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1. PURCHASING PROCESS**DESIGN**

New projects are entered into the system at design stage. This task is performed by the Software Administrator as requested by the Design Department. At this stage, only the information required to draft the consultant orders is entered including:

- Project Name
- Business Unit
- Status
- Project Numbers (2 digit year and 3 digit Job Number)
- Principal
- Managing Director
- Construction manager
- Design Manager
- Design Coordinator
- Address (of the project)
- Suburb (of the project)
- State (of the project)
- Postal Code (of the project)
- Fax (site fax) – Type “tba”
- Foreman

Note: The fax and foreman are required as the system faxes a copy of the contract to site. If unknown, select any foreman and write TBA in front of the fax.

PRE-CONSTRUCTION MEETING

Design hands over the project drawings at a Pre-Construction meeting attended by the construction, design, marketing and estimating teams involved in the project. This meeting is usually arranged by the Construction Manager.

Following this meeting (or during design stage) the other project parameters must be put in the system including:

- Project Manager
- Contracts Administrator
- Project Commencement Date
- Defects Liability Period
- Liquidated Damages
- Site Allowances
- Retention Amount
- Retention to Certification
- Retention to LDP (Liquidated Damages Period)
- Interest

Note: All the above information is required by the system to generate contracts.

- Contract amount
- Payment Terms
- Claim Frequency (Progress Claim)
- First claim due date
- Guarantee values with expiry dates (Bank guarantee)
- Main contact name, company name, address, email, fax

Note: All the above information is required by the system to generate claims, EOTs, RFIs

PURCHASING

A Purchasing Schedule (PS) is automatically created by SOS the moment a new project is created. The PS will list the standard trades required in a typical V.C. project. Trades not shown on the list that are required in the project should be added. Trades not required can also be deleted.

The PS calculates the comparison due dates based on the Project Commencement Date (if due dates are not shown, request the Software Administrator or Construction Manager (CM) to put in the project commencement date in the project General Information section). The PM is then required to adjust the purchasing dates (comparison due dates) relevant to the project.

SOS automatically imports the Rating A contractors which must be invited to price the job unless otherwise instructed by the CM. CA's are required to consult with the PM whether additional subcontractors are required and if so, add them to the trade invitation list.

The Contract Administrator (CA) must follow the comparison target dates and ensure invitations to tender are sent to subcontractors at least 7 working days prior to the comparison is due.

TENDER

The CA manages the tender process and is required to carry out the following tasks:

- Select drawings required for each trade.
On the TRADE page, under the Drawings section, tick the required drawings (TRADE screen).
- Enter the Invitation date and Quotes Due date in the Trade 'General Information' section (TRADE screen).
- Prepare invitations to tender.
In the TRADE page, select the subcontractor. Input the invitation date, due date, select a contact, change status to 'invited' and click on the [Invite to Tender](#) link to create the invite in PDF format (print or email as required).
- Send invitation to tender.
Arrange for the subcontractor to collect the tender documentation including the invitation, checklist and relevant drawings/documentation. To print the checklist, click on the [Check List](#) link on the trade screen.

To invite a non Rating A contractor, add the subcontractor to the 'Subcontractors – Tender Invitation List' and follow the above procedure.

QUOTES IN

As soon as a quote is received, go to the TRADE screen, click on the subcontractor and input the quote amount, quote date and comments if required.

COMPARISONS

Comparisons must be prepared as the quotes come in. To do so, click on the [Comparison](#) link located on the TRADE screen and input all the data as per the checklist provided by the subcontractor. Make sure subcontractors fully fill out and submit a checklist with their quotes.

Enter the V.C. BOQ information. To do so, select any subcontractor (the V.C. BOQ section is always displayed) and allocate a 'Yes' or 'No' to each line in the comparison. Enter the V.C. BOQ dollar allowance (total budget) for the trade in the Trade 'General Information' section (TRADE screen).

On the comparison screen, select a subcontractor in the drop box and allocate a 'Yes' or 'No' to each of the items as per subcontractor's checklist provided.

If an item in the checklist wasn't provided by the subcontractor, seek clarification with the subcontractor (do so by phone, fax or email). If the item was not included in the original quote, go to the item in the comparison and write the dollar amount in the \$ column. Tick the box if the amount was confirmed by the subcontractor. If you are making a cost assumption or transferring a dollar amount from the BOQ or another contractor's allowance, do not tick the box. Ticked boxes (confirmed adjustments) are shown in orange and assumptions in blue.

