

INDUCTION COURSE FOR SUB-ASSISTANT ENGINEERS

“Steps to be followed for preparation of tender, finalisation and role of Sub-Assistant Engineers for successful implementation and to avoid litigations.”

The terms tender, agreement and contract are very familiar to all associated with development works. But due to lack of proper appreciation of the terms they are often wrongly referred to leading confusion.

Tender :

When one party signifies to another his willingness to do a service with a view to obtaining the assent of that other to such act, he is said to make a proposal or offer. Tender is nothing lent this offer.

Agreement :

A proposal, when accepted, becomes a promise. Every promise and every set of promises, forming the consideration for each other is an agreement.

Contract :

An agreement enforceable by law is a contract. Thus contract and agreements are legal documents, so they are required to be framed carefully leaving no ambiguity. If the contract suffers from any major inherent deficiency then it becomes void.

Initiation of tendering process :

Before preparation of any tender document it is to be seen whether the work intended to be tendered for execution is administratively approved and the estimate is technically sanctioned by the competent authority. Priced schedule of rates must conform to the estimate technically sanctioned. Keeping conformity with the provisions of clause 12 of standard contract form the priced schedule of rates should be nomenclatured as "specific priced schedule of rates for probable items of work with approximate quantities".

Different types of contract :

- i) Lump sum contract where the contractor engages to execute work with all its contingencies for a fixed sum. Depending on the nature of work a schedule of rates mutually agreed upon is attached to form a part of contract to regulate the price to be paid or to be deducted for additions and alterations as the case may be.
- ii) Schedule contracts, that is item rate contracts, in which the contractor undertakes to execute the work at fixed rates, the sum he is to receive depending on quantities and kind of work done or material supplied. Most of the works in Govt. Deptts. One executed through this type of contract.

Tender Documents :

There are different types of Govt. approved standard contract forms for use in different contracts. Apart from above, the documents should include Detailed Notice Inviting Tender, General Condition & Special Conditions of contract, if any, a complete set of drawings, complete specification of work, and a schedule of the quantities of the various description of work. Priority in order of precedence in case of conditions at variance is to be; indicated.

In works of great magnitude specially funded by Financial institution the contract deeds should be specially prepared in fulfillment of their requirements with the approval of the Govt. Escalation clause may be included in contract only with the approval of the Govt.

Splitting of work for tendering :

When a big work has to be divided into component parts for the sake of expeditions execution of work and for other administrative reasons the tender for each section should be treated as part of the tender for the whole work and prior approval is to be obtained for such splitting from the authority competent to accept the tender for the whole work and the eligibility to participate in the tendering is to be restricted to the appropriate class of enlisted contractors for that value of work in addition to the class of contractors eligible for participating in the tender for whole work.

Notice Inviting Tender :

Tender which should always be sealed, should be invited in the most open and public manner, by wide circulation of notice preferably in daily newspapers through Publicity Deptt. of the Govt. The N.I.T. should in all cases state.—

- 1) The place where and time when tender documents may be seen and the blank forms of tender applied for and obtained, also the amount to be paid for such forms of tender.
- 2) The name of work with location and the estimated cost for the work.
- 3) The place where, the date on which and the time when tenders are to be submitted and are to be opened.
- 4) The amount of earnest money to accompany the tender and the amount and the nature of security deposit required in the case of accepted tender.
- 5) With whom or what authority the acceptance of tender will rest.
- 6) Eligibility of tenderers for participation in tendering.

Authority reserving rejection of any or all of the tenders so received without assignment of any reason should be expressly stated in the notice. Condition for submission of valid I. T. certificate should be incorporated in the notice.

Circulation period of notice should not normally be less than one month but under certain exigencies the period may be shortened.

Authority competent to accept tenders :

The authority of accepting tenders on the part of A.E, E.E & S.E. is upto Rs.50,000/-, upto Rs.10,00,000/- and upto Rs. 50,00,000/- respectively subject to the condition that lowest valid tender is accepted at a rate not exceeding more than 5% of the estimated cost put to tender.

The Tender Committee are to evaluate tenders in respect of any work which is estimated to cost more than Rs. 50,00,000/-or the cost which exceeds the estimated amount by more than 5%. In such cases tenders are finalised with the approval of the Govt.

