

Submission  
No 89

## **INQUIRY INTO THE BUILDING THE EDUCATION REVOLUTION PROGRAM**

**Organisation:** Bovis Lend Lease  
**Name:** Mr Murray Coleman  
**Position:** Global Chief Executive Officer  
**Date received:** 7/06/2010

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4 June 2010

Ms Beverly Duffy  
Director  
General Purpose Standing Committee No.2  
Legislative Council  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Ms Duffy

**Re: Legislative Council Inquiry into the Building the Education Revolution program**

Thank you for your letter of 14 April 2010 inviting Bovis Lend Lease to make a submission to the Legislative Council's Inquiry into the Building the Education Revolution (BER) program. We hope the following comments in relation to the position of Bovis Lend Lease will be helpful to you in your Inquiry.

On 19 February 2009, the NSW Government called for Expressions of Interest (EOI) to manage and deliver school infrastructure for the Primary Schools for the 21<sup>st</sup> Century (P21) component of the Federal Government's Building the Education Revolution program. Bovis Lend Lease submitted an EOI, and on the 6 March 2009 received an Invitation to Tender for a range of contract packages. On 16 April 2009, Bovis Lend Lease received the Letters of Award to deliver the Northern Sydney Region package and the Hunter/Central Coast Region package. Bovis Lend Lease is contracted to deliver P21 BER projects across a total of 362 schools in these two regions.

We are working to a capped cost structure as agreed with the Department of Education & Training as part of a competitive tender to deliver essential services required as part of the NSW Government P21 component of the BER program.

Our services fees ("site supervision costs" – see table below) range from 5.05%-5.55%. These include the costs involved in services including program management, project management, design management, cost planning and quantity surveying, authority management, construction management, site supervision, procurement management, stakeholder management and environmental health & safety management (EH&S).

Our profit margin is 3.21%, with a further incentive fee set at a maximum of 1.5%, subject to meeting time and cost incentives.



A breakdown of Bovis Lend Lease costs are as follows:

Bovis Lend Lease	
Project management fee	Nil
Site supervision cost	5.05% - 5.55%
Profit margin	3.21%
Incentive fee	1.5%

Bovis Lend Lease is using local contractors wherever possible. For example, in April 2010, in the Northern Sydney region local participation, as defined in the terms of our Contract, was 96.4%. In the Hunter/Central Coast region, local participation was 96% in April 2010.

Once again, thank you for the opportunity to make these comments to the Inquiry.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Murray Coleman".

Murray Coleman  
**Global Chief Executive Officer**  
**Bovis Lend Lease**