If the subcontractor confirms that an item originally excluded or not allowed for will be included at no extra cost, leave the item as 'N', write \$0 dollars and tick the box. This means that the item wasn't originally included but will be included in their quote at no extra cost.

To write a comment, click on the 'Y/N' column and input the comment. Comments are shown with a small triangle in the comparison.

SOS carries out a comparison check to ensure that all the lines throughout the comparison are consistent (apples for apples).

The check is based on the following criteria:

VC (YES) and Subcontractor (YES)	=	OK
VC (NO) and Subcontractor (NO)	=	OK
VC (YES) and Subcontractor (NO) and \$AMOUNT > = Ø	=	OK
VC (NO) and subcontractor (YES) and \$AMOUNT < Ø	=	OK
VC (YES) and subcontractor (YES) and \$AMOUNT	=	OK

The later case is used when an adjustment of the subcontractors quantities or price is required for a particular item.

Any deviation from the above criteria will result in an error (errors are listed on top of the comparison in the 'comparison screen').

Once the comparison is complete with no errors, the system displays a 'Comparison Check OK' confirmation on top of the page.

Insert a new item in the Comparison

If you need to insert an item that is not in the VC standard comparison, go to the 'Items Categories' section and click on the item (section in the comparison) where the item is required.

Once on the ITEM screen (Home>> Projects>> Project Name>> Trade Name>> Item Name), click on the **ADD** button and type the name of the item, the unit of measurement and the scope of works. As a last step, save and if required, relocate the item by clicking on the green arrows.

COMPARISON APPROVAL

Discuss the comparison (CA, PM and/or CM), negotiate price with subcontractors and choose the winning contractor (click on each subcontractor and allocate the rank – 1 being the winning quote).

As soon as the comparison is complete with no errors and all the items are clarified with the subcontractor, proceed to approve the comparison. To do so, go to the TRADE screen and click the **APPROVE** button.

Note: This button is only enabled the moment the comparison check is 100% OK.

When the **APPROVE** button is clicked, SOS sends a notification to the following person in the approval process, locks access to the comparison and removes the task from the pending list.

Note: The comparison should be discussed between the CA and the PM or CM prior to clicking the **APPROVE** button.

When a new project is created, SOS allows you to select a comparison approval process. The default process starts with the CA, followed by the PM and finishes with the CM.

Note: Approval can be reassigned to the previous person in the approval process by clicking the **REVERSE** button. If you use this option, provide a reason for the reversal which you will be prompted to action.

2. CONTRACT LETTING AND DRAFTING

Prior to letting the contract, a meeting with the subcontractor must be arranged to go over the latest drawings and documentation available and verify the scope of works.

Minutes of this meeting must be prepared and signed by the subcontractor and the CA or PM.

Before the meeting takes place, an order number must be assigned and a draft of the minutes must be printed.

To allocate an order number, continue with the next step in the comparison process by clicking on the **GENERATE ORDER NUMBER** button. After this step is executed, SOS will create a link on the TRADE screen called Preletting Meeting Minutes. Click on this link to view and print the minutes.

At the preletting meeting, go through the minutes, write comments and make adjustments as required.

After the meeting, the CA is required to draft the Contract document.

To do so, follow this procedure:

A. OPTION 1

If the contract amount differs from the approved comparison due to additions or amendments to the scope of works, go to the comparison and transfer the amendments discussed at the preletting meeting to the section 'Preletting Amendments'.

Note: To change the text of 'Preletting Amendments' to something more meaningful, go to 'Items Categories' section of the TRADE screen and click on the Preletting Amemndments Section and edit the text as required.

Once the preletting amendments are transferred onto the comparison (both description and dollar amounts), make sure the comparison check is OK and press the **GENERATE CONTRACT** button on the Trade screen (comparison approval section).

B. OPTION 2

If no changes to the contract amount took place at the preletting meeting, press the **GENERATE CONTRACT** button on the Trade screen (contract approval section).

SOS will display a Contract link once the **GENERATE CONTRACT** button is clicked.

3. CONTRACT APPROVAL

CA's, PM's and CM's are required to check the contents of the Contract document prior to its approval. Emphasis should be placed on the scope of works which SOS creates based on a standard V.C. scope of works and the comparison (each item in the comparison has its corresponding scope of works which is transferred to the contract if the item has a Yes against it – the item's scope of works can be amended during the comparison process).

To read the contract, click on the Contract link shown above the Approval Process Manager in the TRADE page. Note that this link is only visible once the contract is created (contract drafted).

To amend the scope of works, click on the pencil icon shown in the scope of works section, make the required adjustments and save.

SOS keeps records of all the changes, dates and the person who made the change.

