

VIGILANCE AWARENESS WEEK -2015

CONTRACT COMPLETION SCHEDULE

Preventive
Vigilance



Vigilance
Corporate Governance
as a Tool of
Good Governance



सतर्कता जागरूकता सप्ताह जागृति ತಿಳುವಳಿಕೆ ಸಪ್ತಾಹ
VIGILANCE AWARENESS WEEK
26th - 31st October, 2015

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COMPLETION SCHEDULE OF CONTRACT : IMPORTANCE

- Essence of any contract.
- Most of the Post-Contract legalities arise here.
- Importance increases as contract is rarely found to be completed as per the original completion schedule.
- Any undue delay especially wherein penalties on contractors are waived off attracts vigilance angle.

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COMPLETION SCHEDULE OF CONTRACT : LAPSES

- Most of the organisations grant an extension of time in a liberal and routine manner.
- LD clause is not invoked, in cases of delay.
- Even a proper delay analysis, to establish the cause of delay, is not made.
- In quite a few cases rains during the monsoon were considered as hindrance though rains were already considered in contract and the benefit was given to the contractor.

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COMPLETION SCHEDULE OF CONTRACT : LAPSES

- Keeping two different periods for completion of contract (supply & erection) unless unavoidable is not in the interest of the contract as the contractor after making the supply may claim large portion of payments and then tend to respond sluggishly as the contractor's stakes are minimal.
- There are cases where the contractor got paid 90/95% payment for the supply of equipments, but shirked the erection and commissioning work on one pretext or the other.

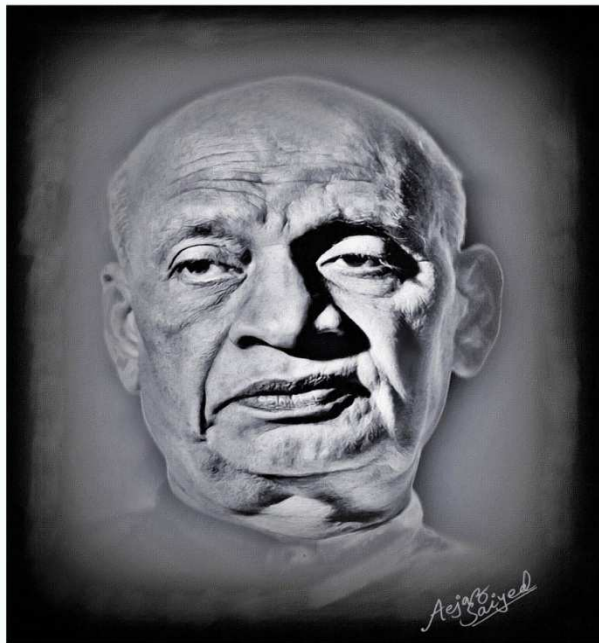
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COMPLETION SCHEDULE OF CONTRACT : TRANSPARENT

- Specific schedule of completion of contract should be stipulated in the contract in an unambiguous manner.
- Completion of contract should imply overall completion of all the events of the contract, in case of big projects with clear completion milestones.
- Contractors should be asked to submit the completion schedule of various activities in advance and the progress should be monitored in accordance with such schedule.
- Invoke LD clause in case of delay in completion of work.

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THANK YOU



“A business is seldom
if ever built up except
on lines of strictest
integrity.”

- Andrew Carnegie