

- **Contract Management [6 hours]**
  - **Methods of work execution/contracting**
  - **Types of Contracts**
  - **Tendering Procedure**
  - **Contract agreement**
- **Regulatory Environment [5 hours]**
  - **Nepal Engineering Council Act**
  - **Labor Law**
  - **Intellectual Property Right**
  - **Building Codes and Bylaws**
  - **Company Registration**

- 1. International open bidding**
- 2. National open bidding**
- 3. Sealed quotation**
- 4. Direct purchasing**
- 5. Users committee**
- 6. Amanat (force account)**
- 7. NGO**

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- **what is tender?**
- **Tender is an offer to undertake a work in return for a certain amount of money**
- What is tendering
- Tendering (also referred to as procurement) is the process a business goes through when responding to a requirement for a service or good which has been identified by the 'buyer'. You may well find that when starting out this is how you initially build your network of contacts. For those of you who don't know, a "tender" or "tender document" is a document that outlines a customer's project requirements.
- **Tendering is an offer by notice through news or suitable medium for the knowledge of larger number of qualified or potential and capable parties to do or not to do certain works. It has a fixed time for certain activities notified in the notice for bidders. If any potential bidders fails to submit/ fulfill these conditions the bidders is considered disqualified.**

- *Type of tender*
- *Negotiated tender*
- Limited competition (selective tender)
- Open competition
  
- **LCB**
- **LIB**
- **ICB**
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- **Why Open competition?**
- Usually adapted and fair dealing and no situation of reject to some without assigning reason or unjust reason,
  - Reduce cost
  - Transparency etc
- However there is chance of low cost (bid) impossible to execute
- There are three type of open competition local competition bidding, national competition bidding and international competition bidding (LCB, NCB, ICB)
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- **Purpose of tendering**
- Funds used to intended purpose
- Best value of money
- Opportunity to all qualified (possible )bidders
- Transparency
- Encouraged to developed local bidders

- Prequalification
- Necessity

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- Two forms of qualification – **prequalification** and **post-qualification** – are used to ensure that bidders have adequate capability and resources to perform the particular contract satisfactorily, taking into account their
  - (1) Experience record on works of a similar nature and complexity,
  - 2) Financial capability,
  - (3) Personnel capability,
  - (4) Equipment capability and
  - (5) Litigation history.
  - (6) Other relevant information of certification (ISO certificate), particular job experience, methodology etc
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Sn	Step	Activities
1	I	Establishment of Procurement Strategy
2	II	<p>Prequalification and Post-Qualification</p> <p>Preparation of Qualification Document</p> <p>Invitations to Prequalify and Issue of Prequalification Document</p> <p>Submissions of Prequalification Documents</p> <p>Analysis of Prequalification Documents</p> <p>Donor No Objection</p> <p>Notification of Applicants</p>
3	III	<p>Preparation of Bidding Documents</p> <ol style="list-style-type: none"> <li>1. Notice of Invitation for Bids</li> <li>2. Letter of Invitation for Bids</li> <li>3. Instructions to Bidders</li> <li>4. Form of Bid</li> <li>5. Form of Agreement</li> <li>6. Conditions of Contract: General and Particular</li> <li>7. Specification and Drawings</li> <li>8. Bill of Quantities or Schedule of Prices</li> <li>9. Bidding Data Sheet or Appendix</li> <li>10. Bid Security Form</li> <li>11. Performance Security Form</li> <li>12. Bank Guarantee Form for Advance Payment</li> <li>13. List of Additional Information Required from Bidders</li> <li>14. Qualification Form and Instructions</li> </ol>
4	IV	<p>Bidding Period</p> <p>Advertise Notice Inviting Bids</p> <p>Issue of Bid Documents</p> <p>· The works shall be carried out by the registered contractors only.</p> <p>Under FAR Rule 66(12)</p> <p>Site Visit by Bidders</p> <p>Bidders' Queries</p> <p>Submission and Receipt of Bids</p>
5	V	<p>Opening of Bids</p> <p>The opening of bids may be “public”, or “restricted” to the bidders or their representatives. The list of attendees shall be recorded. The bid opening procedure shall depend on the type of SBD, namely if a single-envelope or two-envelope system is used.</p> <p>Single-Envelope System</p> <p>Two-Envelope System</p> <p>(1) technical proposal containing the completed qualification forms and (2) financial proposal containing the bids and supporting bid documents.</p>

