

CONTRACTUAL DOCUMENTATION

- MISUNDERSTANDING ABOUT SCOPE: BASEMENT FILLING, WEATHERING COURSE, WATER TANK, POWER CONNECTION CABLING, VARNISHING/PRIMER COATS - INCLUDED OR NOT?
- CASES OF SCOPE DEFINED BY CONTRACTOR: MOST LUMP SUM CONTRACTS, PEB, HVAC, LIFT ETC
- COORDINATION WITH CONSULTANT, ISSUING DRAWINGS – REWORK BY HILTI ETC

CLEAR SCOPE OF WORK AND AGREEMENT, EARLY PREPARATION OF DRAWINGS

MULTI-CRITERIA ANALYSIS FOR SPECIALIZED ITEMS

ASSESS FINANCIAL & TECHNICAL CAPACITY OF CONTRACTOR

SUBCONTRACTOR CONFLICTS

- SNAP-UP DOCTRINE: LEGALS OF UNDERQUOTING BY MISTAKE
- FINANCIAL INDISCIPLINE OF SUBCONTRACTOR
- BLAME GAMES BETWEEN SUB-CONTRACTORS AND CONSULTANTS
- IF CONTRACTOR ABANDONS JOB, REPLACEMENT CONTRACTS ARE ALWAYS COSTLIER

IF SUBCONTRACTOR IS NOT REPUTED FIRM, MICRO-MANAGE THAT FIRM

CONDUCT ALL-PARTY PROGRESS REVIEWS, RECORD MINUTES

PREFER ITEM-RATE, IF SUBCONTRACT CREDENTIALS ARE DOUBTFUL

CIVIL LABOUR & LABOUR SUBCONTRACT

- LUMPSUM SUBCONTRACT RATES IS JUST GUESSWORK
- EXCAVATION, PLASTERING, SHUTTERING GAINS MONEY, MASONRY AND CONCRETE LOSES MONEY
- LIKELIHOOD OF EXCESS WEEKLY PAYMENTS

MICRO-MANAGEMENT OF LABOUR CONTRACTOR – PROVIDE HELP

DEVELOP LONG TERM RELATIONSHIPS WITH LABOUR CONTRACTORS

MAKE ESTIMATE OF ITEM-WISE LABOUR RATES EVEN ON FIXED CONTRACT

LABOUR COST ESCALATION

- BASED ON A STUDY BY SATHYABHAMA ENGINEERING COLLEGE (2014) AND ON-GOING STUDY BY ADEPT ALGORITHMS
- ESCALATION OF LABOUR COST PER ANNUM: AVERAGE 10%; MAX 12%
- MATERIAL COST IS INCREASING AROUND 4-5% PER ANNUM
- OVERALL CONSTRUCTION COST INCREASES APPROX 10% PA
- MARGIN IS CONSTANTLY REDUCING

TIME TO MOVE TOWARDS LESS LABOUR INTENSIVE CONSTRUCTION: E.G. –
PRECAST PANELS INSTEAD OF CONVENTIONAL PLASTERED BLOCKWORK

USE MORE MACHINERY, BUT REDUCE PLANT AND OVERHEADS