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Municipal Infrastructure Support Programme

●●● Building together for the future

Program podrške razvoju infrastrukture lokalne samouprave

●●● Gradimo zajedno za budućnost



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***PIU Training
30 October 2012***

CONSTRUCTION SUPERVISION

From HEAVEN to HELL and BACK!

OR

From BLISS to the BLUES and BACK!

PRESENTATION BY:

Trevor Nielsen, Chief Engineer, MISP IPA 2010



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A. FUNDAMENTAL PREMISES:

A common, and much loved, but **False** premise is:

The SUPERVISOR, is ALL Powerful :

The HEAVENLY (BLISSFUL) attitude!!!



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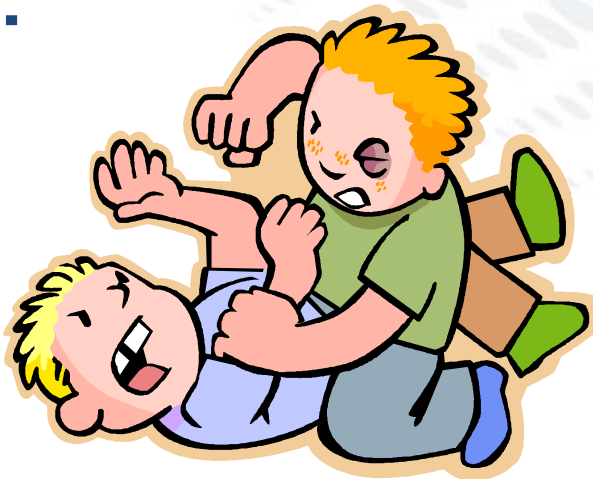
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FUNDAMENTAL PREMISES:

The **Actual** or **True** attitude should
NOT be:



which is an attitude from HELL!!



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FUNDAMENTAL PREMISES:
BUT, the *Actual* or *True* attitude should be:



MAKE PEACE, NOT WAR
A HEAVENLY inspired attitude!

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FUNDAMENTAL PREMISES:

THUS:

It should be clear which attitude or premise is the best:

You, the Supervisor, should realize:

1. You are NOT ALL POWERFUL, but
2. You are a FACILITATOR
3. You are a PEACEMAKER, but
4. You are NOT a **COMPROMISER!!!!**




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FUNDAMENTAL PREMISES:

THUS: 

1. In performing his duties the Supervisor should take care that he does not erode the responsibilities of the Contractor.

2. He should not approve where approval is not required under the Contract.



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FUNDAMENTAL PREMISES (Continued):

3. He should not approve where comment only is required.

4. He should not ‘lead’ the Contractor in matters of methods of construction, or other matters that are the responsibility of the Contractor under the Contract.

5. He should not give instructions with respect to Temporary Works or safety which could be construed as removing the Contractor’s responsibility for these matters.



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FUNDAMENTAL PREMISES (Continued): The following attitudes will give you the BLUES:



1. Ignore the 5 advices given
2. Compromise: On quality, time, cost, specification.
3. Look for a fight – for the fight's sake!
4. Assume you are ALL powerful



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PITFALLS:

The following pitfalls will also give you the BLUES:

1. A tendency to accede, without thinking, to ALL requests and instructions from the Contracting Authority. **WEAK!!**
2. A tendency to accede to ALL claims (justified or spurious) from the Contractor (to keep the peace!). **KAFANA & MOBILE TELEPHONE Supervision!!**
3. Giving instructions to accelerate. **IRRESPONSIBLE**



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PITFALLS (continued):

4. Lack of feedback, i.e. minimum communication.

DISORGANIZED

5. Failure to take decisions.

WEAK

6. Failure to record ALL actions, activities, events.

CARELESS

7. Inconsistency in actions.

IRRESPONSIBLE

RESULT





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B. ADVANCED PREMISES:

(Or in laymen's terms: Applied Principles)

The basis for these premises is:

Volume 2: Section 2 – **General Conditions of Contract**, and

Section 3 – **Special Conditions of Contract** (Not discussed here: Info only)

Following these premises will keep you out of HELL and lead you to HEAVEN!!!



