



CONTRACT MANAGEMENT

GUIDANCE NOTE ON PROCUREMENT

JUNE 2018

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6 ADB Avenue, Mandaluyong City, 1550 Metro Manila, Philippines
Tel +63 2 632 4444; Fax +63 2 636 2444
www.adb.org

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Notes:

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ABOUT THIS PUBLICATION

In April 2017, the Asian Development Bank (ADB) approved its new procurement framework, the ADB Procurement Policy: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time); and the Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time). These replace the former Guidelines on the Use of Consultants (2013, as amended from time to time) and Procurement Guidelines (2015, as amended from time to time). The procurement policy and the procurement regulations address the procurement activities of project executing agencies and implementing agencies on projects financed in whole or in part by a loan or grant from ADB, or by ADB-administered funds. ADB designed the 2017 procurement policy to deliver significant benefits and flexibility throughout the project procurement cycle, as well as to improve project delivery through a renewed focus on the concepts of quality, value for money (VFM), and fitness for purpose.

This note is part of a series of guidance notes published by ADB in 2018 to accompany the 2017 procurement policy and the procurement regulations. Each note discusses a topical issue for borrowers (including grant recipients), bidders, and civil society under the new framework (see list below). The guidance notes cross-reference each other frequently and should be read in conjunction. All references to “guidance notes” pertain to these notes. The notes may be updated, replaced, or withdrawn from time to time.



List of Guidance Notes for the 2017 ADB Procurement Policy and the Procurement Regulations

1. Value for Money
 2. Procurement Risk Framework
 3. Strategic Procurement Planning
 4. Procurement Review
 5. Alternative Procurement Arrangements
 6. Open Competitive Bidding
 7. Price Adjustment
 8. Abnormally Low Bids
 9. Domestic Preference
 10. Prequalification
 11. Subcontracting
 12. Consulting Services Administered by ADB Borrowers
 13. Nonconsulting Services Administered by ADB Borrowers
 14. High-Level Technology
 15. Quality
 16. Bidding-Related Complaints
 17. Noncompliance in Procurement
 18. Standstill Period
 19. State-Owned Enterprises
 20. E-Procurement
 21. Framework Agreements for Consulting Services
 22. Public-Private Partnerships
 23. Contract Management
 24. Fragile, Conflict-Affected, and Emergency Situations
-

ADB procurement reforms intend to ensure VFM by improving flexibility, quality, and efficiency throughout the procurement cycle (see illustration below and the *Guidance Note on Value for Money*). VFM is part of a holistic procurement structure with three support pillars: efficiency, quality, and flexibility. The two key principles of transparency and fairness weave across all elements of the structure.



Time

Time is an important element of VFM. When a project is delivered promptly or when a process is completed rapidly, greater value is created for all stakeholders. For example, a road project completed early provides economic benefit, security, or other value to the community it serves. It increases the return on investment to the executing agency and accelerates the project and payment cycle to the successful bidder. Likewise, a project delivered late loses significant value.

When considering VFM in the context of procurement, pay attention to anything that (i) shortens the procurement cycle time frame, or (ii) accelerates delivery of the development project.



Objective

This guidance note is intended to assist readers by elaborating on and explaining ADB's 2017 procurement policy and procurement regulations for borrowers (including grant recipients).

This note identifies additional information for the reader to consider when applying ADB's procurement policy and procurement regulations to their circumstances.



Living Document

This guidance note is intended to be a living document and will be revised as required.

Be sure to check the ADB Business Center website for the latest version and updates, <https://www.adb.org/business/main>.



The Reader

In many circumstances, readers are expected to use this guidance note in a manner unique to their needs. For consistency throughout the suite of guidance notes, the following assumption is made about the reader:

The reader is a professional involved in activities financed in whole or in part by an ADB loan or grant, or by ADB-administered funds.



FAQs

Frequently asked questions, clarifications, examples, additional information, links to training, and other useful resources will be made available on the ADB website.

Be sure to check the ADB Business Center website for more information, <https://www.adb.org/business/main>.



Legal and Order of Priority

This guidance note explains and elaborates on the provisions of the Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time) applicable to executing (and implementing) agencies under sovereign (including subsovereign) projects financed in whole or in part by an investment loan from ADB (i.e., excluding ADB results- or policy-based loans), ADB-financed grant (excluding ADB-administered technical assistance and staff consultancies), or by ADB-administered funds.

In the event of any discrepancy between this guidance note and the procurement regulations, the latter will prevail. The financing agreement governs the legal relationships between the borrower and ADB. The rights and obligations between the borrower and the provider of goods, works, or services are governed by the specific procurement document issued by the borrower and by the contract signed between the borrower and the provider, and not by this guidance note.

ABBREVIATIONS

ADB	—	Asian Development Bank
CMP	—	contract management plan
KPI	—	key performance indicator
VFM	—	value for money

EXECUTIVE SUMMARY

This guidance note distinguishes between the work that is required precontract (upstream) and postcontract award (downstream), with focus on managing downstream activities. Recognizing the need to deliver value for money, this note emphasizes demonstrating the benefits of good contract management and how this may be applied in projects financed in whole or in part by an ADB loan or grant, or by ADB-administered funds. Contract management comprises all stages and activities aimed at the overall goal of ensuring optimal contract outcomes, including precontract award planning, contract administration and implementation, and contract closure.

Good contract management may

Increase Efficiency

- Prepare, from the onset, a contract management plan and mobilize the relevant resources for it.
- Support ongoing monitoring of a contractor's performance.
- Operate a robust contract administration system, and maintain a reliable record management system.

Reduce Risk

- Anticipate what could go wrong, e.g., payment delays, right of access to site.
- Put in place mitigation measures to address any identified risks.
- Manage the closure of the project, ensuring that no pending issues or obligations remain unaddressed.

Deliver Value for Money

- Contractor meets the requirements of the project.
- Projects are completed on time or earlier.
- Applicable legislation is complied with.

I. Introduction

1.1 The Asian Development Bank's (ADB's) Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time) recognize that one factor contributing to achieving value for money (VFM) is effective contract management. Contract management ensures that supplier, contractor, and/or consultant deliverables are met as agreed under the contract.

1.2 Contract management is the monitoring and control of contractor performance to ensure optimal outcomes from a contract. It includes establishing communication pathways and protocols, monitoring progress toward delivery of contract deliverables, managing payments, controlling variations, measuring contractor performance, and closing out the contract.

1.3 This guidance note provides operational level guidance for borrowers (including grant recipients), through their executing and implementing agencies, on how contract management should be applied in projects following the award of a contract financed in whole or in part by an ADB loan or grant, or by ADB-administered funds, for the procurement of goods, works, and services.¹

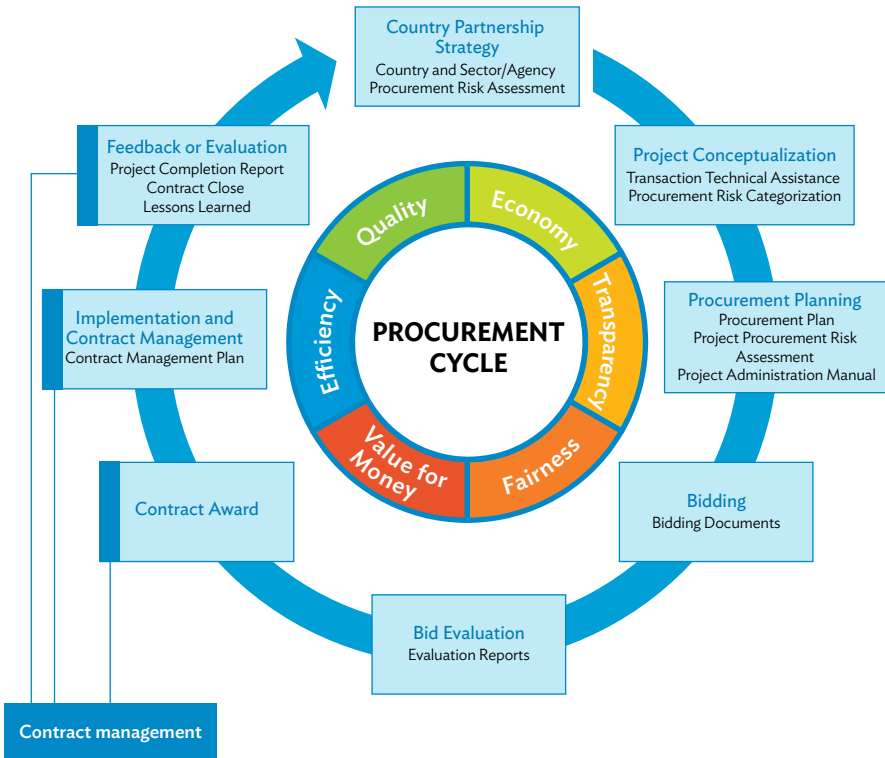
1.4 This guidance note assists users with contract management in the procurement cycle. The activities relating to the borrower's contract management commence at the contract formation stage and continue through to contract closure, to ensure that contract obligations are met and deliver VFM. Figure 1 illustrates where the contract management process occurs in the ADB procurement cycle.