Note: To insert a single line in the text, press **SHIFT** and **ENTER**.

Once the contract is checked, click on the **APPROVE** button in the contract approval manager in the Project TRADE screen. SOS will then notify the next person in the approval process by email and the task will be removed from the pending list in the home page.

4. SUBCONTRACTOR VARIATIONS

SOS creates a [Variations](#) link on the TRADE page the moment the Contract is fully approved.

To create a new variation, click on the [Variations](#) link which will direct you to the Project Trade Variations screen and then click **+** (add).

A variation is divided into two sections:

- General information which contains the Variation Title, VC site instruction and the subcontractor's reference document; and
- Variations which contain all the sub-variations with their corresponding costs, cost codes, variation type and trade.

SOS checks that all the 'General Information' and at least 1 sub-variation is provided.

To add a variation item (sub-variation), click on the **+** button next to 'Variations' in the variation order screen. Fill out all the fields and save. Every variation must go through an approval process similar to the Contract Approval Process.

If a variation item is a "Client Variation", SOS will display the trade allowance made in the CV.

5. PROGRESS CLAIMS

To create progress claims, make sure the following details are available in the Project Information section:

- Contract amount
- Payment Terms
- Claim Frequency (Progress Claim)

- First claim due date
- Guarantee values with expiry dates if applicable (Bank guarantee)
- Main contact name, company name, address, email, fax

Note: SOS will not allow approval of claims unless all the above information is available.

SET UP TRADE BREAK UP BEFORE 1st CLAIM

Before raising the first claim, the claim trade break up must be set up. The PM is responsible for establishing the list of trades that will appear in the PROGRESS CLAIMS with their corresponding values.

To set up the trade list click on the Client Trades link located in the project page (Projects>>ProjectName>>Client Trades). Add the trades one by one and enter its dollar value (select one of the available trades from the drop down box, or, type the desired text for each trade).

SOS will display the difference between the contract amount and the trades entered as you follow this procedure.

Note: You can enter the trade values either as a percentage of the contract amount or as a dollar amount.

Note: Make sure the total amount entered equals the contract amount.

Once this procedure is complete, claims can be raised by following the procedure below:

CREATING/APPROVING CLAIMS

- Click on the Claims link in the Project Page.
- Click on the + button
- Adjust Issue Date if required (this is the target date in which the claim is to be issued as a tax invoice to the client)
- Enter adjustment notes value and numbers if required
- Update trade and variations percentages
- Click on the "Approve" button and follow the approval process.

The trade percentages claimed in the previous claim will be carried forward automatically into the current claim if no updates are made. Trade progress can be made either by entering the percentage (without decimals) or the dollar amount in the "Updates to this Claim" column.

Variations:

If you prefer NOT to show a variation in a progress claim (sometimes is required by client specially when variations are not approved), simply delete the percentage claimed (leave this field blank).

To include variations that are raised after the claim is created, enter a "0" (cero) in the percentage claimed column.

Note: A zero "0" and a blank space in the variation percentage claimed is a mechanism to display or hide variations in claims.

Claim approval Process:

Progress Claims go through an approval process starting with the CA and finishing with the FC (Financial Controller) as follows:

CA – Draft Approval (CA drafts the claim – This task can be performed by the PM)

PM – Draft Approval (PM checks the claim and approves it)

SOS emails a copy of the draft claim to all contacts ticked in the distribution list (Project General Information) for approval.

Once the client approves the draft claim, the CA issues the Claim as a Tax Invoice:

CA – Invoice Approval (CA adjusts trade/variation percentages claimed as negotiated with the client and approves the claim)

PM – PM Invoice Approval (PM checks the Tax Invoice Claim and approves)

FC – Invoice Approval (FC checks the claim including date of issue and approves)

SOS emails the Tax Invoice to all contacts selected in the distribution list.

FINAL CLAIM

Before approving the final claim, make sure the "Practical Completion Date" is entered in the Project Information Page. SOS will recognize the final claim as soon as all percentages are 100%

The final claim has two different templates which depend on the dates of the Bank Guarantees issued for the project. The general rule is the as follows:

If Bank Guarantees Issued, and dates of expiry exceed the Date of Practical Completion and End of Defects Liability period, an additional paragraph is added requesting for the return of the Guarantees.

CLAIMS PAGE

The claims page shows a summary of the claims raised for the project with its status, approval dates and % of contract value completed.

