) facilitating technical and price assessments of tenders received by appropriately qualified experts to ensure value for money outcomes;
- (viii) ensuring contracts are awarded in a manner that ensures the fair and equitable treatment of potential suppliers;
- (ix) advising all tenderers of the outcome of selection processes;
- (x) providing debriefs to unsuccessful tenderers when requested;
- (xi) establishing and manage a grievance mechanism to enable the independent review of any complaints received during tender processes;

- (xii) negotiating with potential suppliers to optimise commercial terms and conditions;
- (xiii) verifying that potential suppliers have management systems in place to ensure appropriate management of construction, including systems for quality assurance and management, WHS and environmental risk;
- (xiv) entering into contracts with preferred suppliers;
- (xv) preparing and issue contract award notices on the PDO website and social media sites;
- (xvi) ensuring that contractors have all appropriate insurances, including professional indemnity and public liability insurances as necessary;
- (xvii) undertaking due diligence checks to verify potential supplier's claims and ensure preferred suppliers are appropriately qualified, financial viable and capable of delivering the services required;
- (xviii) maintaining an agreements database which can synthesize key operational data on tenders and suppliers;
- (xix) maintaining complete and accurate records documenting the procedures followed in managing procurements and contracts;
- (xx) actively monitoring the input costs of all procurements and contracts to ensure cost effectiveness and value for money; and
- (xxi) providing regular advice to GoPNG and AHC representatives on outstanding contractual and agreement matters, including financial reporting and acquittals;
- (xxii) obtaining endorsement by GoPNG and the AHC for the outcomes of tender processes as necessary; and
- (xxiii) accepting novation of existing contracts for supply of equipment, works and services associated with the ANGAU redevelopment as directed by the AHC.

Preparatory and Early Works

- 4.9. The PDO must manage preparation of the ANGAU site for renovation and/or construction in alignment with the ANGAU Masterplan. The PDO must:

- (a) confirm site viability to inform the design and quantify risk and opportunities, including:
 - (i) reviewing outcomes of pre-existing site inspections in light of the planned development;
 - (ii) undertaking any additional site inspections as necessary prior to construction including geotechnical; asbestos, UXO and other hazardous materials or contaminants; and
 - (iii) providing all necessary supplementary data on surveys, site conditions, adverse rights and site accessibility that have the potential to impact the redevelopment;
- (b) ensure all necessary approvals are in place to allow redevelopment of ANGAU to proceed including:
 - (i) assessing approvals and permits obtained to ensure they are appropriate to allow work to proceed;
 - (ii) identifying any additional approvals and permits required for the project, including from central government departments including NDOH and DNPM; municipal bodies; building boards; and utilities companies; and
 - (iii) liaising with relevant authorities, applying for and obtaining any additional approvals as required prior to the commencement of design and construction;
- (c) procure and manage the delivery of preparatory and early works as required to prepare the site for construction, including:
 - (i) identification, removal and disposal or storage of waste and hazardous materials including UXOs, ACM, radioactive materials and other contaminants;
 - (ii) earthworks and civil works as necessary on-site;
 - (iii) assessment, refurbishment and/or installation of services and utilities, including HVAC, water, electricity, sewage and gas for the expanded facility;
 - (iv) establishing site sheds, amenities, storage areas and security in preparation for construction;
 - (v) repairs, refurbishment and commissioning of any existing buildings to be retained as determined through the project planning phase;
 - (vi) procurement of furniture, fixtures and medical and non-medical equipment; and
 - (vii) decanting of existing services in preparation for construction, including procurement and installation of temporary or pre-fabricated facilities.