1.5 This guidance note applies to contracts financed in whole or in part by an ADB loan or grant, or by ADB-administered funds, for the procurement of goods, works, or services, including consulting services, to which the procurement regulations apply.²

¹ Borrowers, through their executing agencies, and any other party to a financing agreement shall always act in accordance with the highest standard of ethics during any procurement process (including contract management) subject to the procurement regulations and any use of funds, resources, assets, and authority by such parties shall be in accordance with ADB's Anticorruption Guidelines (1998, as amended to date) and Integrity Principles and Guidelines (2015, as amended from time to time).

² In this guidance note, the term "contractor" will be used to collectively designate a works contractor, a supplier of goods, a consultant, or a service provider. The terms "borrower" and "employer" are used interchangeably.

Figure 1: Contract Management within the ADB Procurement Cycle



Source: Asian Development Bank.

II. Objective and Benefits of Contract Management

2.1 The aim of contract management is to ensure that all parties meet their contractual obligations after contract award and during the period of contract administration and implementation for each awarded contract financed in whole or in part by ADB, or by ADB-administered funds.

2.2 Figure 2 summarizes the benefits of good contract management.

Figure 2: Benefits of Good Contract Management



Source: Asian Development Bank.

2.3 Each of these benefits will impact on VFM, for two reasons:

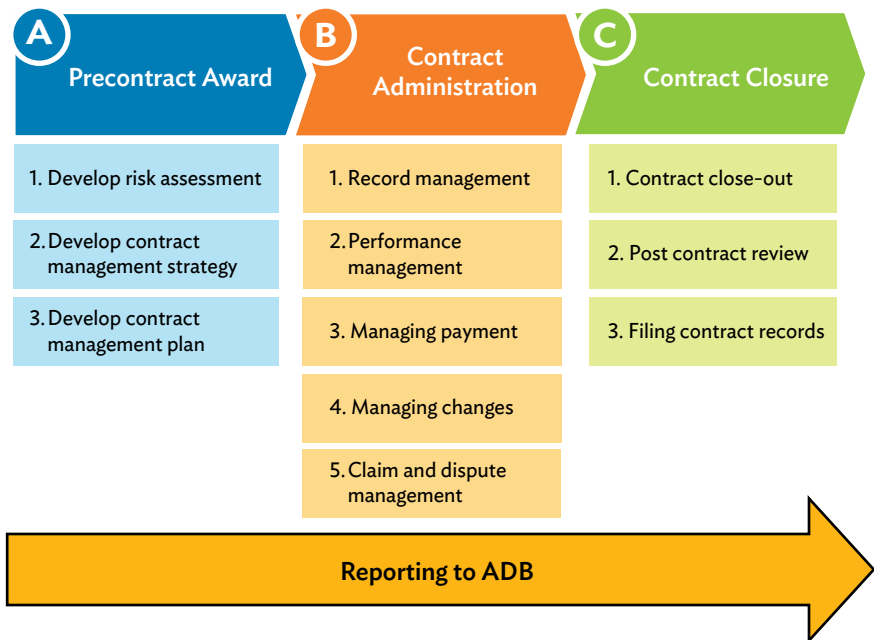
- (i) Contract management increases the likelihood that the contractor will meet the project requirements, helping to realize the VFM available at the time of contract award.
- (ii) Contract management lowers risk in contract implementation, improving the probability that the expected VFM will be achieved.

2.4 In addition, more efficient and effective contract management promotes increased and more timely loan disbursements. Conversely, poor contract management can compromise portfolio performance and delay intended development results. Appendix 1 gives a list of typical contract management issues.

III. The Contract Management Process

3.1 Figure 3 describes the contract management process from the perspective of the borrower, which comprises three stages: precontract award, contract administration, and contract closure.³ Contract “implementation” describes the contractor’s work within the contract and occurs concurrently with the borrower’s stage of contract administration (i.e., the borrower administers the contract while the contractor implements it).

Figure 3: The Borrower’s Contract Management Process



Source: Asian Development Bank.

³ The terms “contract management” and “contract administration” are sometimes interchangeably used in the literature on management topics. To avoid ambiguity, in this guidance note, contract management is used as encompassing all stages and activities aiming at the overall goal of ensuring optimal contract outcomes. Contract administration designates one stage of those activities focusing on the day-to-day interactions with the contractor as required under the contract.

3.2 These stages for the borrower follow a logical flow: the precontract award stage is the design phase of contract management during which the strategy is defined; the contract administration stage consists mainly in implementing this strategy by performing a number of monitoring and control activities in interaction with the contractor, starting from contract award; and the contract closure phase aims at cleanly “exiting” the contract and drawing lessons for future projects. Each of these stages is described below.

A. Precontract Award

3.3 Contract management needs to be considered early in the procurement process for it to be effective. It should be based on a risk assessment developed early on as part of project preparation. Such risk assessment will lay the foundation of a contract strategy. The contract strategy will then inform the contract management plan (CMP), which shall be developed by the borrower at the time of contract drafting and will define activities and responsibilities to monitor the contractor’s performance during contract implementation until contract closure. The CMP shall therefore be completed prior to contract signature.

3.4 Many of the activities described in the CMP require the contractor and the borrower to perform certain responsibilities. Some of these responsibilities may have a cost impact to the contractor and/or borrower, and many will need to be specified in the contract to ensure that the responsibility is a contracted obligation. Therefore, contract management arrangements need to be considered at the time of development of the proposed contract to inform bidders of contractor’s obligations and costs during the implementation phase.

1. Develop Risk Assessment

3.5 To develop the contract and to prepare its implementation, a risk assessment should be conducted at an early stage of the procurement process.

a. Contract Risk Allocation

3.6 The first aspect of risk assessment is to set the contract risk allocation, consisting of determining the best risk allocation between the borrower and the contractor.⁴ The principle guiding this analysis should be that the party in the best position to control and to manage the identified risk should bear responsibility for it under the contract. A party being allocated a risk should take all necessary preventive, mitigating, or corrective measures as deemed fit to manage it—it being understood that should the risk materialize, the party shall bear the financial consequences (Box 1).

⁴ This analysis may be fed by “high-level” risks at the country or sector level that are identified during the project preparation phase (see the *Guidance Notes on (i) Procurement Risk Framework and (ii) Strategic Procurement Planning*).

3.7 This contract risk allocation should be based on a technical analysis and a proper market analysis. Borrowers should, however, resist the temptation to “dump” all (or most) allocated risks to the contractor: an unfair or unbalanced risk allocation is likely to discourage competition, drive prices up, and lay the ground for claims and disputes during contract implementation—circumstances that are all prejudicial to obtaining VFM.

3.8 Risk allocation should then be indicated in the draft contract so that bidding contractors are able to reflect the cost of their risk in their quoted price.

Box 1

Example of Contract Risk Allocation

The risk associated with the design of a complex water treatment plant, and particularly the risk that the plant, once completed, would be unfit for its intended purpose, can be transferred to the contractor through the use of a design-and-build contract, where the contractor holds the ultimate responsibility for the design of the works based on the employer’s requirements (preferably expressed in the form of performance specifications).

Source: Asian Development Bank.

b. Risk Management Plan

3.9 The second aspect of the risk assessment aims at addressing the risks. For the identified employer’s risks (e.g., delays in granting the contractor right of access to the site, payment delays, etc.), an action plan needs to be prepared for their mitigation (Box 2). These risks need to be identified as exhaustively as possible, and prepared together with an action plan for their mitigation. This action plan should define, for each risk identified, preventive, mitigating, or corrective measures, as well as responsible persons from the borrower’s executing and/or implementing agency to implement them and a time frame. Although not responsible, the borrower should also know the contractor’s risks and monitor their potential impact on the project. The borrower may remind the contractor of its obligations under the contract.

3.10 The consolidation of all such identified risks, including the associated action plan, is usually referred to as the risk management plan. It should be managed throughout the contract implementation period. The risk management plan is one component of the contract management plan. For an example of risk management plan, please refer to Appendix 2.

Box 2

Example of Employer’s Risk Management

In some countries, it is a requirement that a state-specialized body approves detailed designs before any work is carried out. This issue may be of particular importance in a design-and-build contract, since untimely approval is likely to delay the works and give rise to a claim by the contractor. The borrower will thus have to determine a way to “manage” such risk, which could, for instance, involve the appointment of an officer dedicated to follow up the approval process in liaison with the contractor and the state-specialized body.

Source: Asian Development Bank.

