

UNIT 4

Introduction

Contract is an undertaking by a person or a firm to do any work under certain terms and conditions, which should invariably be in writing. The work may be for the construction or maintenance and repairs, for the supply of labor or the transport of materials, etc.

Contractor means a person or a firm who undertakes any type of contract. Usually this term is confined to the contractors who are engaged in construction or execution of works or repairs.

The system through which the works are carried out by the contractors, who arrange all the materials, labor and equipment required for proper completion of the works is known as the contract system. The work should satisfy the specifications with expected quality. It should also be completed within the stipulated time.

Types of Contract Agreements

Contract agreements fall into the following two clauses.

1. Piece-work agreements.
2. Contracts.

Piece-work agreements.

- These are agreements for doing the work at agreed rates, without reference to the total quantity of work or time. Small works or piecework up to Rs.5000/- are got done through the contractors by piecework agreement.
- Piecework agreements are of the following types.
 1. Piece-work.
 2. Work Order.

Piece-work: In piece-work, the quantity of work is not mentioned and only the rate is mentioned. This agreement is used

(i) For small works (ii) when it is necessary to start work in anticipation of the formal acceptance of the contract and (iii) for running contract.

Work Order: Work order is used for petty works; work orders may sometimes also mention the time limit within which the work is to be completed. No formal agreement is drawn up with

the contractor as in the case of piece-work when the work is awarded by a work order.

Types of Contracts

Contracts are of the following types.

1. Item rate Contracts.
2. Percentage Rate Contracts.
3. Lump sum contracts.

Tender: A Tender is the contractor's bid in writing offering to execute the specified work of construction, supply of materials etc., at the rates and amounts indicated, within the time limit and under conditions specified and agreed to.

Necessity of Tenders: Works, which are to be awarded to contractors, are publicised to enable a sufficient number of interested parties to bid. The lowest bid is generally accepted, unless there are good reasons for not doing so. The process of inviting bids and accepting them is known as tendering. The bid is usually made on the tender forms specified by the owner. The following tender documents are made available along with the tender forms to enable contractors to bid for the job.

1. Layout plan.
2. Set of drawings, including working drawings.
3. Detailed specifications or reference to standard specifications for each item of work
4. Schedule of stores to be issued by the owner indicating the rates and their place and issue.
5. Schedule of tools and plant and other facilities to be made available by the owner, indicating the conditions, hire charges and the place of delivery.
6. General conditions of the contract including time limits.
7. Special conditions of the contract that may have to be highlighted.
8. Amount of Security deposits to be paid /deducted.

Tender Notice: Whenever works are to be let out on contract, tenders are to be invited from the registered contractors or both registered and unregistered contractors depending on the magnitude and nature of the work by issuing notice in newspapers. The notice that includes various particulars of work is named as Tender Notice.

Contract Agreement

Contract agreements are fall into the following categories:

1. Contracts
2. Piece work agreements

Contracts are classified as:

1. Percentage Rate contracts.
2. Item Rate contracts.
3. Lump sum contracts.

Piece-work agreements are of following types

1. Piece work
2. Work order

Conditions of Contract

The Conditions of contracts includes the following

1. Time of completion of work.
2. Volume of work.
3. Specifications of work.
4. Rates of payment.
5. Penalties for default on the part of the contractor etc.

Payment to Labour- N.M.R. Format

Except for the regular and work charged establishments, all persons engaged departmentally for the execution of works are considered as casual labour. Their wages are drawn on "Muster rolls".

Muster rolls are prepared in the prescribed form. The Nominal Muster Roll (N.M.R) form consists of two parts.

Part I of N.M.R. form consists of necessary columns for entering the names of labour, designation, father's name, their attendance particulars, rates of wages and the total amount payable for each labour. N.M.R form has the provision for entering the total amount of the muster, signature or left hand thumb impression of the labour as a receipt. At the bottom of this form, the person preparing such N.M.R form should sign before submitting to A.E / D.E.E who in turn verifies the details entered and makes the payment.