Design Development

4.10. The PDO must manage and oversee the development of detailed designs for buildings, services and facilities based on the agreed approach to the redevelopment. The PDO must:

- (a) conduct value management workshops as required through the project lifecycle;
- (b) establish user groups and facilitate a programme of user group meetings to ensure knowledge transfer into the design and achieve consensus;
- (c) prepare functional briefs to ensure structural designs and layouts meet the operational requirements of hospital staff and other key stakeholders;
- (d) prepare initial design concepts, setting out key design requirements, options for project delivery and preliminary costing estimates;
- (e) present options and recommendations to the AHC and the ANGAU Steering Committee to obtain endorsement and confirm agreed approach;
- (f) manage preparation of a detailed design reflecting the agreed approach and taking consideration of:
 - (i) any concerns raised by key stakeholders during consultations;
 - (ii) whole of life costs, including the relationship between capital and recurrent costs;
 - (iii) minimising servicing and maintenance requirements;
 - (iv) maximising durability;
 - (v) energy and water use minimisation and conservation;
 - (vi) waste minimisation;
 - (vii) climate change and the impact of potential natural disasters;
 - (viii) pest prevention;
 - (ix) use of sustainable building materials with preference given to materials with high recycled content; locally or regionally produced products and materials; and sustainable timber sourced from plantation or managed forests (not old growth forests);
 - (x) opportunities to utilise pre-fabricated materials and technology;
 - (xi) the potential needs of all user groups, including women, the elderly, children, the infirm and people with a disability;
 - (xii) need to ensure cleanliness and infection control in all facilities, including consideration of sanitation facilities and airflow;

- (xiii) compliance with all relevant legislation, standards and codes;
 - (xiv) compliance with and consideration of local and international best practice standards; and
 - (xv) the agreed project budget.
- (g) prepare an equipment list for fit-out, inclusive of detailed equipment specifications and a fixtures and fittings schedule for all facilities that takes into account future service requirements, needs of hospital staff and NDOH regulations;
 - (h) ensure designs are consistent with the approach agreed by the ANGAU Steering Committee and the outcomes of the user groups and feasibility assessments;
 - (i) arrange for independent technical reviews of designs to ensure they are of high quality and fit for purpose;
 - (j) facilitate approval of designs, including preparing any submissions required to obtain approval from key stakeholders; and
 - (k) obtain all necessary approvals for the agreed designs, including liaising with authorities as required and incorporating any alterations required by authorities in the design.

Management of Construction and Fit Out

4.11. The PDO must manage the delivery of works, including installation of furniture, fixtures and equipment at ANGAU, to support their delivery in accordance with agreed designs and specifications on time and on budget. The PDO must:

- (a) ensure all necessary planning and construction approvals are in place before any work commences;
- (b) ensure the project plan is regularly reviewed and updated to clearly identify all components of construction and the works to be completed;
- (c) ensure robust systems are in place to manage WHS, including a WHS Plan for project and a system for WHS reporting at the activity level;
- (d) use an appropriate commercial construction contract for construction consistent with recognised industry proformas (e.g. FIDIC, ICE, NEC, JCT);
- (e) conducting due diligence and financial viability checks of contractors prior to engaging them;
- (f) engage and manage contractors and sub-contractors to ensure cost effective delivery within project budget, including negotiating any variations and variation costings;
- (g) seeking approval from the AHC for modifications to approved designs, schedule and budget as necessary;

- (h) enforce robust systems for risk management on site, including site security work health and safety (WHS);
- (i) ensure safe handling and disposal of hazardous material (e.g asbestos containing materials (ACM), UXO, radioactive waste and other contaminants) in accordance with Australian standards. This includes:
 - (i) providing a site-specific ACM and hazardous waste management plan that meets international standards;
 - (ii) ensuring the safe, timely and effective containment and/or removal (as appropriate) of ACM and hazardous materials from the ANGAU site; and
 - (iii) ensuring the safe disposal of ACM and hazardous material;
- (j) actively manage and monitor the status of construction works including reviewing contractors' construction programmes;
- (k) attend meetings, review progress claims and undertake site visits to inspect and audit the works and ensure effective progress against the project plan;
- (l) manage and coordinate contractors and other stakeholders on site;
- (m) approve and monitor delivery by sub-contractors as necessary;
- (n) keep the AHC informed on progress, opportunities and risks with respect to the agreed design, budget and schedule;
- (o) undertake pre-commissioning inspections to identify construction and equipment defects and ensure rectification of any issues at no additional cost to the AHC;
- (p) engage an independent third party to provide the AHC with a certificate of verification confirming that the works have been satisfactorily completed in accordance with the approved design and building permissions; and
- (q) ensure that all contracts are monitored and completed in a timely and efficient manner and in accordance with the terms and conditions.