2. Develop the Contract Management Strategy

3.11 The contract management strategy is the approach to be adopted to ensure the proper management by the borrower of contractor performance during contract implementation. This involves the following steps:

- (i) calibrating the relevant resources needed to conduct contract administration activities and to manage the risk management plan;
- (ii) identifying the key performance indicators that will be monitored during contract implementation; and
- (iii) defining how the borrower and the contractor will communicate during contract implementation (meetings, performance monitoring and reporting, etc.).

a. *Calibrating Resources*

3.12 The borrower should put in place a contract management team of the right size and composition. This aspect is sometimes underestimated, with too much reliance on the works supervision team on-site. The size and composition of the borrower's contract management team will naturally depend on the scale and complexity of the project involved. For example, an ordinary supply contract will not require the same resources as that of a large-scale construction contract. The team should include skills in the relevant technical field, contract management, and document administration (all the above may be limited to one person for a small and/or simple project).

3.13 The borrower's contract management team should have access to the appropriate level of decision makers in their organization, so that relevant decisions can be made promptly. Delays in making contract-related decisions have the potential to greatly increase the cost and slow the completion of construction projects (e.g., the approval of a small contract variation, if delayed, can lead to the incurrence of substantial additional costs and time delays, as the contractor is not authorized quickly enough to implement the action required).

b. *Identifying and Designing Key Performance Indicators*

3.14 Key performance indicators (KPIs) will be used as an internal tool for the borrower to monitor performance during contract implementation and to ensure that the successful project outcomes are achieved. They may be aligned with the contractor's obligations but will not be stated in the contract as a formal contract target to be met.⁵

3.15 While the employer's and contractor's obligations are stipulated in the contract, monitoring how these obligations are addressed will facilitate the measurement of the contractor's performance. For the borrower, it is essential to

⁵ In some types of service contracts (e.g., maintenance contracts), KPIs may be defined in the contract as parameters triggering payments, with bonus (positive or negative) mechanisms.

monitor and track the contractor's performance so that any issues that may be flagged can be addressed in a timely manner.

3.16 For this purpose, good practice suggests setting up a "contractor performance management system" based on relevant KPIs. Such a system is intended to keep track of several parameters. At regular intervals, these parameters should be openly discussed with the contractor, with a view to agreeing on corrective (or improvement) measures (as the case may be) aimed at enhancing performance. It should be noted, however, that these KPIs are only a monitoring tool and shall not be misconstrued as a substitute for the contract provisions.

3.17 The contractor's performance depends on the quality, timeliness, and efficiency of the delivery of the works, goods, and services contracted. It also depends on the responsiveness and ability of the contractor to adjust and respond to unforeseen circumstances, new information, and changing needs. In some cases, e.g., off-the-shelf purchases, this is relatively simple. In other cases, such as specialized consulting assignments and complex works, performance can be challenging and made even more difficult in harsh working environments (e.g., emergencies, natural disasters). For complex works, contractor performance depends on how efficiently the work program has been designed, the quality of personnel, the timely mobilization of equipment, ensuring the quality of subcontractors and their management, monitoring and productivity improvements, addressing disputes, and timely testing and handing over of assets, among others. In many instances, overall performance will depend on the support provided by the executing agency and the timely delivery by the agency in those areas under its responsibility.

3.18 A contractor performance management system may serve as a useful tool to the borrower to measure the contractor's performance throughout contract implementation. Appendix 3 shows an example of a contractor performance management system for a typical works contract.

c. *Communication Management*

3.19 Successful relationship management is a function of mutual trust and understanding, creating an open and constructive environment, and ensuring that the right people with adequate resources are in place to carry out contract management activities. The borrower should ensure that the following factors, which encourage effective and constructive relationship management, are addressed during the establishment of the relationship:

- (i) securing senior-level support in both the borrower and contractor;
- (ii) ensuring that executing agency staff are adequately resourced to perform their assigned duties;
- (iii) ensuring that roles and responsibilities are clearly delineated and understood;
- (iv) ensuring that escalation procedures are clear and understood;

- (v) separating strategic matters from day-to-day contract delivery issues (via relationship structure, e.g., steering committee for strategic matters and account management for day-to-day matters, and/or by designing separate strategic and other meeting agendas);
- (vi) communicating and sharing information at appropriate levels and as transparently as appropriate; and
- (vii) ensuring that appropriate attitudes and behaviors are practiced and displayed to promote a positive and constructive interface between borrower and contractor representatives.

3. Develop the Contract Management Plan

3.20 The CMP is the primary tool that monitors contractor performance. It is the borrower's internal document and is not a contract document. It comprises a set of documents, tables, graphs, or flowcharts that illustrate the contract's key figures, roles, responsibilities, and objectives.

3.21 The CMP should be developed during the precontract award stage, which will make it a useful tool that will inform the borrower of the characteristics of the contract, the issues to look out for during the contract implementation phase, and the measures against which contractor performance will be gauged.

3.22 The scope and content of a CMP should be proportional to the complexity, risk, and value of the contract, to ensure that the level of contract performance monitoring and control are commensurate with the contract.

3.23 The procurement regulations (in Appendix 8, para. 5) sets out the components that should be included in any CMP for simple and lower-value contracts as well as for high-value, high-risk, or complex contracts. These components may be structured and laid out in two categories that could be described as descriptive components and dynamic elements. Appendix 4 shows a detailed list of those components.

3.24 For simple and low-value contracts, the CMP may be limited to succinct items which, in accordance with the procurement regulations, may only include the following:

- (i) key roles and responsibilities,
- (ii) key contractual dates and delivery milestones,
- (iii) budget and payment milestones, and
- (iv) record-keeping requirements.

3.25 For projects involving many contracts where it is not practical to have a CMP for each contract, it is suggested that one CMP can cover a group of similar contracts of similar size. Individual CMPs can be prepared for a few large contracts only. Executing agencies should engage with ADB in advance to discuss the packaging of several contracts into a single CMP.

3.26 The procurement regulations require that the borrower shall develop a CMP, acceptable to ADB, during contract creation and complete it prior to contract signing.

B. Contract Administration

3.27 Contract administration starts at contract award and continues throughout the contract implementation period. It refers to the management of the day-to-day practicalities and administrative requirements under the contract. It makes up the bulk of contract management activities.

3.28 Contract administration is affected by what has occurred earlier in the project (comprehensiveness of project documents, choice of contract, formulation of project teams, robust shortlisting and tender, etc.); therefore, the borrower's team must have contract management in mind from the start of project design and processing.

3.29 Contract administration is usually the responsibility of an individual designated by the borrower, or may be carried out by expert project implementation consultants engaged by, and under the direction and oversight of, the borrower, especially for large, complex projects.

3.30 Contract administration typically involves the following:

- (i) records management, including setting up and operating a records management system to record correspondence, claims, meeting minutes, performance reviews and other records;
- (ii) managing and tracking of payments to the contractor against invoices and/or claims and the timeliness thereof;
- (iii) managing performance;
- (iv) conducting review meetings;
- (v) managing changes, i.e., variations and projected costs against budget; and
- (vi) managing disputes.

1. Records Management

3.31 Records management is an important part of contract administration. Key contract information should always be kept up-to-date in the records to provide a comprehensive source of information.

3.32 A nonexhaustive list of records that should be maintained and controlled is presented in Box 3. The list should be compiled to reflect the specific nature of the contract in question.

Box 3**Common Records to Be Maintained through Records Management**

- Key stakeholders
- Contract documents
- Insurance policies
- Bank guarantees and indemnities
- Sourcing documents
- Plans and schedules
- Safety management plans
- Environmental management plans
- Variation schedules
- Project correspondence (in and out)
- Performance reviews (including contract performance reviews and reports)
- Meeting minutes
- Financial documents (invoices, purchase orders)
- Communication on claims

Source: Asian Development Bank.

3.33 Good records management requires the maintenance of accurate records (be it in digital format and/or paper format) that are accessible at all times. For projects where many documents are generated, it may be necessary that this function be dedicated to a document administrator. For certain projects, it may also be necessary to use an electronic document management system that enables storage, reference, exchange, and retrieval of documents through specific software.

2. Performance Management

3.34 The procurement regulations require that the borrower monitor the performance and progress of awarded contracts under the CMP and to provide timely reports to ADB on performance and progress.

3.35 The borrower should proactively manage each contract in accordance with the CMP throughout the contract duration. This can be done by the borrower's staff or it can be done on behalf of borrower's by engaged third parties with oversight by the borrower.

3.36 For works contracts, monitoring of progress will usually be carried out by an engineer or other personnel of the borrower (depending on the contract used), conducting regular site inspections and tests (including tests on completion and, as the case may apply, tests after completion). Progress reports will be prepared based on the engineer's and/or the contractor's own progress reports, which will typically include, among other elements:⁶

⁶ If the borrower is using the Multilateral Development Bank Harmonized Edition (2010) of the FIDIC Conditions of Contract for Construction, refer to subclause 4.21 (Progress Reports).