Finalisation of Tenders :

At the schedule time the tenders should be opened, serially numbered and the officer opening the tenders must put his dated signature and record number of corrections, if any, in the memorandum of tender in presence of tenderers. Comparative statement is to be prepared immediately. In the following cases tenders are to be declared as void –

1. Incomplete tenders.
2. Non submission of requisite earnest money in prescribed form unless otherwise exempted.
3. Adoption of malpractice and unholy pact of secure contract.
4. Non-submission of document in support of authority to sign contract for and on behalf of partnership firm or Limited Company.

All the tenders should be rejected if the lowest rate received is unreasonably high even at the bid. If a single tender is received at the first call it must not be accepted notwithstanding how favourable the rate is. It may, however, be accepted with consent of the tenderer of even at fresh tendering the rate of single tender received at the first call is found to be most favourable.

Before giving acceptance to the tender it is to be seen carefully that there is no ambiguity in rates written in words and figures, all corrections, modifications, additions etc. are duly attested by the tenderer and he has put his signature at all pages and at all appropriate places. Tenders normally remain valid for ninety days. So, acceptance should be communicated within this period. Normally 2% of the estimated amount subjected to a maximum of Rs. 20,000/- is accepted with tender as earnest money. In the letter of acceptance direction is to be given to the contractor to deposit the amount filling short of 2% of the tendered amount within a specified time. In case of failure to do so the letter of acceptance may be cancelled with forfeiture of earnest money. Immediately after the submission of balance security deposit to make it 2% of the tendered amount and execution of formal agreement work order to commence the work should be issued.

In case of large works funded mainly by different Financial Institutions a different form of tendering is adopted.

Role of Sub-Assistant Engineers for successful implementation and to avoid litigations :

Since S.A.E.s are the base level Officers to successful implementation of a project greatly depends on their performance. In a contract the employer and the employee have very often differential interests and in most of the litigate cases the contractors gain the benefit taking advantage of improper handling of contract. Hence, the S.A.E.s are to see that work is done timely as per specification without leaving any scope for dispute.

Time is the essence of contract. It is the mutual obligation of both the parties that proportionate progress is achieved in proportionate time. To insure it, S.A.E. is to see that all drawings, designs and instructions reach the contractor well in time, department materials are issued to the contractor in quantities sufficient enough for likely consumption in immediate future and no idle labour is included for the delay in issuing departmental materials. S.A.E. is to see that contractor maintains Master Roll Register and Wage Register etc. as per Contract Labour Regulation and Abolition Act. as in almost all cases of claim, contractor demands payment against idle labour on the basis of fabricated documents.

All works should preferably be supervised at the time of execution and defects, if any, are rectified immediately. Quality of construction of materials is to be tested and action taken thereof before they are collected at site in bulk.

When one item of work gets covered by any subsequent item of work, S.A. E. is to see that there must not be any delay in checking the former item and in giving clearance for execution of next item of work after taking down the measurements of item being covered.

Proper control and exercise are to be made regarding issue of departmental materials. Likely consumption for the whole work is to be predetermined. It is to be seen that there is no misuse or misappropriation of materials issued to contractor.

Progress of work is to be regularly monitored and pursued. Progress is to be reported to the higher officer monthly or fortnightly as the case may be for taking appropriate timely action.

Payment to agency at regular interval as per terms of contract is a prime condition for successful execution of work. Delay in making on account payment will invariably retard the progress of work. So, to avoid delay preparing the R.A. bills the SAE must record the measurements of works immediately after its execution and prepare the bill timely to avoid any future dispute.

Proper control is to be exercised so that final expenditure against the contract must not exceed 5% of the estimated cost put to tender or 10% of the tendered amount whichever is less including supplementary items of work. No additional or substituted items of work should be executed without written order of the competent authority. If the excess execution beyond the allowable limit is found inescapable then written order from the superior authority is to be obtained beforehand.

Most of the disputes arise on the grounds of late receipt of site drawings & designs, departmental materials, payment etc. and on account of idle labourers. So S.A.E.s must act cautiously so that such claims may not crop up.