Quality Assurance of Works and Fit-out

4.12. The PDO must use its best endeavours to ensure that all design work is carried out:

- (a) in accordance with and so as to comply with any design brief or functionality requirements notified by the AHC;
- (b) to a standard of skill, care and diligence expected of a design professional;
- (c) to ensure that the design work is fit for its intended purpose; and
- (d) in compliance with and consideration of local and international best practice standards.

- 4.13. The PDO must use its best endeavours to ensure that all construction work, including installation of furniture, fittings and equipment is carried out:
- (a) in accordance with approved plans and specifications and relevant building codes and standards;
 - (b) so that it is fit for its intended purpose as per its design;
 - (c) in accordance with the approved design and in a manner that is fit for its intended purpose;
 - (d) using good workmanship and, unless otherwise approved or specified, new materials;
 - (e) employing competent and appropriately qualified personnel;
 - (f) use their best endeavours to ensure that any building materials used in any way for any infrastructure works have been sustainably harvested, or sourced from recycled building materials;
 - (g) ensure construction work minimises the amount of material going to landfills and the amount of energy and water used; and
 - (h) ensuring building materials are not made of and do not contain any asbestos.
- 4.14. The PDO warrants that it must exercise a duty of care and good faith to the AHC in performing its obligations under this Contract. In the event that supplies or works delivered through contracts procured or managed by the PDO do not comply with the requirements of this **Clause 4**, the PDO must:
- (a) immediately upon becoming aware of the non-compliance, or
 - (b) immediately upon receipt of a notice from the AHC;
- arrange for the relevant supplier to replace the supplies or remediate the defect at its own expense.

Building Commissioning

- 4.15. The PDO must oversee and monitor the commissioning of works, structures, services and equipment to ensure they are fit for purpose and function in accordance with specifications. The PDO must:
- (a) prepare detailed plans for managing and monitoring the commissioning of the building fabric, engineering services and equipment;
 - (b) manage commissioning and testing of the building fabric (e.g. doors, windows, drains, blinds, maintenance access) to ensure it complies with design specifications;

- (c) manage commissioning of building engineering services, including mechanical, electrical, fire, hydraulic, medical/lab gases, security, communication, HVAC, audio visual and information technology systems;
- (d) manage commissioning of medical and non-medical equipment;
- (e) undertake inspections of the facilities to ensure defects are logged and addressed with suppliers to ensure rectification; and
- (f) ensure that any faults identified during the commissioning process are rectified during the defects liability period or under warranty at no additional cost to the Commonwealth.

Clinical Operations Commissioning

4.16. The PDO must oversee clinical operations commissioning of facilities at ANGAU to achieve a smooth transition from construction and fit-out to an operational facility operating in accordance with NDOH standards. The PDO must:

- (a) develop and agree a detailed plan for the clinical operations commissioning of facilities with the senior management of ANGAU Hospital and NDOH;
- (b) support the establishment of appropriate governance structures, clinical leadership teams and user groups to support clinical operations commissioning;
- (c) facilitate user acceptance testing of clinical and non-clinical areas by key stakeholders;
- (d) prepare a comprehensive program of orientation, training and familiarisation for ANGAU staff;
- (e) manage and coordinate contractors, sub-contractors and suppliers to provide training and briefings to ANGAU staff in the use of the facilities and equipment, including:
 - (i) ensuring the scope of training is identified and documented; and
 - (ii) development and provision of training materials and courses for ANGAU staff;
- (f) prepare standard operating procedures for the use of the new facilities and equipment including information and communications technology;
- (g) undertake operational readiness preparation and testing of key systems including:
 - (i) commissioning of equipment ready for operations;

- (ii) preparing departments for operations, including provisioning of consumables;
 - (iii) cleaning, sanitising and sterilising of the facilities;
 - (iv) plan and oversee mock scenario testing of key systems including response to systems faults; emergency evacuations; power outages; security events; and operational workflows between departments.
- (h) support the staged transition of patients, staff, systems and services to the new facilities.

