

MIPP 2 Funding Agreement Requirements

Successful local government applicants will be required to enter into a funding agreement with the State of Queensland acting through the Department of State Development, Manufacturing, Infrastructure and Planning (the State). The funding agreement will govern the grant of funds from the State to a successful applicant for an approved MIPP 2 activity (funded activity).

This document summarises key terms on which the State proposes to grant funds to successful applicants. This summary does not contain all of the terms and conditions on which funding will be granted. The State has no legal obligations to a successful applicant unless and until the parties have executed an agreement setting out the full terms and conditions on which the funding is granted.

The terms and conditions of the Maturing the Infrastructure Project Pipeline Program 2 Guidelines for Local Government (guidelines) apply to this information provided in connection with MIPP 2.

Local government obligations

General obligations of the local government under the funding agreement will include (without limitation), to:

- exercise due care and skill;
- use the funds for the funded activity, and only for eligible activity costs (as outlined in the guidelines);
- undertake the funded activity in accordance with the funding agreement;
- ensure that it uses only suitably qualified personnel to undertake the funded activity;
- provide the State with a copy of the proposed procurement scope and list of professional service providers it intends to approach to undertake the funded activity within 2 months after the funding agreement has commenced, for the State's approval;
- procure a professional service provider to undertake the funded activity and conduct the procurement process in a fair, equitable and accountable manner, while following any relevant local government procurement guidelines or policies (including ensuring where possible that local firms are given reasonable opportunity for consideration as the professional service provider for the funded activity);
- enter into an appropriate procurement contract with the selected professional service provider which includes the provision of a suitable project plan that outlines the procurement cost, expected timeframes and deliverables;
- notify the State of any expected changes or delays to the activities as soon as this becomes apparent;
- provide regular progress reporting as required by the State (see below);
- provide a full acquittal of funds as part of the final milestone (see below);

- acknowledge State government support in any public statement regarding the activities, with public statements to be approved by the State in advance.

Funding and milestones

Under the funding agreement:

- The level of funding the State determines to award a local government will be final. The local government will be responsible for any expenditure incurred by it in undertaking the funded activity in excess of the amount of the funds to be provided by the State.
- Where the funding awarded by the State is less than the expected cost of the funded activity, the local government will need to provide confirmation that it has sufficient funds to pay the balance of the cost of the funded activity, before the State will have an obligation to provide any funds.
- Any unused funds must be returned to the State. The final payment milestone amount may be reduced to take into account the actual costs of the funded activity.
- The State will make payment of funds, as per the agreed payment milestones (see below), upon the local government meeting its obligations under the Funding Agreement (including performing the agreed milestones) and providing the required milestone documentation.
- Proposed payment milestones are:
 - First payment milestone – 80% of funds upon the local government providing evidence of engagement of a suitable professional service provider, project management plan for the funded activity and other documents to the satisfaction of the State;
 - Final payment milestone – 20% of funds upon receipt by the State of a copy of the final deliverable from the professional service provider and full acquittal of funds.
- Local governments with no more than 1000 full time equivalent employees that have applied and been approved for funding support to assist with procurement and project initiation activities, may seek an alternate payment schedule.

Reporting requirements

- Local governments will be required to:
 - provide a monthly progress update in a format to be advised by the State;
 - provide all relevant documentation and evidence at the time of making a payment claim; and
 - provide a full acquittal of funds as part of the final milestone, including demonstrating that funds have been spent on eligible activity costs only.