



# **GUIDELINES FOR UNCOMPLETED WORKS BONDS**

# CONTENTS

- 1 Uncompleted Works Bonds overview ..... 3
  - 1.1 What is an Urban Utilities’ Uncompleted Works Bond?..... 3
  - 1.2 Uncompleted Works Bond requirements ..... 3
- 2 Requesting an Uncompleted Works Bond..... 3
  - 2.1 How to apply ..... 3
  - 2.2 Assessment fee ..... 3
  - 2.3 Review and approval..... 4
  - 2.4 Bond Execution and payment ..... 4
  - 2.5 Currency and completion ..... 6
- Table 1.Requirements for assessment of Uncompleted Works Bond application.....6

Revision	Section	Date
V1.2	2.3	8 April 2021

# 1 Uncompleted Works Bonds overview

This guideline provides an overview of uncompleted works bonds administered by Urban Utilities.

Uncompleted works bonds may assist a project to be completed while minimising impact on the operation of our water supply or wastewater networks, and new or existing customers.

## 1.1 What is an Urban Utilities' Uncompleted Works Bond?

An uncompleted works bond allows a developer to undertake early plan sealing while simultaneously completing outstanding works in order to receive a Connection Certificate. This guideline explains the requirements and process for applying for an uncompleted works bond and the obligations of the applicant where approved.

The bond is executed as a contract between us, Urban Utilities, and the developer, as the applicant. The developer is required to provide a payment taken as financial security and later refunded on completion of the outstanding works. Uncompleted works bonds may be requested for construction, testing, commissioning and compliance requirements. It is important to note that an uncompleted works bond does not permit commencement of use until issue of the Connection Certificate.

Acceptance of an uncompleted works bond request requires certain conditions to be met, including the associated risk of default. An uncompleted works bond is an exception to the usual process and is granted at Urban Utilities discretion upon consideration of risk factors.

## 1.2 Uncompleted Works Bond requirements

Requests for uncompleted works bonds are assessed against the conditions identified in Table 1. Applicants must include a cover letter detailing their application for an Uncompleted Works Bond.

# 2 Requesting an Uncompleted Works Bond

## 2.1 How to apply

The applicant must submit the information identified in Table 1 in a concise and clearly identified package of attachments, accompanied by a cover letter, via email to [development.compliance@urbanutilities.com.au](mailto:development.compliance@urbanutilities.com.au).

## 2.2 Assessment fee

All uncompleted works bond requests incur a non-refundable review and assessment fee issued on receiving the application. Full payment is required in order to undertake your assessment.

As noted in Table 1, where the detail of the uncompleted works information insufficient, a field inspection may also apply (with associated fees). If this is required, we will contact you to schedule the inspection.

## 2.3 Review and approval

Once the assessment fee has been received, your request will be reviewed.

Where the request is approved, we will issue:

- confirmation of the approved value of the uncompleted works bond
- a standard bonding agreement for completion and execution by the developer
- payment advice.

Approval or rejection of an uncompleted works bond application is based on a risk assessment considering:

- all necessary approvals have been obtained
- high risk of debt default
- the likelihood of water and wastewater infrastructure being constructed and connected compliant to the Water Approval, Water Netserv Plan and SEQ Code
- water infrastructure proposed for bonding impacts infrastructure known to require security bonds with other entities e.g. State controlled roads and rail corridors
- current outstanding uncompleted works bonds by site or developer or other Urban Utilities debt.

For the full list of assessment conditions, please refer to Table 1 below.

If the detail provided in your application is incomplete or insufficient to approve your application, we may issue an information request requiring you to provide additional material for deliberations.

## 2.4 Bond Execution and payment

Applicants should return an original signed copy of the executed agreement in the following ways:

- By post:

Urban Utilities  
Attention: Developer Services (Development Compliance)  
GPO Box 2765  
Brisbane QLD  
4001

- In person:

Please address your documents: Attention: Developer Services, Development Compliance, and deliver to Urban Utilities, Level 2, 15 Green Square Close, Fortitude Valley Q 4006.

Depending on the value of your bond, please prepare payment according to the instructions below.

**1. For values up to \$30,000, EFT cash payments are accepted.**

- Electronic Funds Transfer (security amounts less than \$30,000 only)

*BSB: 064-000*

*Account: 12617983*

*Account name: Central SEQ Distributor*

*Reference: XX-PNT-XXXXX BOND (Water Approval number found on your Decision Notice)*

**2. For values over \$30,000, a bank guarantee is required.**

*The bank guarantee must be in a form and substance that meets the following conditions:*

- Bank guarantee must be the original document on official letterhead of the financial institution. Photocopies or electronic copies will not be accepted.

- Bank guarantee must refer to Urban Utilities' legal entity name:

*Central SEQ Distributor-Retailer Authority T/As Queensland Urban Utilities ABN 86 673 835 011*

- Bank guarantee must contain Urban Utilities' current address:

*Level 2, 15 Green Square Close, Fortitude Valley QLD 4006*

- Bank guarantee is in favour of the Distributor-retailer or an entity stated in a Notice given by the Distributor-retailer to the Proponent.