Maintenance and Upkeep

4.17. The PDO must oversee the ongoing maintenance and upkeep of the redeveloped facilities at ANGAU following the commissioning of the new facilities. The PDO must:

- (a) develop an ISO 55000 compliant asset management system in collaboration with the ANGAU facilities management team. The asset management system must outline the approach to routine, preventive and emergency maintenance and repair of facilities at ANGAU and should include:
 - (i) asset inventory, including system descriptions and a register of warranties;
 - (ii) asset management guidelines and SOPs, including procedures to ensure compliance with conditions of use as specified in warranties;
 - (iii) standard of service definitions for assets to align with NDOH standards for provision of health services;
 - (iv) current asset performance with reference to standards of service;
 - (v) planned actions to maintain, remediate or improve performance to be prepared on an annual basis and include:
 - (A) itemised costs and detailed budget, including consideration of lifecycle costs to enable prioritisation of investment; and
 - (B) justification and rationale for each item; and
 - (vi) systems for logging routine checks and maintenance works performed.
- (b) support implementation of the asset management system by the ANGAU facilities management team including:
 - (i) grounds maintenance and repair, including site lighting, landscaping and gardening, pathways and pavement, drains and

retaining walls, roads and parking lots, drains, gates, fencing and signage;

- (ii) maintenance on all structures, including structural defects, damages, distress or deformation, such as cracks, excessive deflection, instability, floor settlement, foundation settlement, tilt, spalling concrete, corrosion of steel, dry & wet rot;
- (iii) mechanical and utilities maintenance including electrical distribution systems, plumbing (water and sewage), gas, fire protection, refrigeration and HVAC systems;
- (iv) routine maintenance including interior and exterior finishes and painting, windows, carpets and interior flooring, furniture and joinery;
- (v) equipment maintenance, including clinical and medical equipment;
- (vi) cleaning and housekeeping;
- (vii) pest control, inclusive of ants, termites and borers as necessary,
- (viii) refuse and waste management, inclusive of garbage, recyclables, medical and infectious waste, batteries, print toners and cartridges; and
- (ix) warehousing and provision of medical, office and other consumables necessary for the operation of ANGAU.

Project Work Health and Safety

- 4.18. The PDO must ensure robust systems are in place to manage work health and safety at PDO managed sites. The AHC may request from the PDO at any stage information related to WHS considerations relevant to this Contract including but not limited to risk assessments, completed WHS inspections, incident reports and audit reports.

Project Monitoring and Evaluation

- 4.19. The PDO must monitor and evaluate (M&E) the impact of the redevelopment at ANGAU, including:
- (a) developing and maintaining an ANGAU M&E framework that is consistent with the DFAT M&E Standards (available from www.dfat.gov.au), including *Making Performance Count: enhancing the accountability and effectiveness of Australian aid policy*;
 - (b) creating baseline data to assess the current state of the infrastructure and associated hospital services at ANGAU;
 - (c) monitoring activity progress against the program logic and the Performance Assessment Framework (PAF);

- (d) updating the PAF and program logic as required to reflect learning from M&E;
- (e) ensuring that M&E actively informs project delivery and management to ensure successful achievement of end of project outcomes; and
- (f) provide information and assistance as required to support other DFAT M&E processes and independent review.

