

TenderPartners GmbH

Tender Procedures for Contractors

Amgad A. Hussein

Frankfurt 31.08.2005

Main Procedure of Tender

- 1. Pre-qualification stage**
- 2. Tender analysis**
- 3. Tender submission**
- 4. Tender Award**

1. What is a “Pre-qualification”

- **Pre-qualification is based on a form issued by the Employer to be filled out by contractor, consortium or joint venture.**
- **The forms include questions to evaluate the technical and financial capability of the contractors, consortium or J.V to measure their abilities to participate in the tender, using a point system with minimum scores .**
- **There are many forms for the Pre-qualification but the most common one is the FIDIC Format.**
- **There are many ways to be informed about a Pre-qualification such as newspapers, direct invitations and websites.**
- **For those companies which are qualified to participate, an invitation to buy the tender documents will be issued.**

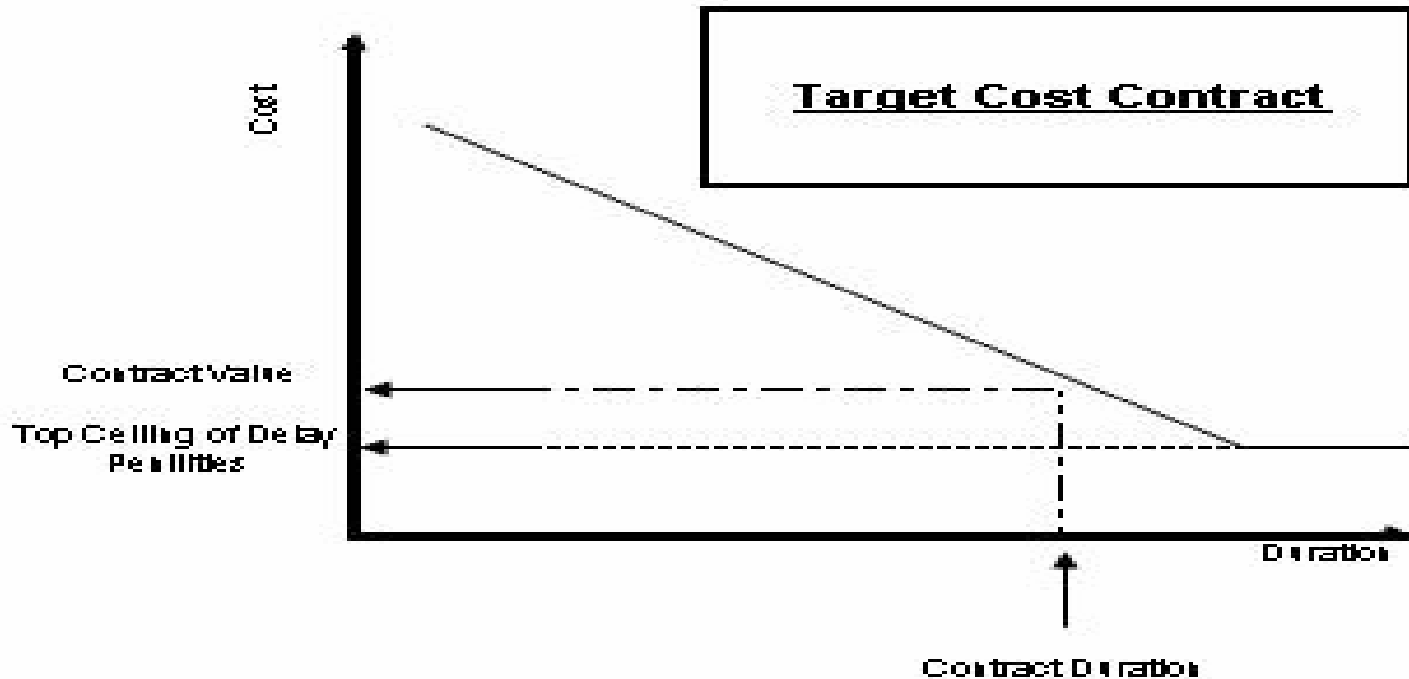
Tender Documents

- **Instruction to Bidders**
- **Specifications/Technical input**
- **Contract & Guarantee Forms**
- **B.O.Q.**
- **Drawings**
- **Appendix to tender**
- **Addendums & Circular Letters based on the queries of tenderers.**

Type of Contracts

- **Re-measure unit rate contract**
- **Turn-Key contract (Lump Sum)**
- **Cost Plus Contract**
- **Target cost contract**

