

CESA PRACTICE NOTE WEBINARS

PRACTICE NOTES 25 AND 51

CONSTRUCTION COMMENCEMENT

(NOT JUST PARTY TIME!)

23 FEBRUARY 2022



CONSTRUCTION COMMENCEMENT

INTRODUCTION

PN 25 INSURANCE OF CONSTRUCTION CONTRACTS PN 51 CONSTRUCTION ADMINISTRATION

1. Includes services performed by the consulting engineer during Stages 4 and 5 of the six stages of a typical construction project
2. The engineer has a number of important obligations and duties:
 - Tender award process
 - Formalities to be undertaken by the contractor
 - Site handover

TENDER AWARD

- ✓ **ALLOW FOR THE TENDER OBJECTION PERIOD (PUBLIC SECTOR ONLY)**
- ✓ **NOTIFY SUCCESSFUL AND UNSUCCESSFUL TENDERERS – FOLLOW CONTRACTUAL PROCEDURES ACCORDING TO THE FORM OF CONTRACT AND CLIENT REQUIREMENTS**
- ✓ **SIGNING OF THE CONTRACT**
 - GCC : Sign Form of Acceptance and Priced Tender
 - JBCC: Letter of acceptance
- ✓ **THE TENDERER BECOMES THE CONTRACTOR**

CONTRACTUAL FORMALITIES AT COMMENCEMENT OF CONSTRUCTION

(Formalities to be undertaken by the contractor but managed by the Engineer)

- ◆ Contractor's health and safety plan
- ◆ Insurance
- ◆ Security
- ◆ Initial programme

CONTRACTUAL FORMALITIES AT COMMENCEMENT OF CONSTRUCTION

◆ CONTRACTOR'S HEALTH AND SAFETY PLAN

Contractor's responsibility to produce the Health and Safety plan based on the Client's Health and Safety specification

CONTRACTUAL FORMALITIES AT COMMENCEMENT OF CONSTRUCTION

◆ INSURANCE

Make sure this is done properly and professionally. Construction insurance is a specialised industry.

- ✓ Works insurance
- ✓ Special risks insurance (SASRIA)
- ✓ Public Liability insurance
- ✓ Other special insurance which may be applicable (eg lateral support)

CONTRACTUAL FORMALITIES AT COMMENCEMENT OF CONSTRUCTION

◆ SECURITY

- Could be a cash deposit, performance and payment guarantee, retention, or a combination thereof.
- Use only Forms of Guarantee as provided by GCC and JBCC

CONTRACTUAL FORMALITIES AT COMMENCEMENT OF CONSTRUCTION

◆ INITIAL PROGRAMME

Engineer to provide sufficient information to enable contractor to prepare initial programme. Contractor to prepare programme

SITE HANDOVER

- Must be done formally
- All site information must have been provided in the tender document
- Site access must be described
- Employer must be legally in possession of site and all legal and environmental formalities completed before contractor given access.
- Site handover meeting (not just a braai!)
 - ❖ Agenda, attendance registers, minutes
 - ❖ Site access, boundaries and pegs
 - ❖ Record contractual formalities
 - ❖ Record contract details
 - ❖ Establish the “Rules of the Game”, eg procedures for instructions, meeting dates, site matters, issue of information (documents, drawings, etc), financial and claim procedures, site instruction, programme and progress, health and safety issues.

ATTENTION TO DETAIL AT CONTRACT COMMENCEMENT ESSENTIAL FOR PROJECT SUCCESS

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Excellence’**