

TENDER WITH ACCORDANCE TO FIDIC

(Fédération Internationale des Ingénieurs-Conseils)

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Abstract

FIDIC (Fédération Internationale des Ingénieurs-Conseils) is the worldwide federation of consulting engineering member associations dedicated to developing relationships between the consulting engineering profession and governments, funding agencies, banks, industry, commerce, contractors, suppliers and other construction industry professions. Today FIDIC membership numbers nearly 70 member associations from all parts of the globe. The members of each national association comply with FIDIC's code of ethics which calls for impartial advice, competence and fair competition. FIDIC acts as a forum for the exchange of views and information and actively encourages the discussion of matters of mutual concern among member associations. FIDIC prepared regulations concerning tenders, it is a method of choice of investment contractor, which serves to optimum of utilization of investment funds. FIDIC procedure is the most often used in international tenders.

Keywords: FIDIC (Fédération Internationale des Ingénieurs-Conseils), tender

1. Introduction

Tender is a method of choice of investment contractor, which serves to optimum of utilization of investment funds. Properly prepared and effected tender assures in peculiarities (legal tender assuring success of given aim):

- (1) receipt of proposal from performers about proper appraisals (use of suitable qualifying procedures),
- (2) receipt of comparable offers (qualification of offer form at instructions for bidders and exact qualification of proposal object, usually by drawings, technical specification),
- (3) efficient execution of offer estimation and choosing of optimum proposal (introduction of regulations of work of tender committee, rules and check forms and estimations of offers and register of act),
- (4) inclusion of contract with select bidder by confirmation his offer without any further negotiation (proper arrangement of general and

detailed contracts conditions).

Regularly, agreement is considered for reached after signing formal act of agreement, after closing with the offer ordering.

2. Features of good tender

Tender procedure in reference to building and mounting works consists:

- (1) realization initial requirements by investor: minimum possession of ground under construction and legal tenders for realization. This condition has to be behaved, if this undertaking has to be real. If possible bidders will gather doubts regarding possibilities of execution of all undertaking, so for tender will not loam any serious offer.
- (2) settlement of detailed contract conditions, which has to be contracted
- (3) settlement desirable or required time limit of beginning and end of construction

Above-mentioned three conditions have affirmation of

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capability of comparison of received offer on purpose. If though it is not granted one of those, otherwise, it will be edited or it will be concerned other range of obligation, and you cannot compare it objectively. Choice will come down for fate choice of bidder, and reached contract will not be result of bid.

- (1) exhalation of suitable organizational unit of investor or hire specialist advisory firm, which will assure technical service of tender acts, and also competent analysis, comparison and choice of offer
- (2) entire elimination of negotiation during a tender and till the time when a contractor will be chosen limitation to minimum of all immediate contacts of investor with bidders. Introduction of negotiation element would make, that this procedure would stop to be a tender

3. Beginning of tender organization

It is obliged to incline for taking of definite effort for obtainment in future of proper benefit by announcement of bid certain number of person ordering and chosen executive. Operation such is legal, unless so, it introduces nobody to error if it has at disposal proper resources declaring importantly and it wants to enter into a contract in way of bid, about range mentioned in announcement, but addressees of announcements have real chances to signing of such agreements due to honest competition.

Therefore, inclusive can invite bidders for folding of offer on execution of job construction - assembly only when certain prerequisites are granted and executed essential preparatory actions for given kind of tender. Otherwise bases bidder can have for judicial investigation from ordering direct cost in preparation of offer incurred.

Initial conditions, necessary for implementation before beginning of tender organization:

- ① settlement of tender object,
- ② preparing of feasibility study,
- ③ property of field under construction,
- ④ disposal of financing source.

Duty of investor, before tender announcement, is:

- ① tender planning (preparing of tender programme: act schedule, a list of accessible legal tenders,

etc.),

- ② organizing of necessary specialist services - foreign and/or own,
- ③ preparing of tender documentation,
- ④ obtainment of decision, permissions and coordinations,
- ⑤ appointment of tender committee.

Above-mentioned juxtaposition of factor presents checklist. Some of them can remain recognized for realized thanks to leadership of activity about continuous character, e.g. existence institutional bid commission permanently or collective work, e.g. charging all acts of preparation and tender execution to specialist advisory firm.

4. Procedure

Originality of solution is not advantage to conducts of tenders. On the contrary, it belongs to take advantage formulae and exemplars generally recognize, but change it and fit for current requirements in indispensable borders only, with biggest discretion and precaution.

For most often used exemplars, in international tenders particularly, exemplars belong to FIDIC. They are based on principles, which are not a subject of changes from about 40 years and it is improving in details, according to experience practicing engineer, in membership organizations associate worldwide FIDIC.

5. Tender dossiers

5.1 Introducing

Basic tool to efficient tender execution, choice of suitable bidder and inclusions with him profitable contract, is a set of properly prepared tender dossier.

In accordance with FIDIC suggestions, tender dossier, what bidder receives from investor before realization of offer, it is distinguished from tender documents, represented to investor as an offer.

