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1 TENDER DOCUMENTATION

1.1 Why do we need tender documents?

We are discuss tender process under traditional DBB procurement method. Tender document is the document produced at the end of design stage by the client or client consultant.

The purpose of tender documents is to provide information that tenderers need, like what they need to build, when the project needs to be completed, and what the rules of contract will be.

1.1.1 Tenderer use tender documents to:

Decide if they want to bid the project: they will consider their resources, experience and skills to make a bid/non bid decision. Tenderers will let client know if they can afford to handle the job (too big/too small) or if they are interested.

Determine what to submit: if the tenderers decide to go ahead, the tender documents will tell them what they need to submit. Such as their performance history record, the construction methodology they need to prepare.

Develop the tender price: how do the tenderers need to do the work, what resources do the tenderers need, how much does it cost? And how much do the tenderers gonna put in the tender price.

Please note here relates two definitions: one is cost estimation, the other is tender price. Tender price is the cost plus profit margin.

If there is not enough information included in the tender document, the tenderer may not tender, or they will ask for amendment and clarification of current tender document, or they just put a very high tender price. It is very important that tender document is as accurate as possible.

2 CONTENT OF TENDER DOCUMENTS

2.1 Broad spectrum

Tender documents – provide principle guide of the tender process

Communication record – it includes notice to tender and tender meeting minute. They are the record of changes and clarification in the call for tender period.it modifies initial tender document by the discussion between client and tenderers.

Tender submission – submitted by the tenderers.it includes description of methodology, resources to be used, tender price and price breakdown, and tags.

Assessment record – tender evaluation worksheet

Negotiation record – before final contract award, it is quite normal the tender negotiation happens. The tags and other modifications to be discussed.(i.e modification of the rate). The negotiation modifies the tags and other details included in the tender submission. Once the negotiation result is accepted by both client and tenderer, the acceptance letter will be issued.it is the confirmation from principal, say “we accept your offer”. that is to say, demonstration of the acceptance.

Contract: The last step is sign the contract. Please remember the contractual relationship is formed when the acceptance letter is issued, not when the contract is signed. Contract is always has at least two copies. Both client and contractor sign the contract. They will initial every page. One contract is held by the client, and contractor keeps the other copy.

2.2 Narrow spectrum

Invitation to tender: coversheet of tender document package

Conditions: tells tenderers what the **rules** of contract are. NZSS3910 sets up the standard statement of rules. Like **rights and obligations of each party** are, what to do when the variation happens, how to deal with default and liquidated damages. Conditions are quite standard document.it helps everyone to understand the rules, so everyone plays under the same rules.

Rules also allocate the **risk**. The way NZSS3910 works is to allocate the risks to the party who can best handle it. For example, geotech conditions, generally nzss3910 favors client to pay the related cost, as the client can arrange geotechnical investigation before start of the job. The other is example is damage of neighbour’s property, NZSS3910 favour contractor to pay the cost, contractor has most control as they look after the construction work and manage the site. It is their responsibility of protecting neighbour’s property, make sure the damage doesn’t happen.

Specification: written statement of quality requirements

Drawings: construction details

Conditions of contract

Conditions of tendering

Rules of tendering process. Such as what does tenderers need to provide, when to submit the tender, what are tenderer's obligation. For example, site visit and thorough investigation of the tender document provided by the client

General and specific contract conditions

They work together as "two parts of one document". General conditions is general statement from NZSS3910, special conditions provide clarification on general conditions, which provides more detail, which can modify general conditions,.

You shouldn't change anything of general conditions, as it must fully comply with nzss3910 clauses. If you do need to change something, do it at special condition session.

3 ITT

ITT: selection of tenderers

Brief of tender process:

Project brief, tender submission requirement: when and where to submit tender, Documents to be provided by the tenderers; register of interest due date.

4 CONDITIONS OF TENDERING

General tender rules

This document details the overall **Tender Process** including the Delivery Method, Probity issues, Communication issues, the Criteria for Selection and the Evaluation Process.

5 SCHEDULE TO CONDITIONS OF TENDERING

Set up project specific tendering rules in this section.

6 GENERAL CONDITIONS OF CONTRACT

This document sets out the contractual basis for carrying out the works.

6.1 Obligations

1. Principal shall give the Contractor possession of the Site on the date provided in the
2. Special Conditions
3. Care of site & works
4. Control of employee/ contractor/ subbies
5. The Contractor shall cooperate with the Separate Contractors
6. The Contractor shall use the programme to track and report actual progress against planned dates and to forecast the likely dates of Practical Completion
7. Compliance with laws

7 SCHEDULE TO GOC

The Special Conditions are sometimes included which are unique to the client and/or project

8 SPECIFICATION & DRAWINGS

SPECIFICATIONS are a written description of the work to be performed consisting of product identification, types of finishes, and standards for performance. They explain the work to be performed in terms that are not easily displayed in graphic form.

These documents set out the performance and technical criteria for the project.

DRAWINGS are a **graphic** representation of the work to be performed consisting of a site, foundation, floor, roof, elevation, cross section and details plans. They show the location, character, dimensions, and details of the work.

9 SOQ

SOQ: a list of work to be done. It is breakdown of tender submission's quantity and tender price. The approach of breakdown must comply with NZS4202.

The process of producing a SOQ requires the QS to interrogate the drawing and specification. Enabling the QS to identify inaccuracies and discrepancies in drawings and specification prior to tender, and the subsequent reduction in post contract problems.

SOQ provides tenderers a uniform basis of quality and quantity to compete for the proposed project, makes tenders comparable with each other.

The quality and accuracy of the SOQ relies on quality of tender documents heavily.

10 APPENDIX:

Other relevant information tenderers need to know to accurately price the job.

Put as much information as possible to increase accuracy and quality of the whole tender document package. It helps to reduce future extra cost. For example, ground condition is an interest for all tenderers. Hard rock or soft soil has different requirement of foundation, the geotech report helps tenderers to understand ground conditions then price properly. If client knows something about ground but not pass the information to contractor, he can asks for extra payment if future.