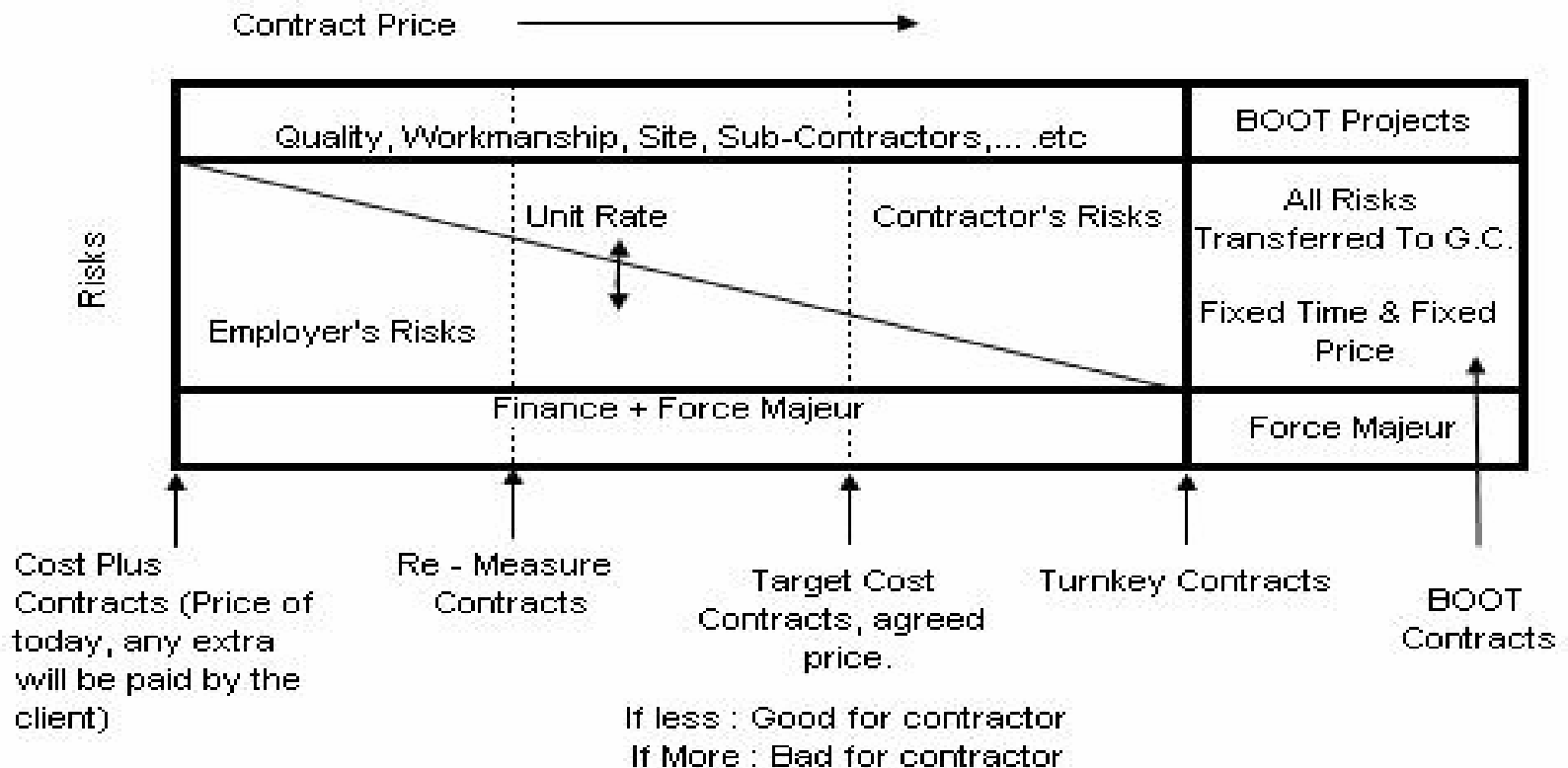
Target Cost Contracts



Tender Analysis

- **Quantity Surveying**
- **Pre-bid Agreement**
- **Method Statement**
- **Preliminary Planning**
- **Risk Analysis**
- **Tender bond and Insurance**
- **Cost Estimation**
- **All lead to a Tender price or Project value.**

Risk Allocation



Points to be Considered

- **Who will finance the project/Currencies**
- **The owner representative/Consultant**
- **The periodic time for paying invoices**
- **The % of retentions and if there is min. amount for the invoice to be paid.**
- **The defect liability period**

Forms of Guarantee

- **Bid Bond (Tender Phase)**
- **Performance Bond for works (After award)**
- **Advance Payment Bond (After Award)**
- **Performance Bond for Operation, if any (After construction phase)**

Different Types of Insurance

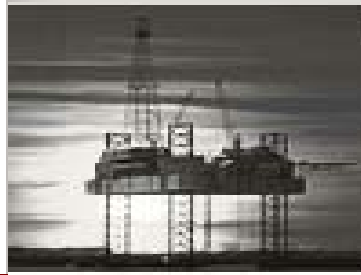
- **Third Party insurance**
- **Works insurance**
- **Workers insurance**
- **Design Insurance (only in Turn Key Projects)**

Tender Submission

- **Outer Envelope (Technical Offer) contains all technical data and the bid bond.**
- **Inner Envelope (Financial Offer) contains the filled out BOQ, which leads to the tender value. It called inner because it must be sealed due to transparency.**

Tender Award

- **By a Letter of award or letter of acceptance.**
- **In a period of 28 days after issuing the letter of award & in order to sign the contract, the contractor has to submit the following:**
 - **Performance Bond**
 - **Evidence for the insurance**
 - **The Time Schedule**



TenderPartners GmbH

Tender Procedures for Contractors

Amgad A. Hussein

Frankfurt 31.08.2005