5.2 Aim of tender dossiers

In tender dossiers bidder should find out of all, what will need to prepare his own offer. Simultaneously investor should so formulate own requirements, that offers former should be comparable and that select offer could be accepted to sign contract without further negotiation.

At tender dossiers should be explain to bidder of whole assignment, which has to undertake, and tender object

should be qualified in that way, that bidder could recognize characteristics of order and compare it with own possibilities.

It belongs to explain integrity of task in tender materials to bidder, which he will undertake, but it is necessary to define object of tender so bidder could know characteristics of order bidder and compare it with capabilities. Application of kind of job is wanted for this purpose equal, as well as determination of its amount, deadline and places of execution. Composition of proper engineering documentation is indispensable at the nature principally preliminary. It belongs to prepare tender materials for each tender individually, at employment of recognized pattern, particularly if it concerns contracted conditions.

In consequence at tender dossiers have to be introduced following main problems:

- ① course of tender and requirements formal offers, Tender materials should supply to bidders informations which are necessary for preparation of consistent offer with demand requirements of ordering, as well as about mode of folding, opening and estimates of offers and choice of executive.
- ② contract conditions, It is obliged to be served into tender materials installation ruling realization agreement, and duties of part with agreement consistent.
- ③ object of bid and determination from technical part Tender materials should define exactly object of order and in such manner, in order to enable one-valued elaboration of offer by bidders, and simply account executive from realized jobs. It does not belong to enforce each bidder for preparation of materials, only one time which can be executed by ordering, like e.g. research geologically - engineering.

5.3 Content of tender dossiers

Tender dossiers create two groups of information and documents:

- (1) Administrative part, embracing organizational and legal problems, which consists:
 - ① invitation to tender text used in dependence from circumstances, as an announcement about tender or inviting letter to selected bidders to

participation,

- ② instructions for bidders containing such general information, which will use during working out of offers, and its compositions, openings and estimations, there should be found parameters and special information, usage to requirements of given contract,
- ③ contract conditions, e.g. contracted conditions for concrete case fit to FIDIC
- ④ offer form, enclosure to offer and tender guarantee,
- ⑤ example of contract act (contract agreements) and examples of realization guarantee and bank guarantee for payment on account, these documents are placed at tender dossiers because of inquiry aims and it will be used after choosing bidder, to inclusions contract with him,
- ⑥ qualifying form permitting for estimation, whether bidder has sufficient qualifications to correct realization of contract.

(2) Technical part

Technical tender documentation embraces two main groups information about works and about construction site.

Information about works consist:

- ① specifications, Technical specifications are presentation of required norm of quality of ordered job, made for accepted in contract systematic of job and for all kind duties of executive. Additional, general description of venture is placed inclusive general data concerning contract and ordering, information about construction sites, list of drawing, summaries and definition, used systematic of job etc. information
- ② before measurement of works, Before measurement of works this is list of amount of job, which is expected in contract, on base of drawing composed and for given venture accepted systematic of job, place is left in this list on inserting rate and prices by bidder.
- ③ drawings, Drawings are elaboration at the nature project, present in the form of graphic object bid, placing in field, form, internal structure and function.

5.4 Specifications

Precise set and bright technical specifications is an initial requirement of bidders. Well worked out specifications is also one of decisive conditions of receipt of comparable offers.

Specifications should be arranged so, that it makes possible real rivalry between bidders, simultaneously it should be brightly introduce required norms relating executions, materials and of services. Specifications should be referred to:

- ① work systematics (elaboration arrangement),
- ② standards (kind of placed information),
- ③ contract object (duties according to contract).

5.5 Before measurement of works

Before measurement of works it is a list of quantity of works, provided for realization in contract, prepared on the ground of work systematics, accepted to usage for given undertakings (or specially worked out, if lack ready systematic), and worked out on the ground of drawings and foundations.

Before measurement of works has to assure delivering:

- ① information about quantity of provided works to realization, which is sufficient to efficient and exact of offer preparation,
- ② fixed the price of before measurement, after inclusion of contract, to use at definite valuation of executed works.

In order to achieve these purposes, it belongs to smash jobs in before measurement of works to on individual kind or on same type of work, but execute in different places or circumstances. Contents of before measurement of works should be simple and short; all positions must be included homogeneous code system expected job systematic, which is compact for before measurement of works, specification and drawings

5.6 Drawings

Investor works out and delivers to bidders drawings, to make possible to them:

- (1) introduction with whole provided to realization of works, in range embraced of tender and their connections with concurrent infrastructure,
- (2) settlement of their own prices and rates to before measurement works,
- (3) preparation other required to offer, such as realization of programme, organizational construction schema etc.,
- (4) preparation of working drawings by contractor during contract realization.

Not all drawings executed to preparations of tender and being base to preparation of before measurement works, they have to be added to tender dossiers, however all drawings should be delivered to selected contractor.

5.7 Systematic of works

Systematic of works is well ordered gathering of work assortments, practical at given tender. It contains following elements:

- ① code of given work position,
- ② name of given position,
- ③ description of work range embraced with this position.