Procurement procedure



Sn	Step	Activities
6	VI	<p>Evaluation of Bids</p> <p>Principles of Evaluation</p> <p><i>The purpose of the bid evaluation process is to determine the lowest evaluated substantially responsive bid in accordance with the terms and conditions of the bidding documents. Bids shall be evaluated by the Bid Evaluation Committee established by the implementing agency.</i></p> <p>Use Standard Guide on Bid Evaluation</p> <p>Preliminary Examination of Bids</p> <p>Determination of Substantial Responsiveness of Bids</p> <p>Detailed Evaluation of Bids</p> <ul style="list-style-type: none"> <li>· Correction for Errors:</li> <li>· Modifications and Discounts:</li> <li>· Evaluation Currency:</li> <li>· Omissions:</li> <li>· Adjustments:</li> <li>· Price Deviations:</li> <li>· Domestic Preference:</li> <li>· Cross-Discounts:</li> </ul> <p>Bid Evaluation Report</p> <p>Donor No Objection</p> <p>Rebidding</p> <p>It may be necessary for the project office/implementing agency to rebid under FAR Rule 73(2)</p> <p>Approval</p>
7	VII	<p>Award of Contract</p> <p>Pre-Award Discussions and Letter of Acceptance</p> <p>Provision of Performance Security</p> <p>Contract Agreement</p> <p>Notification to Unsuccessful Bidders</p>
8	VIII	<p>Bid Validity and Security Periods Required</p> <p>Bid Validity</p>

- **A notice or advertisement through any media for sufficient time to inform all responsive interested bidder**
- What help tender notice?
  - Reduce supplementary inquiry
  - Prospective contractor may interested (reduce hasting)
  - Unfruitful request
  - Reduce possible claim
- Tender notice to be in short and concise , however contain adequate information
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1. Mode of submitting of tender (sealed cover, e bidding etc.)
2. Form of tender (specified format)
3. Name of inviting authority , Sources of fund
4. Nature of work and location
5. Estimated cost
6. Estimated Time limit ( to complete work)
7. Availability of data and form ( where and how finding form and submitting)
8. Earnest money
9. Security deposit
- 10.Information (detail information, drawing details etc.)
- 11.Information of permission ( to import equipment, restricted goods (explosive) etc.)

Contain in Tender  
Notice / Advertisement

- 12.Type of competition (LCB, NCB, ICB)
- 13.Use of sub contractor
- 14.Place, date , time of submission
- 15.Place, date, time of bid opening
- 16.Reservation of the right
- 17.Pre bid meeting
- 18.Award of contract ( procedure of evaluation, time)
- 19.Contact person for further information
- 20.Cost of tender preparation
- 21.Access to site observation

Contain in  
Tender Notice /  
Advertisement

Section	Contents	Contents of SBD
I	IFB	
II	ITB	
III	Forms of bid	
Iv	GCC	
V	SCC	
VI	Specification	
VII	Drawings	
VII	BOQ	
IX	Sample form of securities	

- **General**
- **Time control**
- **Quality control**
- **Cost control**
- **Finishing the contract**

COC

# • **General**

**Definition**

**Interpretation**

**Language and law**

**PM decision**

**Delegation**

**Communication**

**Subcontracting**

**Other contractors**

**Personnel and equipment**

**Employer and contractor risk**

**Employer risk**

**Contractor risk**

**Insurance**

- **Site investigation report**
- **Contractor to construct the work**
- **Work to be completed by the intended completion time**
- **Design by contractor approval by PM**
- **Safety**
- **Discoveries**
- **Possession of the site**
- **Access to the site**
- **Instruction , inspection and audits**
- **Appointment of the adjudicator**
- **Procedure for disputes**
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- **Time control**
- **Program**
- **Extension of the intended completion time**
- **Acceleration**
- **Delays**
- **Management meeting**
- **Early warning**

## **Quality control**

- **Identifying defects**
- **Test**
- **Correction of defects**
- **Uncorrected defects**
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- **Cost control**
- **Contract price**
- **Change in the contract price**
- **Variation**
- **Cash flow forecast**
- **Payment certificates**
- **Payments**
- **Compensation events**
- **Tax**
- **Currencies**
- **Price adjustment**
- **Retention**
- **Liquidated damage**
- **Bonus**
- **Advance payment**
- **Securities**
- **Dayworks**
- **Cost of repairs**



# Finishing the contract

- **Completion**
- **Taking over**
- **Final account**
- **Operating and maintenance manual**
- **Termination**
- **Fraud and corruption**
- **Payment upon termination**
- **Property**
- **Release from performance**
- **Suspension of grant/loan**
- **Eligibility**
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- **BID PQ Notice**
- **TOR**
- **EOI**
- **Short listing**
- **LOI**
- **RFP**
- **Criteria**
- **LOA**
- **Joint venture**
- **Sub contracting**

- **Types of common procurement agreement (contract)**
  - **Unit rate contract**
  - **Lump-sum contract**
  - **Cost reimbursable contract**
  - **Time and material rate contract**
  - **Design and build contract**
  - **Management contract**
  - **Performance based repair and maintenance and management contract**
  - **Piece work contract**

