



GUJARAT TECHNOLOGICAL UNIVERSITY

Bachelor of Engineering

Subject Code: 3160614

Contracts Management

SEMESTER-VI

Type of Course: **Department Elective**

Prerequisite: **NIL**

Course Objectives:

1. To make students understand various contracts, their suitability and the procurement process involved in construction projects.
2. To make student capable of understanding and reviewing various provisions included in the contract for effective management of the projects
3. To make the student understand various contract management processes involved in construction projects

Teaching and Examination Scheme

Teaching Scheme			Credits	Examination Marks				Total Marks
L	T	P		Theory Marks		Practical Marks		
			ESE (E)	PA (M)	ESE (V)	PA (I)		
3	1	0	4	70	30	0	0	100

Course Contents

Sr.No.	Topics	Hrs.	% Weightage
1	Introduction to Contract: Definition and legal issues in contract, Essential requirement of a contract as per Indian Contract Act 1872, Characteristics of a good contract, Legal enforceability of contract, Breach & termination of contracts, Major stake holders in construction contracts, Overview of Activities in Contract Management.	4	10
2	Construction Contracts: Type of construction contracts: Lump sum contracts, Fixed price contracts, Percentage rate contracts, Cost plus contracts, Target contracts, Design-Build contracts, Turn-key contracts, BOT contracts. Parties to a Contract, Contract Formation, Common contract clauses: Notice to proceed, rights and duties of various parties, Contract Duration and Price.	8	20
3	Tendering: Process of tendering: Tender notice, EOI, RFQ & RFP, Bid security, Prequalification process, Bidding Models and bidding strategy, Tender submission and evaluation, Tender rejection, Security deposits/performance guarantee & Defect liability, Contract agreement & contract documents Performance Parameters: Delays, penalties and liquidated damages; Force Majeure, Suspension and Termination.	13	34
4	Conditions of Contracts: General conditions & special conditions, Contract conditions for payments, Time delay, Scope changes, Extra claims, Termination of contracts, subcontracting.	7	18
5	Contract Administration: Elements of contract management, Major stake holders in construction contracts, Contract administration; Duties and responsibilities of parties, Stake holder agreements, Contract risk management,	7	18



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	Management reporting, Dispute resolution mechanisms: Negotiation, Mediation.		
	Total	39	100

Reference Book(s)

1. Keith Collier, "Construction Contracts" Reston Publishing Company, Inc, Reston, Virginia.
2. Patil, B.S., "Building and Engineering Contracts" Mrs. S.B. Patil, Pune.
3. John Murdoch & Will Hughes, "Construction Contracts - Law and Management" Spon Press, Taylor & Francis Group.
4. Gajera, G.T., "Law relating to Building and Engineering Contracts in India" Butterworths.
5. Govt of India, Central Public Works Department, "CPWD Works Manual 2003."
6. Govt of India, Central Public Works Department, "CPWD 7/8: General Conditions of Contracts."
7. V. K. Raina, Raina's Construction and Contract Management Vol.1 (Second Edition), SPD Publishers, 2009

Course Outcomes: After successful completion of the course the students shall be able to:

Sr. No.	CO statement	Marks % weightage
CO-1	Decide suitable contracts for a given project scenario and stakeholders of contract	20 %
CO-2	Judge best form of contract for a specific project and design performance parameters	30 %
CO-3	Summarize tender processing and assess various contractual provisions in a tender documents and develop bidding strategy	20 %
CO-4	Formulate contract management processes involved in construction projects	30%

List of Tutorials

1. Collection of Evaluation of tender notices/ EOI, RFQ & RFP
2. Tender notice preparation
3. Exercise on pre-qualification of contractors
4. Case Study & evaluation of tender documents for:
 - Tendering process
 - Security and performance bonds
 - Risk assessments of contractual provisions
 - Arbitration/dispute resolution

Suggested Specification table with Marks (Theory):

Distribution of Theory Marks					
R Level	U Level	A Level	N Level	E Level	C Level



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20	35	25	10	10	00
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Legends: R: Remembrance; U: Understanding; A: Application, N: Analyze and E: Evaluate C: Create and above Levels (Revised Bloom's Taxonomy)

Note: This specification table shall be treated as a general guideline for students and teachers. The actual distribution of marks in the question paper may vary slightly from above table.

List of Open Source Software/learning website: www.nptel.iitm.ac.in/courses/