5. REPORTING

5.1. The PDO must provide the following reports by the dates indicated:

| Item | Description | Submission Date |
|------|--|---|
| A | PDO Operations Manual | Within 2 months of Start Date, thereafter maintained as current. |
| B | ANGAU Masterplan Prioritisation Report | Within 3 months of Start Date, thereafter maintained as current |
| C | Project Management Plan | Within 4 months of Start Date, maintained as current. |
| D | Performance Assessment Framework | Within 6 months of Start Date to be updated in March each year |
| E | Progress Reports | Monthly and on request by the AHC |
| F | Financial Reports | Monthly and on request by the AHC |
| G | Annual Report, including Annual M&E report | By 20 May each year |
| H | Personnel Stocktake Report | Annually as advised by the AHC |
| I | Exception Reports | As required |
| J | Completion Report | Not more than three (3) months following the completion of clinical operations commissioning |

5.2. Unless otherwise directed in writing by the AHC, for all reports, the PDO shall prepare one electronic and one hard copy for the AHC. The AHC reserves the right to request additional hard or electronic copies of each report.

- (a) **PDO Operations Manual** to be submitted within **two (2) months** of the Start Date, and thereafter maintained as current. The PDO Operations Manual will outline the systems and processes established to ensure effective project management of the ANGAU redevelopment and include:
 - (i) governance arrangements, including team responsibilities and reporting lines, procedures for clear communication and procedures for obtaining approval of key deliverables from the AHC;

- (ii) financial management procedures, including policies for financial management; management of PDO procurements and trust or imprest account(s);
 - (iii) personnel management policy, including approach to recruitment and retention of personnel and personnel code of conduct;
 - (iv) design and construction management policy;
 - (v) procurement and contract administration policy;
 - (vi) security plan outlining arrangements to ensure the security of personnel;
 - (vii) a Fraud and Risk Control Policy;
 - (viii) a social inclusion strategy which identifies effective gender and disability mainstreaming activities to ensure equitable engagement of and development outcomes for girls, women and people with disability through the ANGAU redevelopment;
 - (ix) child protection policy; and
 - (x) an environmental protection policy;
- (b) **ANGAU Masterplan Prioritisation Report:** as specified in Clause 4.6(a) within **three (3) months** of the Project Start Date and to be maintained as current;
- (c) **Project Management Plan:** as specified in Clause 4.6(b) within **four (4) months** of the Project Start Date and to be maintained as current;
- (d) **Performance Assessment Framework:** to be completed within **six (6) months** of Start Date and include:
- (i) a summary of the overarching system design;
 - (ii) a description of all M&E activities and their link to the contract deliverables;
 - (iii) a full description of all data collection methods, including an approach to capturing data on the relationship between input costs and outputs;
 - (iv) a description of analysis and evaluative approaches;
 - (v) strategies/plans for the utilisation of information collected and the findings resulting from analysis;
 - (vi) an explanation of data management tools including database system;
 - (vii) details of planned reporting including report templates or outlines; and

- (viii) a costed workplan for all M&E activities;
- (e) **Progress Reports:** submitted on a **monthly basis**. The Progress Report will provide a description of progress against the Project Management Plan, including an update on strategic issues, program operations and construction progress, risk management, activity budgeting and expenditure, procurement and M&E findings;
- (f) **Financial Reports:** to be submitted on a **monthly basis**. These reports as a minimum will provide the following details:
 - (i) projected expenditure for the following month;
 - (ii) projected expenditure for the next quarter (adjusted monthly);
 - (iii) advice on financial variations;
 - (iv) a reconciliation of expenditure against the previous month's forecast.

The Contractor will also be required to provide additional financial and expenditure reports on demand as directed by the AHC;

- (g) **Annual Report:** submitted by **15 May** of each year. The Annual Report will provide a complete description of the year's outputs and outcomes. The Annual Report will include a comprehensive Annual Monitoring and Evaluation Report. It will also address strategic and operational issues and clearly state any recommendations for decision or action by the AHC. The Annual Report will refer to the previous Annual Plan and identify issues arising from the year's experiences that are reflected in the proposed new Annual Plan, which is prepared simultaneously.