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ADVANCED PREMISES - Applied principles

VOLUME 2 : The CONTRACT

Section 1	Form of Contract
Section 2	General Conditions of Contract
Section 3	Special Conditions of Contract
Section 4	Form of Performance Guarantee
Section 5	Form of Advance Payment
Guarantee	
Section 6	Form of Retention Money
Guarantee	



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VOLUME 2 : Section 2

GENERAL CONDITIONS of CONTRACT



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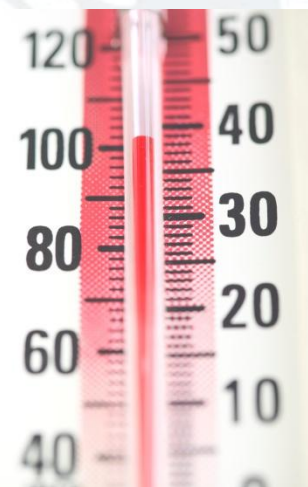
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ADVANCED PREMISES - Applied Principles

Let's consider a few articles (clauses) that frequently trigger differences of opinion between Contractors and the Supervisor.

I.e. they push the temperature UP!





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ADVANCED PREMISES - Applied Principles

1. Art. 21: Exceptional Risks.

Unforeseen physical conditions.



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ADVANCED PREMISES - Applied Principles

1. Art. 21: Exceptional Risks.

21.1. If, during the execution of the works, the Contractor encounters **artificial obstructions or physical conditions** which could not reasonably have been foreseen by an experienced Contractor, and if the Contractor is of the opinion that additional costs will be incurred and/or an extension of the period of implementation of the tasks will be necessary as a result of this, he shall give notice to the Supervisor in accordance with Articles 35 and/or 55. The Contractor shall specify in such notice the artificial obstructions and/or physical conditions, giving details of the anticipated effects thereof, the measures he is taking or intends to take and the extent of the anticipated delay in or interference with the execution of the works.



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ADVANCED PREMISES - Applied Principles

1. Art. 21: Exceptional Risks.

21.2. Following receipt of the notice, the Supervisor may *inter alia*:

- (a) require the Contractor to provide an estimate of the cost of the measures he is taking or intends to take;
- (b) approve measures referred to in Article 21.2 (a) with or without modification;
- (c) give written instructions as to how the artificial obstructions or physical conditions are to be dealt with;
- (d) order a modification, a suspension, or termination of the contract.



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ADVANCED PREMISES -

Applied Principles

1. Art. 21: Exceptional Risks.

21.3. To the extent that the Supervisor shall decide that the whole or part of the said artificial obstructions or physical conditions **could not reasonably have been foreseen by an experienced Contractor**, the Supervisor shall:

- (a) take into account any **delay suffered** by the Contractor as a result of such obstructions or conditions in determining any extension of the period of implementation of tasks to which the Contractor is entitled under Article 35; and/or
- (b) in case of artificial obstructions or physical conditions other than weather conditions, **determine additional payments due** to the Contractor in accordance with Article 55.



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ADVANCED PREMISES -

Applied Principles

1. Art. 21: Exceptional Risks.

21.4. Weather conditions shall not entitle the Contractor to claims under Article 55.

21.5. If the Supervisor decides that the artificial obstructions or physical conditions could, in whole or in part, have been reasonably foreseen by an experienced Contractor, he shall so inform the Contractor as soon as practicable.



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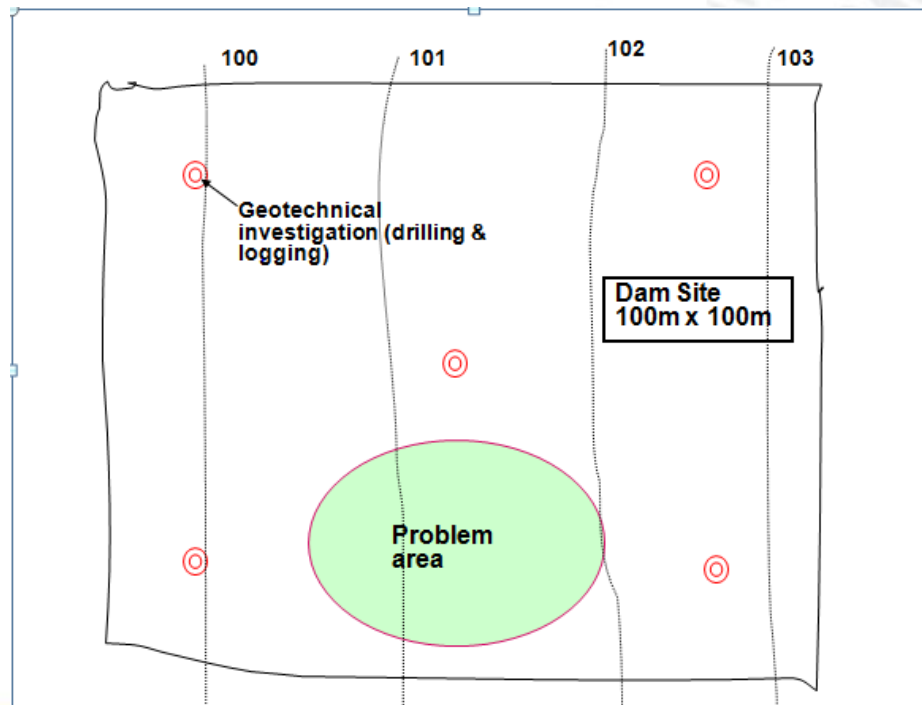
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ADVANCED PREMISES - Applied Principles