- (i) charts and detailed descriptions of progress (with relevant photographs);
- (ii) safety statistics, including details of any hazardous incidents and activities relating to environmental aspects and public relations; and
- (iii) comparisons of actual and planned progress, with details of any events or circumstances that may jeopardize the completion under the contract, and the measures being (or to be) adopted to overcome delays.

3.37 Performance management also involves monitoring the contractor's obligation to implement actions agreed in the safeguard management plans (environmental management plan, resettlement plan, and indigenous people's plan, as applicable). Proper management of the contractor's performance in this field can improve the environmental and social benefits of a project.

3.38 KPIs developed in the CMP should also be tracked to monitor the contractor's performance on a set of parameters.⁷ They should be measured based on inputs from the borrower's project management team, the reports that the engineer or supervisor has prepared, and the progress reports that the contractor has provided. There could be other sources of information that the borrower has to include, especially on environmental management and other safeguards (e.g., reports from the local community or other stakeholders, or tips from a hotline). KPIs should be scored at regular time intervals; the frequency for which will depend on the contract total duration, but usually quarterly.

3.39 KPI scores should be communicated to the contractor and discussed during progress meetings, the aim of which are to promote a constructive and "problem fixing" approach between the parties for their mutual benefit.

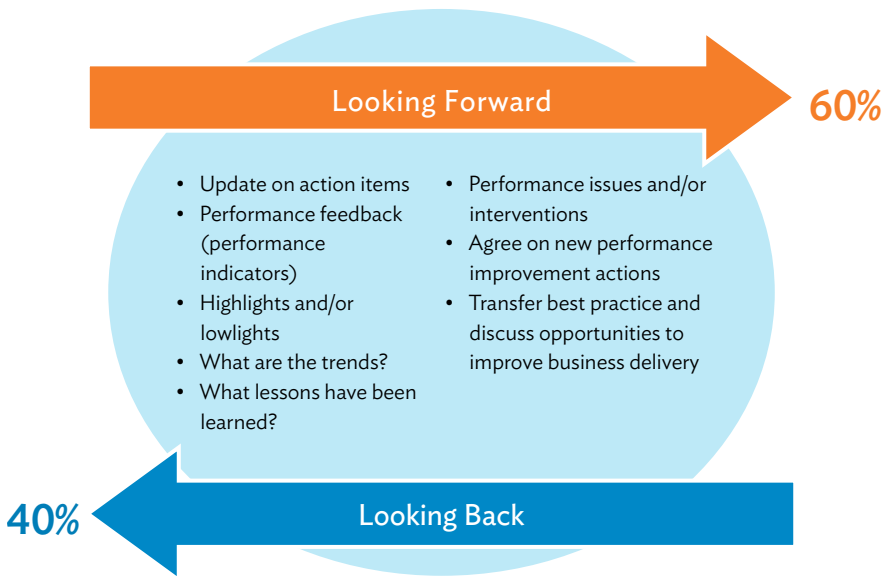
3.40 Performance monitoring and management is often performed via scheduled contract review meetings between the borrower and the contractor. The focus of review meetings should be balanced between backward-looking (e.g., reviewing past performance) and forward-looking (e.g., work planning, continuous improvement initiatives). Best practice is to focus 40% of the review meeting on past performance and 60% on forward looking items. Figure 4 lists typical items covered in review meetings.

3. Managing Payments

3.41 Payments must be carefully managed under the relevant contract provisions. Proper management of payments means not only making (timely) payments as and when required under the contract, but also monitoring actual against planned payments (retrospective view) and assessing payments that will be due (prospective view). ADB encourages proactive and robust financial

⁷ The use of KPIs may be less relevant for a supply contract, which, being essentially a sales contract, is of "instantaneous performance," as opposed to works or consultant services contracts, the performance of which spans a certain period.

Figure 4: Balancing the Focus of Performance Review Meetings



Source: Asian Development Bank.

management of contracts by its borrowers to improve loan disbursements planning and overall performance of its loan portfolio.

4. Managing Changes

3.42 The borrower manages contract variations during implementation of the contract. Efficient and effective management of the processing of contract variations is one of the most critical parts of contract management.

3.43 The contract should set out the process for handling variations. Such provisions should cover those with authority to approve changes depending on value and significance (in terms of quality, cost, and timing), and how initiation and implementation of approved changes will take place.

3.44 Contract variations can occur for a variety of reasons, including but not limited to

- (i) changes in the scope of the work;
- (ii) unforeseen events, e.g., ground conditions, climatic conditions; and
- (iii) settlement of a claim arising from the contract.

3.45 In handling a variation claim, the borrower should

- (i) assess the reasons for the variation, and whether this may show an emerging or actual performance problem;
- (ii) assess the impact of the variation on the contract deliverables;
- (iii) determine the effect the variation will have on the overall contract price and schedule; and
- (iv) follow the terms and conditions stated in the contract for review and approval of variations.

3.46 Any significant variation or contract amendment should be duly reported by the borrower to ADB in the periodic report, or separately if the impact on the deliverables is great. With contracts subject to post review, the borrower shall seek ADB's no-objection where any modification would individually or in aggregate increase the original contract price by more than 15% (Appendix 6, para. 9 of the procurement regulations).

5. Claim and Dispute Management

3.47 Things can go wrong on projects despite regular monitoring, leading to disputes. In the first instance, the borrower and contractor should endeavor to resolve disputes amicably.

3.48 Amicable resolution is sometimes not possible. Therefore, it is essential that a dispute resolution mechanism is specified in the contract at the time of drafting. This dispute resolution mechanism can then be used where disputes cannot be resolved amicably. For contracts involving a foreign contractor, international commercial arbitration is ADB's recommended process.

3.49 Proper management of disputes is necessary, and the progress and outcome of all significant disputes should be reported to ADB.

C. Contract Closure

1. Contract Closing

3.50 The last stage of contract management is contract closure. Contract closure is often overlooked or handled poorly, since the main deliverables have been completed and parties to the contract focus on other priorities. However, contract closure is important because it provides a clear end to the contract with the contractor and minimizes the risks to the borrower of

- (i) potential contractual claims,
- (ii) financial exposure, and
- (iii) operational impact of a poor transition.

3.51 Outside of termination, a contract closes when both parties have discharged all their obligations. Where the contract is completed under its terms and conditions, contract closure begins with

- (i) the borrower confirming internally that the specified contract deliverables have been completed and that there are no outstanding matters or issues that remain unresolved; and
- (ii) the borrower confirming with the contractor that the contract is completed, apart from any agreed-upon, ongoing warranties or guarantees (if applicable).

3.52 After the parties agree that the contract has been completed, the closure process (particularly for more complex works) typically requires the parties to

- (i) complete all administrative matters;
- (ii) confirm that all the goods, services, and technical inputs have been received, including as-built drawings for works, operating manuals, user training, and guarantees or warranties;
- (iii) test, install, inspect, commission, and hand over the works, goods, and, where appropriate, services;
- (iv) prepare a final defects list;
- (v) determine the extent of any liquidated damages to be deducted from the contract price;
- (vi) prepare the completion certificate;
- (vii) finalize payments;
- (viii) during the liability period, follow up remedial works on the defects list;
- (ix) record the date and details of the final inspection and issuance of the performance certificate;
- (x) record the end of the retention and guarantee periods, and the date of release of retention monies and/or guarantees;
- (xi) handle warranties, indemnities, and insurance;
- (xii) summarize any claims made against or received from the contractor by the executing agency;
- (xiii) record final contract payments, and reconcile all payments; and
- (xiv) record any transfer of assets, asset verification, and disposals.

2. Postcontract Review

3.53 Best practice contract closure includes a postclosure contract review and reporting of the review findings to ADB, consisting of the following items:

- (i) safety and environmental performance, including details of any significant incidents;
- (ii) the financial outcome of the contract, i.e.,
 - (a) the initial accepted contract amount,
 - (b) the impact on the initial contract amount of changes to quantities (for unit price contracts),

- (c) price adjustments,
 - (d) exchange rate fluctuations (for contracts payable in one or several foreign currencies), and
 - (e) the impact on the contract cost of variations, claims, and disputes;
- (iii) a comparison between the baseline program and actual or final time schedule;
 - (iv) an overall performance evaluation based on the key performance indicators; and
 - (v) any lessons learned and recommendations for future, similar projects.

3. Filing of Contract Records

3.54 The last task that needs to be carried out is the retention and secure housing of contract documentation and records. Such records as the as-built documents may be necessary to allow future works to be done either on or in interface with the project.

3.55 For projects under post review (sampling) by ADB, another reason to keep proper filing and securing of records is due to ADB's right to conduct audits after the project closing date.