Before measurement should be constructed on base settled systematic of works. To the same systematic have to link technical specifications also and information on drawings relating qualities of works.

In time of realization, code and name of position used at before measurement works, used are in reports from realization of works, in certificates of engineer about realization of works and in invoice of performer.

Systematic should be prepared before beginning of preparing of specification and before measurement works.

Information about construction site determines:

- ① results of geotechnical drilling and ground analysis,
- ② researches related to state of construction site and its environment obtained by investor,
- ③ composition of publicly accessible information about construction site and regions, such as e.g. publications and interpretations of geologic office, aim of such compositions is help to bidders at offer preparation,
- ④ investment data about armament of underground construction site: pipelines, lines and buildings,
- ⑤ investment data about buildings and existing buildings at construction site.

5.8 Internal tender documentation

Except tender dossiers it is possible to use internal tender documentation, which is base of organizational tender conducts and it assures documentary evidence of every acts of this conducts.

Internal tender documentation can consist in dependence from circumstances:

- a) tender programme,
- b) regulations of tender committee,

- c) detailed criterion of estimation of bidders qualifications,
- d) detailed criterion of estimation of offers,
- e) register of tender course,
- f) investors respect of costs of undertaking.

Secret character has records exchanged above in points c), d), f) and e) after fulfillment by tender committee, with exception of these documents, which in accordance with advises for bidders, have to be thrown open for bidders or published publicly.

5.9 Estimate cost estimate of investment

Estimate of cost of real venture is a document; investor should not take ultimate decision of financial engagement without preparation it. This document with the technical nature is not material neither tender document or conventional, however, it remains confidential internal document. It enables orientation in price level to tender commission. If they will be surpassed meaning, cost estimate can present base for rejection of all offer possibly and organize new tender on base of new tender material.

6. Evidenced tender acts

Following acts of tender committee are usually substantiated and introduced to register of tender course:

- (1) beginning of tender committee work,
It belongs to give composition of committee with marking of chairman and secretary, and when and by whom was qualified, this should be added of acts copies of appointment of each member, if were used, it is necessary also to give:
 - ① short description of planned investment,
 - ② main participants: investor, financing institutions, designers, consultants etc.,
 - ③ planned time limits
- (2) tender announcement,
- (3) giving explanations to initial qualifications,
It should make a note when, who and which explanations gave,
- (4) offer acceptance,
It is necessary to make a note of bidder, date and hour of acceptance of every offer, attentions on theme of seal state and name of person, who acknowledged receipt letter.
- (5) offer opening,
It is necessary to prepare official record of

opening of offers, containing:

- ① names of present, with mark who represent whom,
 - ② names of bidders not taking part in tender, who in accordance with instructions for bidders, notified resignation of offer, giving simultaneously, that it did not become open,
 - ③ names of bidders taking part in tender and for each of them: full price of each offer and variant offer (if variants are required or permissible), presence or lack of tender guarantee, other essential details, which became published by investor during opening (deposit).
- (6) check of complete offers,
It belongs to check and give at official record, whether each offers are structurally in accordance with requirements given at instructions for bidders, i.e. whether contains all required parts and tender guarantee deposit),
 - (7) check of qualifications each bidders,
It is necessary to check, whether qualifications of every bidder is in accordance with requirements given at instructions for bidders.
 - (8) check essential of offer correctness,
It is necessary to check, whether content of each offer is essentially in accordance with requirements given in instructions for bidders,
 - (9) offer rejection,
It belongs to prepare suitable official record, enumerating rejected offers and giving reasons of this.
 - (10) estimation of offers,
It is necessary to add of estimation forms of each offer and summary form.
 - (11) choice of contractor,
 - (12) end of work of tender committee,
It belongs to add a note giving:
 - ① fact and date of end of tender committee work,
 - ② entire site numbers of official record in accordance with register of tender course,
 - ③ delivery of whole official record of tender committee (date of delivery, name of organizational unit and name of person undertaking official record),
 - ④ signature of bid panel members and persons taking over protocol.

Conclusion

FIDIC prepared regulations concerning tender, which is very important part of construction process.

Properly prepared and effected tender assures in peculiarities: use of suitable qualifying procedures, receipt of comparable offers, efficient execution of offer estimation and choosing of optimum proposal and inclusion of contract with select bidder by confirmation his offer without any further negotiation.

At tender dossiers should be explain to bidder of whole assignment, which has to undertake, and tender object should be qualify in that way, that bidder could recognize characteristic of order and compare it with own possibilities. Tender dossiers contain two parts, administrative and technical. In administrative part we will find information about invitation to tender, instructions for bidders, contract conditions, offer form, enclosure to offer and tender guarantee, example of contract act (contract agreements) and examples of realization guarantee and bank guarantee for payment on account and qualifying form permitting for estimation.

Technical tender documentation embraces two main groups information about works (specifications, before measurement of works and drawings) and about construction site. Tender procedures in FIDIC are prepared in way, which makes easier to organize this process, you could see steps presented in this presentation.

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