Annual Reports will also have a financial report that includes: estimates of current year financial expenditure; estimates for future financial years' expenditure; a breakdown of actual expenditure; a summary showing expenditure to date; and a breakdown of all personnel and their associated costs for the forward year;

- (h) **Personnel Stocktake Report:** Personnel information must be provided on **15 January and 15 July** of each year, in accordance with DFAT policy;
- (i) **Exception Reports:** submitted immediately upon identification of any issues arising that may have a detrimental effect on the Project, particularly in relation to the achievement of the objectives. One electronic copy of the Exception Report should be sent to the AHC Program Manager. Exception Reports should include a proposed solution and/or strategy to address the issues;
- (j) **Completion Report:** submitted not more than **three (3) months** following the completion of clinical operations commissioning at

ANGAU in accordance with the prevailing DFAT requirements, which will be clarified and confirmed in writing between the AHC and the Contractor not less than **three (3) months** before the completion of clinical operations commissioning at ANGAU. The Contractor will ensure this confirmation is sought in a timely manner;

5.3. All reports must:

- (a) be provided in accordance with the requirements of the Contract;
- (b) be accurate and not misleading in any respect;
- (c) be prepared as directed by the AHC;
- (d) allow the AHC to properly assess progress under the Contract;
- (e) comply with DFAT's Guidelines for Preparing Accessible Content (available from DFAT's website);
- (f) be provided in Microsoft Word format (or Microsoft Excel format for spread sheets), unless otherwise approved or requested by the AHC;
- (g) not incorporate either the AHC or the Contractor's logo;
- (h) be provided at the time specified in this Contract; and
- (i) incorporate sufficient information which allows the AHC to monitor and assess the success of the Services in achieving the objectives of the AHC's policy framework.

6. **PROJECT PERSONNEL**

- 6.1. The PDO must engage and manage all Project Personnel required for the redevelopment of ANGAU. The PDO must engage the following key personnel:

Long-term Personnel (internationally recruited)

[to be taken from the preferred tenderer's response]

Long term Personnel (locally engaged)

[to be taken from the preferred tenderers' response]

Short-Term Personnel (internationally recruited)

[to be taken from the preferred tenderer's response]

- 6.2. Indicative Terms of Reference (TORs) for these positions are provided at **Annex 1** to this Schedule.

Recruitment and engagement

- 6.3. The PDO must undertake the following services in respect of Personnel:

- (a) employ best practice processes in identifying, selecting and engaging Personnel to ensure that the expected outcomes are fully met;
 - (b) comply with relevant local and Australian legislation including articulating non-discriminative policies and wherever possible, endeavouring to recruit PNG nationals, including through using appropriate local recruitment strategies.
 - (c) ensure that all recruitment for Personnel is conducted in a manner that is consistent with the *principles* of the Commonwealth Procurement Rules (CPR's), including the core principle of "value for money" (incorporating both technical and price assessments), and all relevant regulatory and DFAT requirements on the use of Personnel as may be amended from time to time.
 - (d) ensure that all internationally engaged Personnel are recruited in accordance with the *Adviser Remuneration Framework* and as specified under each positions' Terms of Reference at **Annex 1** to this **Schedule 1**;
 - (e) facilitate the final approval by DFAT of the preferred internationally engaged candidates. If the preferred candidate is not approved at this step, the PDO is to undertake further recruitment activities at its own expense;
 - (f) provide initial briefings and ongoing logistical and administrative support for Personnel that is tailored to their specific location; and
 - (g) encourage Personnel to mentor, coach, provide on the job training and support capacity development.
- 6.4. DFAT reserves the right to reject the PDO's preferred internationally engaged Personnel candidates at DFAT's absolute discretion and to require the PDO to undertake further recruitment activities at the PDO's own expense. In addition, the PDO must ensure they provide adequate administrative personnel to carry out the services required under the Contract.
- 6.5. The PDO must ensure that all project personnel undergo appropriate security and referee checks, including police checks, to ensure they are appropriate and of good character. All checks are the responsibility of the PDO with the cost borne by the PDO and must be undertaken before finalisation of personnel appointments. The PDO must confirm that all personnel already engaged by were checked thoroughly prior to their appointment.
- 6.6. There are currently no positions identified as working with children.