IV. Reporting to and Requesting No-Objection from ADB

4.1 As per the procurement regulations, beyond preparing a CMP acceptable to ADB prior to contract signing, borrowers should monitor the performance and progress of contracts under the CMP and provide timely reports to ADB. Reporting to ADB should be regarded as an ongoing activity throughout contract implementation. Box 4 describes the borrower's responsibilities in this regard.

4.2 As noted in para. 3.46 of this guidance note, for contracts subject to post review, the borrower shall seek ADB's no-objection for any signification variation.

4.3 To avoid unnecessary duplication, contract management activities shall be reported to ADB as part of the quarterly progress reports, which are already required from the borrower, this time frame being generally relevant for contract management purposes.

4.4 Five sets of activities should be reported, whose elements are outcomes of the contract administration activities:

- (i) risk management,
- (ii) progress monitoring and contractor performance evaluation measurement,
- (iii) financial management data,
- (iv) instructed or agreed-on variations and contract amendments, and
- (v) ongoing and settled claims and disputes.

4.5 Reports will be reviewed by ADB as part of project review missions.

Box 4

Summary of Borrower's Responsibilities

- Planning contract management during the precontract award stage and incorporating contract management requirements into the draft contract
- Developing a CMP prior to contract award
- Submitting a completed CMP to ADB prior to contract signing
- Implementing the CMP, to ensure that contract performance is satisfactory, appropriate stakeholders are informed, and all contract requirements are met
- Submitting quarterly performance reports to ADB during contract implementation
- Requesting ADB's no-objection where any modification would individually or in aggregate increase the original contract price by over 15% (for contracts subject to post review)
- Preparing and submitting postcontract closure performance report

Source: Asian Development Bank.

V. Resources for Further Review

5.1 The following resources may be consulted for further information related to contract management:

- (i) P. Bailly et al. 2015. *Procurement Principles and Management*. 11th ed. Cambridge: Pearson.
- (ii) R. D. Eley. 2007. *Contract Management Guide*. Lincolnshire: Chartered Institute of Procurement and Supply.
- (iii) J. Glover and S. Hughes. 2012. *Understanding the FIDIC Red Book: A Clause-by-Clause Commentary*. 2nd ed. London: Sweet & Maxwell.
- (iv) J. A. Huse. 2013. *Understanding and Negotiating Turnkey and EPC Contracts*. 3rd ed. London: Sweet & Maxwell.
- (v) A-V Jaeger and G-S Hök. 2010. *FIDIC—A Guide for Practitioners*. Heidelberg: Springer.
- (vi) R. Knutson et al. 2005. *FIDIC—An Analysis of International Construction Contracts*. The Hague: Kluwer Law International.
- (vii) P. Loots and D. Charrett. 2009. *Practical Guide to Engineering and Construction Contracts*. Sydney: CCH Australia.
- (viii) K. Lysons and B. Farrington. 2016. *Procurement & Supply Chain Management*. 9th ed. Cambridge: Pearson.
- (ix) P. Marsh. 1998. *Study Guide: Project and Contract Management*. Lincolnshire: Chartered Institute of Purchasing and Supply.
- (x) P. Marsh. 2000. *Contracting for Engineering and Construction Projects*. 5th ed. London: Routledge–Gower Publishing.
- (xi) National Audit Office. 2016. *Good Practice Contract Management*. London. https://www.nao.org.uk/wp-content/uploads/2016/12/Good_practice_contract_management_framework.pdf

Appendix 1: Typical Contract Management Issues

A1.1 Those with experience in managing contracts will be aware from their own experience of issues that arise during the contract implementation phase. A nonexhaustive list of typical issues is provided here for consideration by contract managers and as inputs into the contract risk assessment. Risk mitigation actions resulting from any of the issues identified in the risk assessment should be included in the contract management plan.

A. For Goods, Works, Plant, and Related Services

- (i) Misuse of mobilization advance by the contractor for purposes not related to contract.
- (ii) Delays in handing over possession of an encumbrance-free site.
- (iii) Resettlement issues or local disturbances at site.
- (iv) Nonsubmission of work program.
- (v) Delay in submission of insurance documents.
- (vi) Late or nonsubmission of a quality assurance plan.
- (vii) Unofficial selling or subletting of the whole contract to another unskilled contractor who has no capacity to manage the contract.
- (viii) Use of unauthorized subcontractors.
- (ix) Delay in mobilization of construction materials by the contractor due to nonavailability of materials or a sudden increase in the price of materials in the market.
- (x) Delay in mobilization of key personnel and equipment.
- (xi) Poor quality or nonconformance of deliverables produced by contractor.
- (xii) Lack of proper predelivery or postdelivery inspection of goods.
- (xiii) Nonpayment by contractors to subcontractors or material suppliers.
- (xiv) Noncompliance with environmental protection and safety.
- (xv) Nonsubmission of technical test reports.
- (xvi) Lack of communication and/or nonsubmission of monthly reports.
- (xvii) Variations and extension of time are granted without justification.
- (xviii) Disagreement on claims or rates of new items.
- (xix) Incomplete or delayed submission and/or processing of contract variation requests.
- (xx) Late processing of interim billing and final payments by the borrower (or grant recipient).
- (xxi) Delay in defects correction.

- (xxii) Ensuring proper application of contractual-based termination provisions.
- (xxiii) Delays in carrying out dispute resolution mechanism (e.g., dispute resolution board).

B. For Consulting Services

- (i) Key personnel lack practical experience of the specific field of expertise.
- (ii) Practical knowledge and experience of the consultants in the areas of expertise are found to be inconsistent with their curriculum vitae.
- (iii) Team leader fails to maintain good relations with the borrower contract team, other officials, or with the team members.
- (iv) Delays in mobilization of the consultant team.
- (v) Variation claims with cost impacts.
- (vi) Frequent replacement of personnel.
- (vii) Lack of capacity of the borrower to handle the consultant, wherein the consultant delays the timely delivery of the agreed-on deliverables by increasing expert inputs, in case of a time-based contract.
- (viii) Substandard quality of deliverables.
- (ix) Deviations from agreed terms of reference.
- (x) Late processing of interim and final payments by the borrower.
- (xi) Delays in implementing dispute resolution mechanisms.

Appendix 2: Example of a Risk Management Plan

Risk	Probability	Impact	Countermeasure	Timeline	Responsible Person
Inexperienced project team	High	High	<ul style="list-style-type: none"> • Training for all team members • Deploying experienced consultant 	First quarter after project implementation unit is established	Project manager
Contractor not experienced in ADB projects	Medium	High	<ul style="list-style-type: none"> • Present all details during kick-off meeting(s) • Request training of contractor's staff • Encourage contractor to hire experienced project manager 	Upon contract effectiveness	Project manager Contractor's project manager
Natural disaster	Low	High	<ul style="list-style-type: none"> • Ensure that all adequate insurance policies have been contracted, paid, and maintained 	Upon contract effectiveness, then quarterly	Project manager
Land acquisition not fully completed on time to hand over the construction sites to contractor	Medium	High	<ul style="list-style-type: none"> • Ensure advance actions for smooth handing over of sites to contractors as per schedule • Ensure regular meetings of coordinating or steering committee for interdepartmental clearances 	Prior to contract award, then continuously	Borrower (or grant recipient) and project manager
Low awareness about site-specific environmental management plan	Medium	High	<ul style="list-style-type: none"> • Make environmental management plan as part of the contract 	Prior to tendering	Procurement team

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Appendix 2 *continued*

Risk	Probability	Impact	Countermeasure	Timeline	Responsible Person
Contract rates become unrealistic due to high volatility of market prices for certain materials	Medium	High	<ul style="list-style-type: none"> Carefully consider risk to be borne by employer by introducing price adjustment clause irrespective of the duration of the contract 	Prior to tendering	Procurement team
Single foreign contractor is inexperienced in the country	Low	High	<ul style="list-style-type: none"> Engineer to closely monitor the material and other subcontracting arrangements and ensure qualified, approved subcontractors working on-site 	Kick-off meeting, and continuously	Engineer and project manager
Major partner of joint venture not participating in contract implementation	Medium	High	<ul style="list-style-type: none"> Ensure appropriate, stringent clauses in the contract such as “project manager must be from major joint venture partner and full time on-site” 	Procurement stage and contract signing stage	Procurement team and project director
Insufficient cash flow of the contractor affecting the progress. Works on hand of the contractor are beyond the capacity of the contractor to simultaneously deliver on commitments	Medium	High	<ul style="list-style-type: none"> Careful assessment of the capacity of the contractor to mobilize financial resources at the procurement stage The current contractual commitments of the contractor need to be carefully examined before awarding the works 	Procurement stage	Procurement team

Source: Asian Development Bank.

