

Title	Demonstrate knowledge of tendering for, and administration of, building construction contracts		
Level	5	Credits	10

Purpose	This unit standard is designed to provide an overview of the tender process. People credited with this unit standard are able to: describe the tender process from the perspective of the main contractor; describe the procurement process on confirmation of a successful tender; explain the process for preparing progress claims; explain the principles of determining the costs of variations; and explain the process of preparing the final claim.
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Classification	Construction > Core Planning and Construction
Available grade	Achieved

Guidance Information

1 **Definition**

A *pre-let meeting* is an initial meeting prior to engagement to discuss the terms of a contract.

2 **Legislation and publications relevant to this unit standard include:**

Health and Safety in Employment Act 1992 and Health and Safety in Employment

Regulations 1995;

Building Act 2004;

Construction Contracts Act 2002;

Standard Conditions of Contract NZIA SCC 2009 1st edition, available from the New Zealand Institute of Architects (<http://www.nzia.co.nz/e-shop.aspx>).

NZS 3910:2003 *Conditions of contract for building and civil engineering construction*, available from Standards New Zealand (<http://www.standards.co.nz>);

Registered Master Builders Federation, *Subcontract Agreement 2009*, available from RMBF (<http://www.masterbuilder.org.nz/index.asp?id=109>).

Outcomes and performance criteria

Outcome 1

Describe the tender process from the perspective of the main contractor.

Performance criteria

- 1.1 Methods of tender are described and explained in terms of their advantages and disadvantages.
- Range lump sum, fixed price, cost reimbursement, design and build.
- 1.2 Tender preparation stages are described in terms of process and requirements.
- Range stages include – invitation to price, documentation, subcontract requirements established and invited, main contractor requirements measured, notice to tenderers, assemble tender bid, submission.
- 1.3 Risks and opportunities are identified from examples of tender documentation.

Outcome 2

Describe the procurement process on confirmation of a successful tender.

Performance criteria

- 2.1 The process of establishing procurement requirements from the main contractor's quantity list is described using a given example of a confirmed tender.
- Range procurement requirements for – site establishment, critical materials, critical subcontractors.
- 2.2 The selection process for subcontractors is explained for a post-tender situation.
- 2.3 The role of the subcontract agreement is explained in terms of its relationship to the main contract agreement and the specific requirements of the main contractor.
- 2.4 Pre-let meetings are described in terms of purpose and agenda.

Outcome 3

Explain the process for preparing progress claims.

Performance criteria

- 3.1 The process for preparing progress certificates is explained in terms of writing claims to conform to the contract conditions.
- 3.2 The process for analysing claims is explained in terms of establishing a match to the claimed percentage in relation to value of work completed.
- 3.3 The requirement for establishing the validity of claims for materials on and off site is explained in accordance with the contract conditions.

- 3.4 The process for deducting retentions is explained in terms of the contract conditions.

Outcome 4

Explain the principles of determining the costs of variations.

Performance criteria

- 4.1 The principles of variations to building works are explained in terms of measurement, pricing, and presentation in accordance with contract conditions.
- 4.2 The procedures for processing variations are explained in terms of company procedure and contract conditions.

Outcome 5

Explain the process of preparing the final claim.

Performance criteria

- 5.1 The process for preparing final account statements containing items adjusted in terms of the contract is explained in relation to contract conditions.

Range adjusted items – variations, fluctuations, sum adjustments, provisional quantities adjustments, liquidated damages, extension of time costs.

This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	15 April 2011	31 December 2024
Review	2	25 August 2022	31 December 2024

Consent and Moderation Requirements (CMR) reference	0048
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.