- Bank guarantee is given by a financial institution consented to by the Distributor-retailer.

*Security must be given by one of the mainstream financial institutions with offices in Brisbane and Queensland. Urban Utilities will not accept any security from an online financial institution.*

- The Distributor-retailer may claim a payment on demand without reference to the Proponent and despite an objection, direction or Claim by the Proponent to the contrary.

- The financial institution may make a payment on demand without reference to the Proponent and despite an objection, direction or Claim by the Proponent to the contrary.

- Bank guarantee is unlimited in time.

- Bank guarantee is irrevocable.

- Bank guarantee is otherwise unconditional.

- Bank guarantee is in a form and substance to the Distributor-retailer's satisfaction.

On receipt of payment and execution of the agreement, we will issue formal confirmation via an Uncompleted Works Approval letter to enable completion of the project.

## 2.5 Currency and completion

The Uncompleted Works letter of approval is valid for a period of three months (or other specified timeframe agreed by Urban Utilities) during which all works **must** be completed, and all certified As-Constructed Package requirements submitted and approved. Anything outside of this timeframe requires authorisation by Urban Utilities special endorsement.

Upon completion, the works will be reviewed to ensure all conditions of the Water Approval have been met. Following approval, we will issue your Connection Certificate and the Uncompleted Works Bond Security will be released to the provider of the security.

The Maintenance Period formally commences as per the Connection Certificate date of issue.

**Table 2. Requirements for assessment of Uncompleted Works Bond application**

Category	Details	Information required
<b>Applicant eligibility</b>	The applicant seeking to execute an uncompleted works bond is typically the owner, or developer, of the subject site(s), or a third party acting on behalf of property owner, including contractors and consultancies.	<ol style="list-style-type: none"> <li>1. Current company extract (available via ASIC Connect).</li> <li>2. Copy of the agreement to be executed under Power of Attorney.</li> <li>3. Where the applicant is an individual, full name, contact number and postal address must be provided.</li> </ol>
<b>Status of works to be bonded</b>	<p>All designs associated with the works must be completed and approved, in addition to minimum 50 per cent of works constructed.</p> <p><b>NOTE:</b> 'Works' includes construction and post-construction activities (As-Constructed Packages), including any required surveying and easement submissions).</p>	<ol style="list-style-type: none"> <li>4. Bill of Quantities (BOQ) schedule (or cost breakdown) showing works completed and works outstanding.</li> <li>5. BOQ certified by an RPEQ Engineer.</li> <li>6. Where the BOQ is insufficient to determine the true and accurate extent of outstanding works, a site inspection may be required, and associated fees will apply. Applicants will be notified prior to field inspections being undertaken.</li> <li>7. <b>For multi-stage development:</b> Stage Map showing prior stages, associated Water Approval reference numbers and status (construction, live, uncompleted works bond, compliance, on-maintenance, off-maintenance).</li> </ol> <p><b>NOTE:</b> Bond applications for multi-stage developments may be rejected where existing bond agreements are in breach or previous stages are still awaiting issue of a Connection Certificate.</p> <p><b>NOTE:</b> Applicants with multiple bonds or sites under active Water Approvals may not be permitted to submit new bond requests where applicants are in breach of existing bond agreements.</p>

Category	Details	Information required
		<b>NOTE:</b> Bond applications will be rejected if there are outstanding external entity approvals preventing water approval compliance and where water infrastructure proposed for bonding impacts infrastructure known to require security bonds with other entities e.g. State controlled roads and rail corridors
<b>Completion of works to be bonded</b>	Under the terms of the agreement, the bonded works must be completed within three months of bond execution or timeframe specified by Urban Utilities.	8. Detailed Gantt chart showing outstanding tasks and proposed timeframes to completion.
<b>Easements</b>	Where applicable, easements associated with the works must be reviewed, approved and accepted by Urban Utilities. To resolve any outstanding easement requirements, please email to <a href="mailto:development.easements@urbanutilities.com.au">development.easements@urbanutilities.com.au</a>	9. Completed Registered Survey Plan (including easement title) and/or Urban Utilities' easement agreement (or other authorisations) relevant to the completed works (if applicable).
<b>Bond value</b>	The bond amount must be 125% of the value of the outstanding works, or an alternate amount assigned by Urban Utilities based on the risk profile of the application.	10. Proposed bond amount (125% of the value of the outstanding works).  <b>NOTE:</b> Payment methods will be advised on approval. Bank guarantees must be provided for sums over \$30,000.
<b>Fees and charges</b>	<b>All outstanding Water Approval application fees including infrastructure charges must be paid for assessment of your bond request.</b>	<b>NOTE:</b> Urban Utilities will confirm independently that this requirement has been met.