Appendix 3: Example of a Contractor Performance Management System

A3.1 Table A3 gives an example of a contractor performance management system. The list of key performance indicators (KPIs) are to be selected in accordance with the nature, volume, and complexity of the works, each of which is marked (in the example below) between 1 and 4, and with each section (i.e., group of items) being given a certain weight (over a total of 100%) to arrive at an overall score.¹ KPIs should normally be assessed monthly but, for long-running works, this may be done quarterly instead.

Table A3: Example of a Contractor Performance Management System

		[MONTH/YEAR]
		Weight/Mark
A	Work Program (5% for completed works and 10% for ongoing works)	10%
1	Contractor submitted work program within 28 days after notice to commence, including program of each nominated subcontractor	[Fill in score: (1/2/3/4)]
2	Program is complete with an order to carry out works, timing, documents, construction, sequence and timing of tests, work method, and personnel and equipment requirement with mobilization schedule	[etc.]
3	Contractor submitted revised work program when the previous program is inconsistent with the actual progress or responding to the engineer's notice	
Subtotal A		
B	Personnel (5% for both completed and ongoing works)	5%
1	In case of joint venture, the joint venture agreement is complied with and the lead partner is actively engaged on-site	
2	Contract manager is from the lead partner and the turnover is minimal	
3	Contract manager performs his or her duties timely and efficiently	
4	Qualified key personnel (as per the contract) are mobilized as per the schedule and performance is satisfactory	
5	Contractor provides technical and financial support to the authorized site representatives on-site	
Subtotal B		

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¹ A simpler and more visual scoring system may be used, with red, amber, and green colors attributed to score each KPI (with no weighting by KPI set).

Table A3 *continued*

[MONTH/YEAR]		
Key Performance Indicators		Weight/Mark
C	Equipment (5% for completed works and 10% for ongoing works)	10%
1	Contractor submitted work program within 28 days after notice to commence, including program of each nominated subcontractor	
2	The equipment is in good condition and maintenance arrangements are in place	
3	Equipment logbook is properly maintained	
Subtotal C		
D	Facilities (5% for both completed and ongoing works)	5%
1	Laboratory with all the testing equipment established	
2	Safety procedures and equipment are available on-site	
3	Health and safety measures are in place	
Subtotal D		
E	Management Plans (5% for completed works and 10% for ongoing works)	10%
1	Site management, construction management, and environmental management plans are developed and are implemented	
2	Computer-aided construction programs to develop Gantt chart, S-curves, and earned value management are being used by the contractor	
3	Construction risk management plan is in place	
Subtotal E		
F	Regulations (5% for both completed and ongoing works)	5%
1	The labor regulations including wages, taxes, gender equality are complied with and insurances are covered	
2	Royalties, rents, and other payments as per the law of the country are paid on time and records are maintained	
Subtotal F		
G	Subcontracting (5% for both completed and ongoing works)	5%
1	All subcontractors on-site are approved by the engineer	
2	Performance of the subcontractors is duly monitored by the main contractor	
Subtotal G		
H	Work Productivity and Progress (25% for completed and ongoing works)	25%
1	Construction drawings are produced in time satisfactory to the engineer	
2	Contractor records their daily work productivity and resource deployment	

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Table A3 *continued*

[MONTH/YEAR]		
	Key Performance Indicators	Weight/Mark
3	Contractor monitors the resource performance regularly, monitors progress through weekly progress reports, and submits monthly progress report to the engineer in due time	
4	The progress is in accordance with the original or approved revised program	
5	Quality control tests are carried out as per the specifications and test records are maintained on-site	
6	Payment applications are submitted in time with accurate and complete supporting documentation	
Subtotal H		
I	Extension of time (15% for both completed and ongoing works)	15%
1	No extension of time except due to employer's delays, major variations, or force majeure situations	
2	Delay damages are levied as per contract for extension of time due to delays by contractor	
Subtotal I		
J	Variations (10% for both completed and ongoing works)	10%
1	The engineer's variation instructions are addressed promptly	
2	Contractor does not abuse variation/value engineering as a delay tactic	
Subtotal J		
K	Work Completion and Handing Over (5% for completed works, not applicable for ongoing works)	5%
1	The tests on completion were carried out promptly	
2	Contractor facilitated employer's taking over of works by meeting all contractual obligations	
Subtotal K		
L	Defects Liability (5% for completed works, not applicable for ongoing works)	5%
1	Outstanding works and defects rectification are carried out as per the engineer's instructions	
Subtotal L		
M	Disputes (5% for completed works and not applicable for ongoing works)	5%
1	No dispute	
2	Disputes resolved in accordance with the contract	
Subtotal M		
OVERALL TOTAL FOR [MONTH/YEAR XX]		

Source: Asian Development Bank.

Appendix 4: Example of Contract Management Plan Templates

A. Descriptive Components

A4.1 The descriptive components of the contract management plan (CMP) consist of a series of schedules, tables and graphs, or flowcharts that illustrate the contract’s key figures, roles, and responsibilities. These elements are mainly descriptive and will normally not change over the contract duration (except for the item “key contacts” if a stakeholder is replaced during the contract implementation and except if the contract is amended). These elements may include the following in particular:

- (i) **List of key contacts, with a brief description of roles and responsibilities.** This item will constitute the “who’s who” of the project, with the contact details of all relevant stakeholders, updated as necessary over the duration of the contract (Table A4.1).

Table A4.1: Example of Key Contacts List

Position	Name	Email	Phone
Contractor XYZ			
Contractor representative	Mr/Mrs .....	.....@.....com	+XX XXX XXX XX
Accounts manager	.....	.....	.....
Contract manager	.....	.....	.....
Supervision Engineer			
Engineer representative	Mr/Mrs .....	.....@.....com	+XX XXX XXX XX
Site engineer	.....	.....	.....
Quantity surveyor	.....	.....	.....
Utility Company Representative			
Water distribution	Mr/Mrs .....	.....@.....com	+XX XXX XXX XX
Power distribution	Mr/Mrs .....	.....@.....com	+XX XXX XXX XX
Municipality Representative			
Technical department	Mr/Mrs .....	.....@.....com	+XX XXX XXX XX
ADB Representative			
Project officer	Mr/Mrs .....	.....@adb.org	+63 632 XX XX

Source: Asian Development Bank.

- (ii) **Communication procedure.** The communication procedure (Table A4.2) is a description of the relationship management structure, including points of interface between the borrower (or grant recipient) and the contractor at various organizational levels, the roles and responsibilities of the parties at each level, and the means and frequency of interaction at each level.

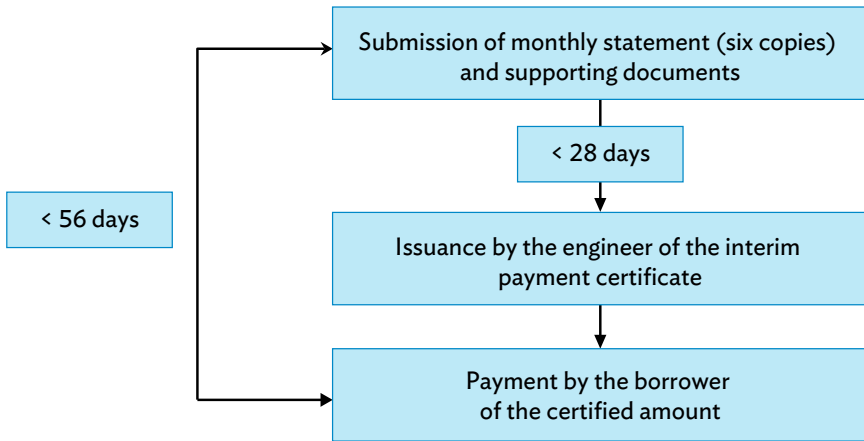
Table A4.2: Example of Communication Procedures

Type of Interface	Position	Name	Topics
Day to day	Contractor representative	Mr/Mrs	Any topic
Weekly meetings	Contractor representative	Mr/Mrs	Technical issues affecting the works
Monthly meetings	Contractor representative	Mr/Mrs	<ul style="list-style-type: none"> • Works progress • Time scheduling • Payments • Discussion on key performance indicators • Claims
	Engineer representative	Mr/Mrs	
	Borrower project officer	Mr/Mrs	
[etc.]			

Source: Asian Development Bank.

- (iii) **Payment procedures consistent with contractual procedures**
- (a) These procedures frame the core obligation (but not the only obligation) of the employer toward the contractor; therefore, it is important that they be explained and made known to all officers in charge of the payment process in the borrower's organization so that payments are made on time.
 - (b) Late payments are a frequent cause of disputes between the parties, and usually entitle the contractor to financing charges (late payment interest) without prejudice to any other right or remedy under the contract.
 - (c) The CMP may include graphs or flowcharts (with the time frame) that will illustrate these procedures in a visual form (certain standard forms of contract provide such graphs) (Figure A4.1).
- (iv) **List of key deliverables, identified and properly described, so they can be easily monitored and updated to account for change orders during the execution of the contract**
- (a) According to the nature of the contract, the "deliverables" may consist of works, goods, and/or services.