Note: The amounts displayed are cumulative, to view the value for an individual claim, click on the claim link

6. CLIENT VARIATIONS

CREATE CLIENT VARIATIONS

- Click on the Client Variations link in the Project Page.
- Click on the + button
- Enter the name of the variation

7. SEPARATE ACCOUNTS

To create and approve Separate accounts follow the same procedure as for Client Variations. The main difference with that Separate Accounts is that they don't have a "verbal approval" step within the approval process.

8. EOTs

To create EOTs click on the EOT link in the project page and click on the plus button.

Fill out all fields and save following these guidelines:

Days Claimed: If left blank a "Notice of Delay" will be created, otherwise, if a number is put in this box a "Claim for Extension of Time" will be created.

An EOT can be issued initially as Notices of delay and then as a "Claim for extension of Time"

Days approved: To be completed once approval from client is received.

Cost: Type "TBA" (to be advised) if no costs are claimed.

Start Date: this date is the beginning of the period for the EOT which will be shown in the summary report
(see example below)

End Date: this date is the end of the period for the EOT which will be shown in the summary report.
(see example below)

First Notice Date: Date in which the first notice was given (verbally or in writing)

Written notice date: Date in which a formal written claim is made

Send Date: Date in which the claim was sent (this is fill out automatically by SOS)

Approval Date: Date in which the EOT claim is approved by client

Cause of delay: Brief cause of delay (Inclement weather, Industrial action, Bad ground, etc)

Nature of Delay: Description of the delay in more detail

Period of delay: Breakdown of the delays claimed (see example below)

Works affected: Description of works affected

Example of dates:

Start date: 16/03/09

End Date: 20/03/09

(The above period indicates that you are making a claim for a series of delays that took place between the two dates)

Period of Delay:	16/03/09 – Rain, 1 day
	17/03/09 – Rain, 0.5 days
	20/03/09 – Rain, 0.5 days

In the above example, a total of 2 days were claimed during the period between 16/03 and 20/03/09 and the breakdown of the delay is provided under the section "period of delay".

Note: The Start Date and End Date are displayed in the EOTs summary report

SENDING an EOT by email

Once, the EOT is created, click on the [Send by email](#) link and the EOT will be emailed to all recipients selected in the project distribution list.

REPORT

To view/print a summary of the EOTs notices/claims go to Reports>> and click on the [EOTs](#) link, select the project and click the "View Report" button. You can then export the report to excel or PDF for printing purposes.

9. RFIs

To create RFIs on the [RFIs](#) link in the project page and click on the plus button.

Fill out all fields and save following these guidelines:

Date Answered: Date in which client answers the RFI

Reference file: A file that is sent attached to the RFI (sketch, specification, etc). This attachment is not mandatory.

Subject: Brief description of the RFI

Description: Detailed description of the RFI.

Note: The signature displayed in the RFI will be signature of the person who created it.

SENDING an RFI by email

Once, the RFI is created, click on the [Send by email](#) link and the RFI will be emailed to all recipients selected in the project distribution list. SOS will email the RFI in PDF format and the reference file selected (if any).

REPORT

To view/print a summary of the RFIs go to Reports>> and click on the [RFIs](#) link, select the project and click the "View Report" button. You can then export the report to excel or PDF for printing purposes.

- Attach PDF file with all supporting documentation (quotes, estimates, notes, etc)
- Select whether variation cost break down is to be displayed or not
- SAVE

Note: At this point, the CV is created and can be left like this while all the information is collected.

APPROVAL PROCESS

Provide all the details of the variation adding as many items as required. Code variation by selecting the required trade codes and adding their corresponding values.

Note: SOS does not allow you to start the approval process unless the variation is fully coded.

Once the variation is coded and errorless, proceed with the approval process as follows:

1. CA – Approval
2. PM – Approval
3. CM – Approval (After this step SOS emails a copy of the CV to all contact selected in the distribution list)
4. CA – Verbal Approval
5. CA – final client Approval (After this step SOS emails summary of codes to accounts)

Note: The status of the CV reflects the stage of the approval process in which the CV is at any moment.

To be Issued – Steps 1,2

To be Approved – Step 3

Verbal Approval – Step 4

Approved – Step 5

Variations can be cancelled and restored by clicking on the Cancel and Restore links respectively.

New revisions can be created by clicking on the new Revision link (this is only available between steps 3 and 5)

SOS keeps a copy of all the previous revisions for reference.

Note: Once a CV is fully approved, it can't be cancelled/modified. To do so, a new CV is to be raised.

REPORTS

To view/print a summary of the client variations go to Reports>> and click on the Client Variations link, select the project and click the "View Report" button. You can then export the report to excel or PDF for printing purposes.