

Project Manager Fact Sheet

Who is a Project Manager?

Essentially, a project manager (often referred to as a PM) is responsible for managing the delivery of the approved project in a professional and unbiased manner, and in accordance with the relevant program guidelines and legal agreement.

Professional project managers should have the necessary skills and abilities to effectively manage construction projects with due care and attention to the successful organisation's needs and the community's desired outcomes from the project.

The project manager is responsible for managing / mitigating project risks and has an important role in interfacing between the project and the client and is responsible for communication regarding the project.

A suitably qualified and licensed project manager must have the requisite levels of professional indemnity and public liability insurance.

Why do I need a Project Manager?

Successful organisations receiving infrastructure funding enter into a Legal Agreement with the Department of Tourism, Innovation and Sport (department) that outlines the terms and conditions of the funding contribution.

Legal Agreements will specify cases where the department has determined that the recipient **MUST** appoint a suitably qualified, independent and licensed Project Manager to manage the delivery of the approved project.

The appointment of an independent, qualified Project Manager will be a mandatory requirement under the Legal Agreement for all projects with a total project costs over \$200,000 (GST exclusive). However, the department strongly encourages the use of Project Managers on all projects to manage risk effectively and efficiently.

For Minor Infrastructure and Inclusive Facilities Fund, a 5% project manager's fee will be automatically calculated in the Project Cost Sheet available on the program page.

Can my Builder or Architect be my Project Manager?

Building contractors will often advise that they can do all facets of the construction project including, design, project management, contract administration etc. Whilst this may be true on face value, it is best practise to for a project manager to be independent to the project.

The contractor may engage a project manager to manage their risk, not the client's. Similarly with architects, whilst they may be legally able to operate as a project manager, they should only be engaged as such if they are not also engaged as the Principal Consultant due to a potential conflict of interest.

Separation of duties (from a PM to architect and other consultants to principal contractor) is highly encouraged to ensure accountability and management of project risk.



Legislative Requirements in Queensland

Legislative requirements regarding licencing of project managers are the responsibility of the Queensland Building and Construction Commission (QBCC). The license class required will be dependent on the scope of the services being offered and the range of responsibilities associated with that activity. See [QBCC](#) website for further information.

Individuals who have successfully completed a recognised qualification in architecture, construction management, engineering, or quantity surveying are exempt from holding a license only where they are carrying out works within their professional practice. Work outside their registration is 'building work' for which they will need to apply for an appropriate QBCC licence.

Fees and charges

Project management fees will vary depending on the scope of services to be provided and should be quoted as a lump sum (capped charges) depending on the terms of reference the project manager is responding to.

It is important to note that most project managers will often include a separate fee for an hourly rate which generally only applies if additional work is required outside the original agreed scope of the project manager's engagement.

In addition, occasionally project managers may also charge for disbursements, and these are normally excluded from any agreed lump sum pricing and could include items such as photocopying, printing, travel costs, adjudication matters etc.

For the purpose of the Minor Infrastructure and Inclusive Facilities Fund, a maximum of 5% of Project Manager costs can be claimed. Any fees above 5% of the total eligible costs, and any additional costs / unforeseen costs above the maximum funding amount will be the responsibility of the approved organisation.

How do I engage a Project Manager?

To engage a project manager, it is recommended that a Scope of Service document is formulated specifically related to your project. Items to consider may include: -

- requirements for managing tenders and performance of consultants and contractors
- chairing and minuting meetings
- reporting requirements
- insurances and timelines for service delivery including project milestones.

Once the scope of service has been customised to suit the project, fee submission can be sought in the following methods;

- Seeking 3 or more quotes from suitably qualified and experienced project managers
- Select tender invitation from previous Project Manager firms
- Open Tender process through QTENDER or similar online platform

Duties of a Project Manager

A project manager has multiple responsibilities through the project's lifecycle. Engaging a project manager early is critical to getting the most out of their experience and minimizing the amount of time the grant recipient is required to spend managing the project. Duties expected of a project manager include but are not limited to:

- **Understanding of the client organisation**
 - Understand the nature of the client in relation to decision-making, financial capability, technical capabilities and knowledge of contractual issues
 - Understand the end user requirements (including club members, community groups, other sport groups etc.)
 - Resolve any conflicts between users to achieve the optimum design and cost outcomes
- **Understanding of the project**
 - Understand project scope
 - Understand funding (including funding sources, conditions of funding, constraints and limitations)
 - Understand time constraints (including sporting season, major events)
 - Understand budget (including benchmark costs, market fluctuations, locality issues)
- **Understanding of design and approvals**
 - Coordinate and manage engagement of consultants as required to develop functional briefs and prepare design tender documentation
 - Manage the design process, liaise with and adhere to relevant state and local government approval processes such as development applications, operational works and in some instances infrastructure designation
 - Ensure building approval is obtained prior to commencement of construction including those approvals required by local authorities (plumbing approval, etc)
 - Coordinate and manage the process for construction tender including the scope of works, project specification and contract conditions
 - Align scope and budget
- **Understanding of tender process**
 - Understand requirements of Queensland Government's procurement policies as referenced in the Grant Agreement.
 - Evaluation of value for money through creation of appropriate tender conditions such price vs non-price criteria
 - Undertaking the tender process in a transparent manner and keeping records of all tender correspondence
- **Understanding of the construction process and technical requirements of a building project**
 - Manage time, cost and quality of overall project
 - Understand building contracts. Design and construct vs Fully documented.
 - Understand building stages and construction programs
 - Understand contract administration, and roles and responsibilities in line with government legislation]
- **Development of Risk Management strategies**
 - Review, manage and mitigate risks (technical, financial, environmental, political etc.)

- **Ensure Effective, Efficient and Transparent Communication**

- Provide regular relevant and meaningful reports
- Include the client and voting members of the Project Control Group (PCG) if applicable in the decision-making process and in accordance with the requirements of the Grant Agreement
- Chair and Minute meetings of PCG's, Steering committees, design and construction meetings

Project Manager Insurances

Where a project manager is engaged, it will be important to check that they have appropriate Public Liability and Professional Indemnity insurance to undertake their role.

- Professional Indemnity Insurance - covers multiple occupations such as architects, engineers, certifiers and other building consultants and covers claims arising from professional services provided for such matters as professional advice, design, certification, contract administration and project management.
- Public Liability Insurance - covers the holder if anyone is injured because of the building work on site. If the builder or tradesperson does not have this type of insurance, the client could be liable because as the owner or caretaker of the property of which the project is being undertaken on your behalf. Contractors, project managers and consultants alike will all be required to have varying levels of these insurances.

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