Figure A4.1: Example of Payment Procedure Flowchart



Source: Asian Development Bank.

- (b) The description of deliverables is embedded in the specifications (for works and supply contracts) or the terms of reference (for service contracts).
 - (c) At least for works contracts (and sometimes for supply contracts where the goods to be delivered are of complex nature), the monitoring and control of the “deliverables” will require the intervention of a specialist to assist the borrower (typically, the “engineer” for a works contract).
- (v) **Contract variation control mechanisms**
- (a) As to payment procedures, it is important to explain the variation mechanisms and inform those involved in the management of the contract in the borrower’s organization, since variation control mechanisms have crucial cost and time consequences.
 - (b) If variation mechanisms are improperly used, delay, disruption, cost overrun, and even disputes between the parties may ensue.
 - (c) The CMP may include some graphs or flowcharts (with the time frame) that will illustrate these procedures in a visual form.
- (vi) **Record-keeping requirements**
- (a) This item may consist of a list of the various kinds of records or documents to be collected and filed over the contract duration (e.g., contract documents and any amendments thereof, list of variation orders, correspondences, deliverables under the contract, payment requests, claims, etc.).

- (b) Details of the recording or filing system or procedure to be used for this purpose should be included.
- (vii) **Problem resolution processes.** These processes ensure that issues can be handled at the appropriate level, and do not escalate and cause relationship issues.
- (viii) **Dispute resolution procedure.** This procedure is for unresolved and escalated disputes.
- (ix) **Reporting procedures.** Regular ADB reporting requirements for borrowers (and, as applicable, cofinanciers), as per section IV of this guidance note, should be followed.
- (x) **Contract closure activities and checklist**

B. Dynamic Components

A4.2 The dynamic components of the CMP consist of data collected during (and resulting from) contract implementation with all information and analyses derived therefrom. The structure and format of such information and analyses will have to be designed as part of the CMP at the onset of the contract; thereafter, these elements will be periodically updated and will be the tool for monitoring the performance and progress of the contract. These elements will mainly comprise the following.

- (i) **Risk management plan.** The risk management plan consists of a list of identified risks, the consequences of which are described as the employer's responsibility under the contract (such as delays in the contractor's right of access to the site, payment delays and other potential defaults in the borrower's contractual obligations that could potentially lead to contractual disputes); together with an action plan for their mitigation.
- (ii) **Contractual milestones including critical path.** This item will generally consist of the program to be submitted by the contractor before commencing the works, and any update thereafter over the contract implementation period, and identifies actual against planned progress (Figure A4.2).
- (iii) **Key performance indicators and measurement process**
 - (a) The design of key performance indicators (KPIs) is part of the contract management strategy.
 - (b) KPIs will be used and monitored throughout the contract implementation period.

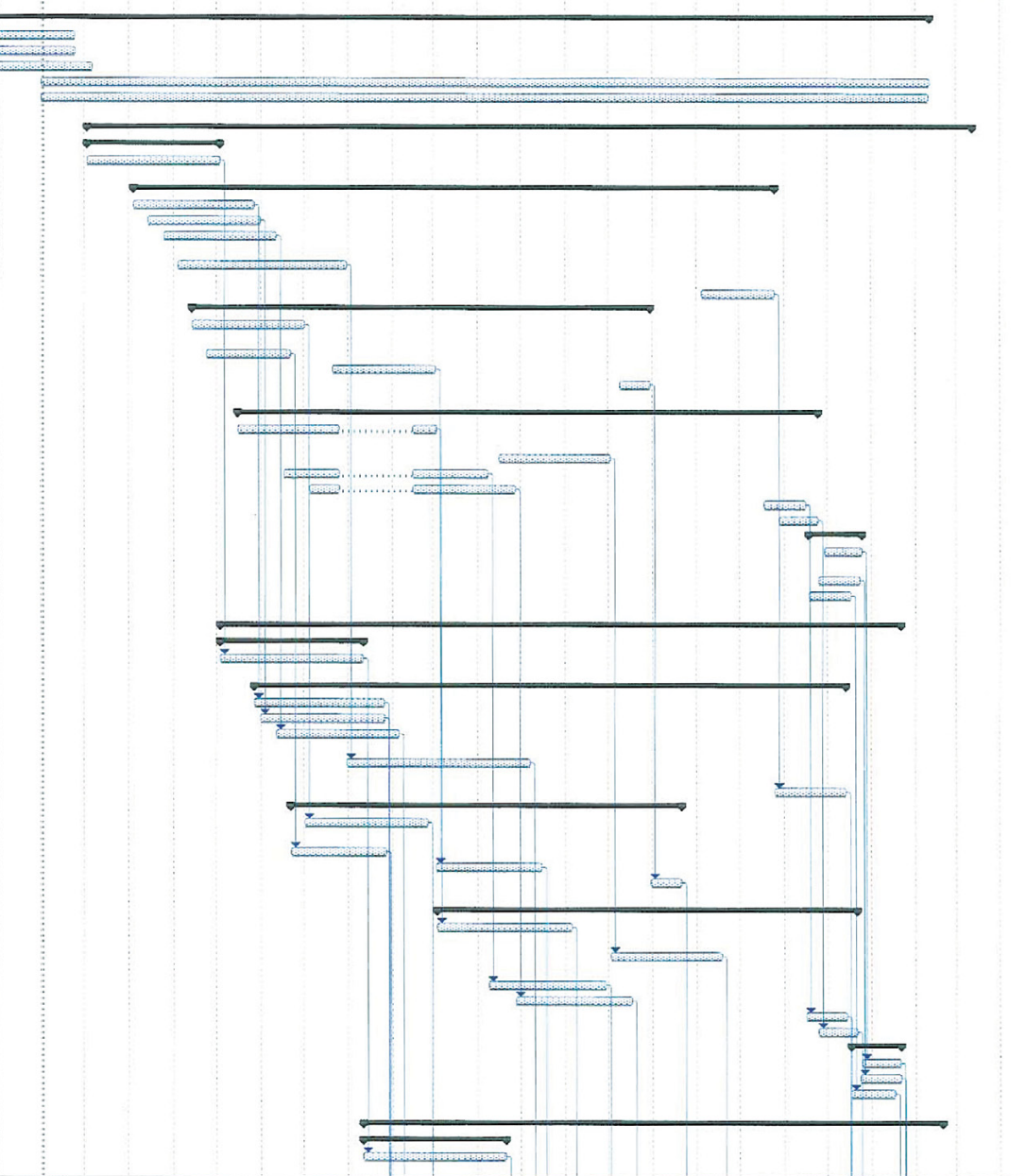
Figure A4.2: Example of a Contractual Work Program from an ADB-Financed Project