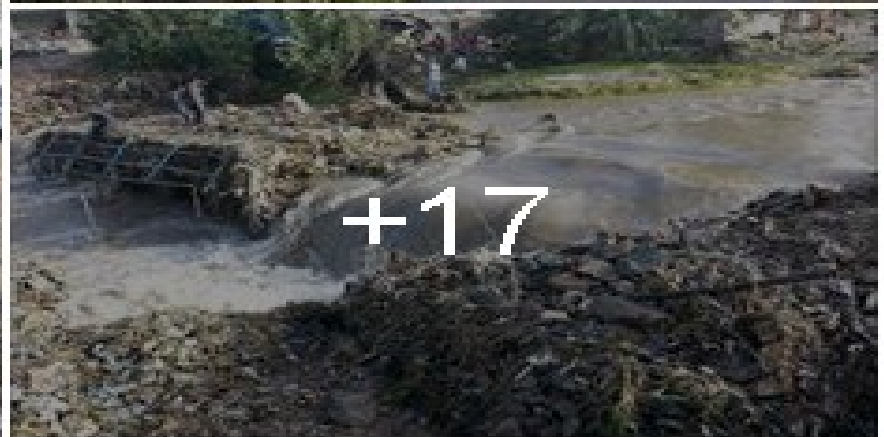
- Tender notice (invitation of Bids)
- General rules and direction for the use of contracts (ITB instruction to bidders))
- The letter of submission of tender
- The letter of acceptance of tender
- The addenda
- Form of agreement
- Condition of contract ( general, time, cost, quality, schedule
  - General conditions
  - Special conditions
- Bill of quantity Pricing document

- Specifications (general, particular)
- Drawings
- Programs, time
- Security (forms, bid security, performance security)
- Record of post bid negotiations

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- **Priority of contract document**
- To minimise or omit dispute the provision in contract should be clear and if not clear then there is necessary to prioritise the document in tender for right or on its own decision.
- The contract document
- The letter of acceptance
- The tender condition of contract COC
- SCC Special condition of contract
- GCC general condition of contract
- The specification
- The drawing
- Bill of quantities BOQ
- Addenda

- **Quality based selection**
- **Least cost selection**
- **Fixed budget selection**
- **Consultant qualification selection**
- **Single source selection**
- **Quality and cost based selection**
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# Method of work execution

Tender/ tendering

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- Reading note hand written
- report on NEC & NEA
- Case studies at least 3.
- List of government of concern with engineering profession

# Case studies related to practice of engineering profession

1. Public safety, industrialization, and protection of environment
2. conflict of interest, personal integrity, and personal privacy
3. professional negligence (duty, breach, proximate cause and damage)
4. breach of duty, criminal law and tort
5. breach of NEC code of conduct
6. breach of Public Procurement Act and Public Procurement Regulation
7. breach of intellectual property rights and copyrights
8. abuse of position and authority

- **Kathmandu, August 17, 2016**

Some slum areas on the banks of the Bagmati River and Dhobikhola were inundated in Kathmandu after torrential rainfall yesterday night and in the wee hours this morning. The slum dwellers were panic-stricken as the swollen rivers entered their settlements. Some vacated their shanties in search of safer places while others spent the night salvaging their belongings. , 45, residing in the slum area for that past 15 years said they had not faced such a situation in the past, but this time they were left high and dry after the river entered the slum area in Bijulibazaar at midnight. He blamed the disaster on causeways made in different areas along the Bagmati River with huge huge pipes to widen the roads. He demanded removal of the causeways. The slum dwellers were busy clearing waterlogged houses today. The flood had damaged the causeway in Dhobikhola, Bijulibazaar. The slums in Bhimsengola and Shantinagar on the banks of the Bagmati River and in Bijulibazaar on the banks of Dhobikhola were worst affected by rainfall. The 24-hour rainfall in Kathmandu till 8:45am was 67.0 mm, according to Meteorological Forecasting Division.

- **Discuss the situation**

- [issues of flood in river.docx](#)



- **Determine the facts in the situation**
- **Determine the stake holders**
- **Assess the motivation of the stakeholders**
- **Formulate the alternative solutions**
- **Seek additional assistance as appropriate**
- **Select the most appropriate course of action**
- **Implemented the selected resolution**

- Public safety, industrialization, and protection of environment
- During quality control visit in a remote village, it has been found that a building is being constructed on the bank of a river and it will be damaged due to flood. Approximately 25% of the construction was completed. The survey was done by your friend with the consent of the local people. However, the quality of construction was as per the specification. Your job is limited to control the quality of building only. Discuss the case and recommend your views on whether to continue the construction or not.



- A client came to a designer and asked to design a multistoried building. The soil type of the proposed site was found not suitable for that type of structure. The designer hesitated to design the building. The client said that he actually was not going to build that structure. He wanted to collect money from outside sources showing that designed as a proposal for his venture and wanted to utilize that money in other business. Explain the roles of the client and the designer in the perspective of professional ethics.