Part II of the muster roll is used for recording the name of work, amount of work done in cases in which the work is susceptible to measurements. Other details like the number of measurement book, pages in which the measurements are recorded will also be entered in this part. If the work is not susceptible to measurement, a remark to that effect is recorded.

Some important instructions regarding the preparation of Muster rolls are:

1. Duplicate copies of muster rolls should not be prepared
2. Separate muster rolls are prepared for each period of payment. Labour may be paid more than once a month depending upon local conditions and practices.
3. The daily record of attendance and times should be recorded in such a way as to leave no possibility of tampering or making unauthorized entries.
4. After the muster roll has been passed, payment should be made as early as possible.
5. A record of wages that remains unpaid must be kept in a register of unpaid wages.
6. Subsequent payment of unpaid wages is recorded in the hand receipt. A note of the same is recorded in the register of unpaid wages as well as in the muster roll.
7. Wages that remain unpaid for three months must be reported to the divisional office.
8. Progress of work done by the labour is recorded and is to be compared with departmental rates.
9. Muster rolls are checked with reference to entries in the measurement book to the extent of 50% in the sub-divisional and 50% in the division office, when the divisional engineer makes payments.

Measurement Books (M-BOOKS)

The measurement book, (common Form No. 298) is a most important record since it is the basis of all accounts and quantities whether the work is done by daily labour, piece work, Schedule contract, lump-sum contract or of materials received.

It is the original record of actual measurements or accounts and forms a reliable record as it may have to be produced as evidence in court of law.

All the books belonging to a division should be numbered serially and the pages of each book should be machine numbered.

A register of M-Books should be maintained in Form PWD VI-20, in the divisional office showing

- (a) The serial number of each book,
- (b) The names of sub-divisions to which issued,
- (c) The date of issue and the date of its return, so that its eventual return to the divisional office may be watched.

A similar register should be maintained in the sub divisional office showing the names of the sub-divisional officer and section officers to whom measurement books are issued.

Books no longer in use would be withdrawn promptly even though not completely written up.

All completed measurement books containing measurements of the works executed by contractors, having running accounts should be sent to the Divisional Office for final record after final bills have been paid to the contractors.

The following instructions should be observed carefully while recording detailed measurements in the M. Book.

1. Topmost lines under columns 1 to 4 on each page of a measurement book should invariably filled in the field.
2. Any lines not required should be carefully scored out in order to prevent additional entries being made later on
3. Only Executive, Deputy Executive or Asst. Executive Engineers should record detailed measurements.

UNIT 5

Types of labour

Construction labour can broadly divided into two types

1. Casual labour 2. Regular establishment

Casual labour: Casual labour is employed as and when required for the execution of work, payment is made on the basis of the number of days the labour works. There is no provision of leave, except the weekly holidays. This is also known as daily labour.

Regular Establishment: Regular establishment generally includes supervisory personal that are required for more or less continuous period during construction. They are paid monthly wages and entitled to leave and other benefits. The employees may be temporary or permanent. Permanent employees have great security of service and may be entitled to more service benefits than the temporary employees.

Labour welfare-Human relation

Construction is the largest industry in India and most of the employees who are working in construction industry are labours and skilled workers. As the nature of construction work is Temporary the workers are recruited as and when required for the execution of work and are retrenched when no longer needed.

Construction labour is migratory in nature, moving from one site to another site, and the labour attached to big contractors tends to migrate to new work sites taken up by them.

Construction labour has not been able to organize itself to the extent that labour in factories and other organized sectors of trade has. This is mainly because the construction labours do not have a permanent place of work. Consequently construction labour has extremely poor bargaining power and this situation is fully exploited by employers. The construction labour beside low wages, they live in crowded unsanitary temporary huts built at the construction sites in unhygienic surroundings without basic amenities of life.

For the welfare of the labour, the Governments have, from time to time, brought out labour laws.

Labour laws are classified into the following types

- ☐ Laws concerning the working conditions of labour.
- ☐ Laws concerning wages and other payments to labour.
- ☐ Laws concerning the social security of labour.