		EAST-WEST HIGHWAY I Reconstruction			
ID	Nome attività	Duration	Start	Finish	
					Mar '09 / Apr '10 2 3 4 5 6
1	Gence Dolama yolunun yeniden tikilmesi ve berpasi / Reconstruction of Ganja Bypass	678.13 days	3/16/09	3/15/11	
2	Başlangıç bildirisi/Notice to commence	0 days	3/16/09	3/16/09	♦ 16 Mar 2009
3	Bitme tarihli/Completion date	0 days	3/15/11	3/15/11	
4					
5	Özümü/General	647.5 days	3/16/09	2/10/11	
6	Podratçının mobilizasyonu/Contractor's mobilisation	90 days	3/16/09	6/24/09	
7	Mühendishin lazımı avadanlıqlarla təmin edilməsi/Supply Engineer's facilities	75 days	4/6/09	6/24/09	
8	Mühendish lazımı sənədlərin təqdim edilməsi/Submissions to Engineer	60 days	5/1/09	7/6/09	
9	Yol hərəkət idarəçiliyi/Traffic management	580 days	6/1/09	2/10/11	
10	Təbiətin qorunması monitorinqi/Monitoring of environmental protection	579 days	6/1/09	2/9/11	
11					
12	Bölmə 1/Section 1 (From km 0+000 to 10+000)	579 days	7/3/09	3/12/11	
13	Planaalma və sahənin təmizlənməsi/Setting Out and Site Clearance	88 days	7/3/09	10/3/09	
14	Ümumi sahənin təmizlənməsi, ağacların kəsilməsi, tikinti və çəpərlərin sökülməsi -60 ha/General site clearance, removal of trees, structures and other obstructions - 60 ha	88 days	7/3/09	10/3/09	
15	Torpaq işləri/Earthworks	414.13 days	8/4/09	10/25/10	
16	Mövcud asfaltın frezlənməsi/Scarify existing asphalt - 13.300 mc	80 days	8/4/09	10/27/09	
17	Yararsız materialların qazılması və daşınması/Excavation of unsuitable material and transport to spoil - 4.500 mc	75 days	8/14/09	10/31/09	
18	Yol kəşiyindəki materialların qazılması və torpaq tökümlüylə doldurulması/Excavation of material in road cut and fill in embankment - 18.000 mc	75 days	8/25/09	11/11/09	
19	Torpaq tökümlü üçün karyerədən materialın daşınması, yerləşdirilməsi və kipləşdirilməsi/Provide, place and compact fill material from borrow pit to embankment - 400.000 mc	110 days	9/4/09	12/30/09	
20	Rekultivasiya, yaşıllaşdırma və yol geyimi/Topsolling, grassing and turfing - 12.000 m2	48 days	9/4/10	10/25/10	
21	Su ötürücülər və drenajlar/Culverts and Drainage	292 days	8/14/09	7/30/10	
22	Mövcud beton və dördübucaq boruların sökülməsi və uzaqlaşdırılması /Demolish and clear away existing concrete pipe culvert and box culvert	75 days	9/14/09	12/1/09	
23	Dairəvi suötürücü boruların tikintisi/Construction of pipe culverts - 660 m	56 days	9/24/09	11/21/09	
24	Dördübucaq boruların tikintisi/Construction of box culverts - 120 m	64 days	12/21/09	3/2/10	
25	Mitra drenajları, ayrıca drenajların və کنار drenajların tikintisi/Construction of mitre drains, cut-off drains and side drains - 250 m	21 days	7/9/10	7/30/10	
26	Yol örtüsü/Pavement	374.38 days	10/16/09	11/24/10	
27	Yol üçün Subbase - qırılmış materialların daşınması və sərilməsi -150 mm - 32.200 mc/Subbase for road - provide and place crushed material 150 mm - 32.200 mc	83 days	10/16/09	3/3/10	
28	Çiyinlər üçün Subbase materialının daşınması və tökülməsi /Subbase for shoulder - provide and place material - 16.000 mc	75 days	4/16/10	7/2/10	
29	Bitüm üzəli/Bituminous base 140 mm - 17.300 mc (41.600 Ton)	79 days	11/17/09	4/8/10	
30	Binder əsən bitüm/Bituminous binder 80 mm - 9.300 mc (22.400 ton)	79 days	12/5/09	4/27/10	
31	Bitüm örtüyü/Bituminous surface course 50 mm - 5.300 mc (12.800 Ton)	28 days	10/18/10	11/15/10	
32	Çinçil səpilməsi/Spreading of chippings - 61.300 m2	26 days	10/28/10	11/24/10	
33	Yol geyimi və rəngləmə/Road Furniture and road marking	36.13 days	11/18/10	12/25/10	
34	Yol zolağı, yol nişanları və səkilərin qədiməsi və təmin edilməsi/Provide and installation of roadside marking post, road signs and guard-rails	26 days	11/29/10	12/25/10	
35	Yolun rənglənməsi/Road marking paint	28 days	11/25/10	12/23/10	
36	Səki və meydançalar/Sidewalks and islands	29 days	11/18/10	12/17/10	
37					
38	Bölmə 2/Section 2 (From km 10+000 to 20+000)	442.63 days	10/3/09	1/21/11	
39	Planaalma və sahənin təmizlənməsi/Setting Out and Site Clearance	88 days	10/3/09	1/11/10	
40	Ümumi sahənin təmizlənməsi, ağacların kəsilməsi, tikinti və çəpərlərin sökülməsi -60 ha/General site clearance, removal of trees, structures and other obstructions - 60 ha	88 days	10/3/09	1/11/10	
41	Torpaq işləri/Earthworks	382.13 days	10/27/09	12/13/10	
42	Mövcud asfaltın frezlənməsi/Scarify existing asphalt - 13.300 mc	80 days	10/27/09	1/26/10	
43	Yararsız materialların qazılması və daşınması/Excavation of unsuitable material and transport to spoil - 4.500 mc	75 days	10/31/09	1/26/10	
44	Yol kəşiyindəki materialların qazılması və torpaq tökümlüylə doldurulması/Excavation of material in road cut and fill in embankment - 18.000 mc	75 days	11/11/09	2/6/10	
45	Torpaq tökümlü üçün karyerədən materialın daşınması, yerləşdirilməsi və kipləşdirilməsi/Provide, place and compact fill material from borrow pit to embankment - 400.000 mc	110 days	12/30/09	5/7/10	
46	Rekultivasiya, yaşıllaşdırma və yol geyimi/Topsolling, grassing and turfing - 12.000 m2	48 days	10/25/10	12/13/10	
47	Su ötürücülər və drenajlar/Culverts and Drainage	246.88 days	11/21/09	8/21/10	
48	Mövcud beton və dördübucaq boruların sökülməsi və uzaqlaşdırılması /Demolish and clear away existing concrete pipe culvert and box culvert	75 days	12/1/09	2/25/10	
49	Dairəvi suötürücü boruların tikintisi/Construction of pipe culverts - 660 m	56 days	11/21/09	1/27/10	
50	Dördübucaq boruların tikintisi/Construction of box culverts - 120 m	64 days	3/2/10	5/15/10	
51	Mitra drenajları, ayrıca drenajların və کنار drenajların tikintisi/Construction of mitre drains, cut-off drains and side drains - 250 m	21 days	7/30/10	8/21/10	
52	Yol örtüyü/Pavement	274.63 days	3/3/10	12/21/10	
53	Yol üçün Subbase - qırılmış materialların daşınması və sərilməsi -150 mm - 32.200 mc/Subbase for road - provide and place crushed material 150 mm - 32.200 mc	83 days	3/3/10	6/5/10	
54	Çiyinlər üçün Subbase materialının daşınması və tökülməsi /Subbase for shoulder - provide and place material - 16.000 mc	75 days	7/2/10	9/18/10	
55	Bitüm üzəli/Bituminous base 140 mm - 17.300 mc (41.600 Ton)	79 days	4/8/10	6/29/10	
56	Binder əsən bitüm/Bituminous binder 80 mm - 9.300 mc (22.400 ton)	79 days	4/27/10	7/17/10	
57	Bitüm örtüyü/Bituminous surface course 50 mm - 5.300 mc (12.800 Ton)	28 days	11/15/10	12/14/10	
58	Çinçil səpilməsi/Spreading of chippings - 61.300 m2	26 days	11/24/10	12/21/10	
59	Yol geyimi və rəngləmə/Road Furniture and road marking	33.75 days	12/17/10	1/21/11	
60	Yol zolağı, yol nişanları və səkilərin qədiməsi və təmin edilməsi/Provide and installation of roadside marking post, road signs and guard-rails	26 days	12/25/10	1/21/11	
61	Yolun rənglənməsi/Road marking paint	28 days	12/23/10	1/21/11	
62	Səki və meydançalar/Sidewalks and islands	29 days	12/17/10	1/17/11	
63					
64	Bölmə 3/Section 3 (From km 20+000 to 30+000)	382.63 days	1/11/10	2/19/11	
65	Planaalma və sahənin təmizlənməsi/Setting Out and Site Clearance	88 days	1/11/10	4/20/10	
66	Ümumi sahənin təmizlənməsi, ağacların kəsilməsi, tikinti və çəpərlərin sökülməsi -60 ha/General site clearance, removal of trees, structures and other obstructions - 60 ha	88 days	1/11/10	4/20/10	

IMPROVEMENT PROJECT of Ganja Bypass

2010 2011
 May '09 Jun '09 Jul '09 Aug '09 Sep '09 Oct '09 Nov '09 Dec '09 Jan '10 Feb '10 Mar '10 Apr '10 May '10 Jun '10 Jul '10 Aug '10 Sep '10 Oct '10 Nov '10 Dec '10 Jan '11 Feb '11 Mar '11 Apr '11
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15 Mar 2011 ◆



Riepilogo progetto
 Divisione
 Avanzamento
 Cardine
 Attività critica

Contract Management

Guidance Note on Procurement

This guidance note provides operational-level guidance for borrowers, through their executing agencies, on how contract management should be applied in projects during the procurement cycle for a contract financed in whole or in part by an ADB loan or grant, or by ADB-administered funds, for the procurement of goods, works, and services. Contract management encompasses three stages: preparation and planning activities prior to contract award, contract administration during contract implementation, and contract closure. Effective contract management ensures that supplier, contractor, and/or consultant deliverables and obligations are met as agreed under the contract. In addition, more efficient and effective contract management promotes increased and more timely loan disbursements.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to a large share of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.



ASIAN DEVELOPMENT BANK

6 ADB Avenue, Mandaluyong City

1550 Metro Manila, Philippines

www.adb.org