1. Art. 21: Exceptional Risks.

EXAMPLE 1. Insufficient Geotechnical information





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ADVANCED PREMISES -

Applied Principles

1. Art. 21: Exceptional Risks.

EXAMPLE 2. Uncontrolled access to site

SABAC WWTP:

- Unforeseen additional excavations

ENSURE PROTECTION OF THE CONSTRUCTION SITE



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ADVANCED PREMISES - Applied Principles

Article 32: Patents and licenses

Save where otherwise provided in the Special Conditions, the Contractor shall indemnify the Contracting Authority and the Supervisor against any claim resulting from the use, as specified in the contract, of patents, **licenses**, drawings, **designs**, models, or brand or trade marks, **except where such infringement results from compliance with the design or specification provided by the Contracting Authority and /or the Supervisor.**



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ADVANCED PREMISES - Applied Principles

Article 32: Patents and licenses

- Permits: - Issued by GoS (Ministries) and Local Authorities
- Designs: - by the Contracting Authority (= **Red Book**)
- by the Contractor (= **Yellow Book**)
- Land issues: - Access to Site

ENSURE TIMELY APPLICATIONS AND APPROVALS,

otherwise....



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Article 35: Extension of the period of implementation of tasks

35.1 The Contractor may request an extension to the period of implementation of tasks if he is or will be delayed in completing the contract by any of the following causes:

- (a) exceptional weather conditions in the State of the Contracting Authority;
- (b) **artificial obstructions or physical conditions** which could not reasonably have been foreseen by an experienced Contractor;
- (c) administrative orders affecting the date of completion other than those arising from the Contractor's default;



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Article 35: Extension of the period of implementation of tasks

- (d) **failure of the Contracting Authority to fulfil his obligations**
under the contract;
- (e) any **suspension of the works** which is not due to the Contractor's default;
- (f) force majeure;
- (g) any other causes referred to in these General Conditions which are not due to the Contractor's default.

THIS ARTICLE GOES HAND-IN-HAND WITH ARTICLES 21 & 32



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Article 55: Claims for additional payment

55.1. If under the contract there are circumstances which the Contractor considers entitle him to additional payment, the Contractor shall:

(a) if he intends to make **any claim for additional payment**, **give** to the Supervisor **notice of his intention or make such claim within 15 days** after the said circumstances become known to the Contractor, stating the reason for his claim; and



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Article 55: Claims for additional payment

55.1. continued :

(b) **submit full and detailed particulars of his claim** as soon as it is reasonably practicable, **but no later than 60 days after the date of such notice**, unless otherwise agreed by the Supervisor. In case the Supervisor agrees to another deadline than the said 60 days, the agreed upon deadline will in any event, require that such particulars shall be submitted no later than the date of submission of the draft final statement of account. The Contractor shall thereafter promptly submit such further particulars as the Supervisor may reasonably require assessing the validity of the claim.



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Article 55: *Claims for additional payment*

55.2. When the **Supervisor** has received the full and detailed particulars of the Contractor's claim that he requires, he shall, without prejudice to Article 21.4, **after due consultation with the Contracting Authority** and, where appropriate, the Contractor, **determine** whether the Contractor is entitled to additional payment and notify the parties accordingly.

55.3. The **Supervisor** may **reject any claim** for additional payment which does not comply with the requirements of Article 55.

POTENTIAL:



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ADVANCED PREMISES - **Applied Principles**

In Conclusion: Further activities that need special attention:

- Programme of Implementation of Tasks
- Prices and Rates
- Drawings
- Safety
- Extension of Time
- Delays
- Payments (Periodic interim and variations)
- Tests and Commissioning
- Provisional Acceptance and Handover
- Commencement of Defects Liability Period
- Final Acceptance
- Final Statement of Account



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REMEMBER:

**IT IS LARGELY UP TO YOU,
AS SUPERVISOR/CONTRACTING
AUTHORITY/INVESTOR, WHERE YOU END UP:**



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SUCCESS IS A CHOICE





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THANK YOU FOR YOUR ATTENTION