

High Risk/Significant (HRS) building projects

HRS building projects are those where:

- failure to meet project objectives of time, cost and quality would critically affect the delivery of services to the community; and/or
- the lack of clear and transparent processes in the procurement of high value projects may impact on Government as a whole in terms of industry development and consistency of approach.

Such projects require whole-of-Government management strategies to minimise exposure to risk.

One of the risk management strategies is the early identification and ongoing monitoring of projects considered to be high risk or significant. This requires the development of criteria/parameters that describe 'high risk and significant'.

The following criteria should be used to identify HRS projects. The features listed below are intended as a guide only, as projects may also be considered HRS by virtue of potential risk elements not defined in the table below.

Table: HRS building project criteria

Project cost & procurement system	Projects expected to exceed \$20M in value delivered utilising a traditional procurement system ¹ ;
	Projects expected to exceed \$10M in value delivered utilising a non-traditional procurement system ² ;
Combination of standard contracts	Projects delivered utilising a combination of standard contracts and where the separate components are expected to exceed \$10M in value (eg: building structure delivered utilising a traditional procurement system and building fitout delivered utilising a separate non-traditional procurement system);
Bundled projects	Projects that involve the tendering of a 'bundle' of smaller projects across several different sites, where the total value of the projects exceeds \$10 million;
PQC service risk rating	Projects with an assessed PQC service risk rating of 3 or 4;
Other criteria	Projects with other potential risk elements not defined above.

Note: An HRS project is one with any one or a combination of these elements. Where the majority of an HRS project is to be put to tender as a single contractual package, the service risk rating will be, as a minimum, PQC Level 3. In case of doubt as to the 'high risk' nature of a project, consult with the Principal Policy Manager, Building Policy and Practice on 1800 072 621.

¹ The department sponsoring the project has full responsibility for the design and documentation process and the contractor constructs for a lump sum amount.

² The contractor has varying degrees of responsibility for the design and documentation process.