NATIONAL CONSTRUCTION AUTHORITY
www.nca.go.ke

BIDDING PROCESS-PRICING AND ESTIMATION

OBJECTIVES OF PRESENTATION

Undertake Pricing & Estimation
Prepare a responsive and profitable bid
Grow your company/Business

BIDDING -PROCESS

• Starts when the Quantity Surveyor 'Qs' /Eng. has finished preparing their cost estimates and those estimates tabled and approved by the developer/client.
• A search for the most responsive bidder and at best price is started.
• Thus the lowest priced bid is not necessarily the most competitive.
• To avoid collision this process should be OPEN to participants as much as possible.

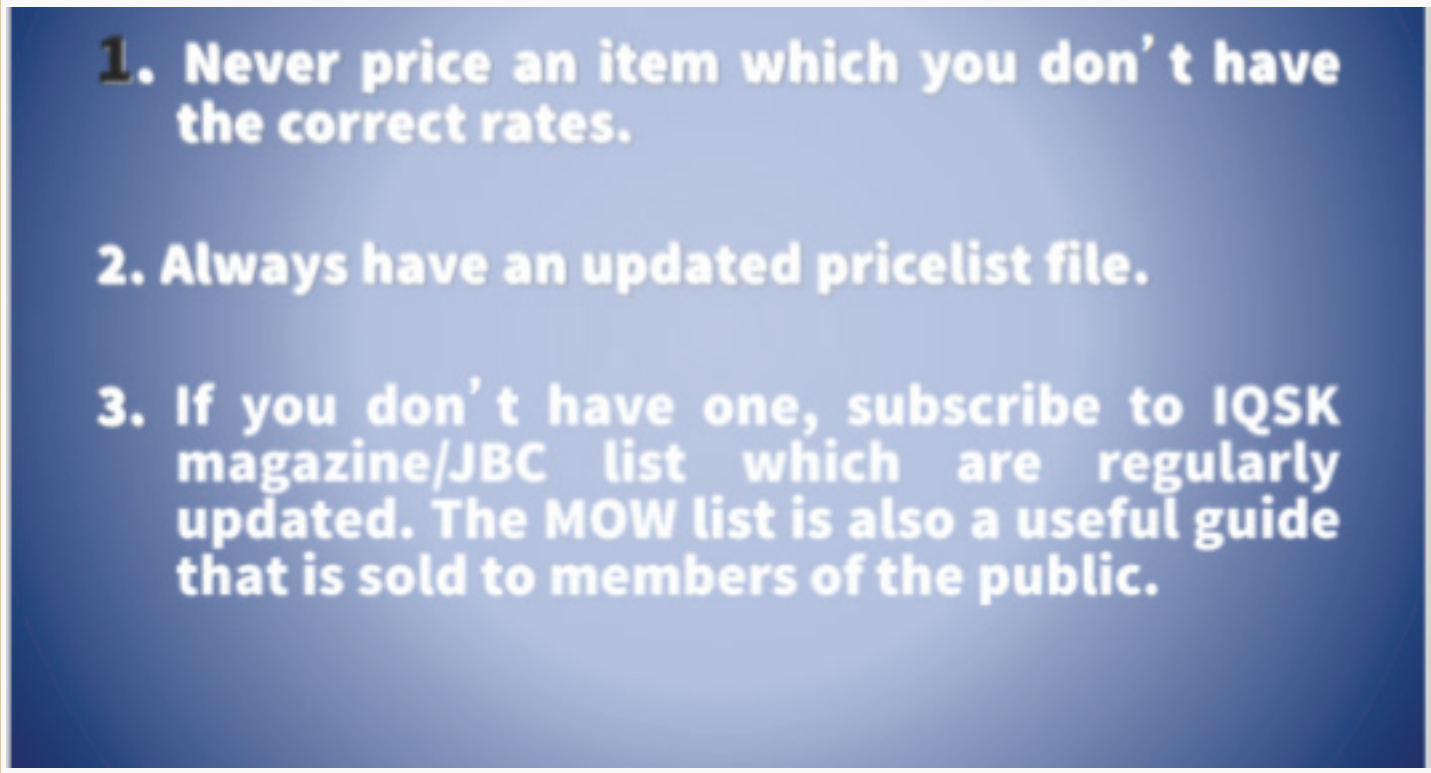
Bidding process involves:

Prequalification process, by which,
- Aletterornoticeplacedindailynewspapers
- Invited and or interested parties purchase the tenders
- Tenderersfillthetendersasdirected-PRICING
- Submission of tenders as directed - Tender opening

Bidding process contd'

- Immediately tender analysis and evaluation is done, and results communicated to the tenderers.
- Award
- Any appeals if any are welcome at this stage 'PPRA procedure'

PRICING



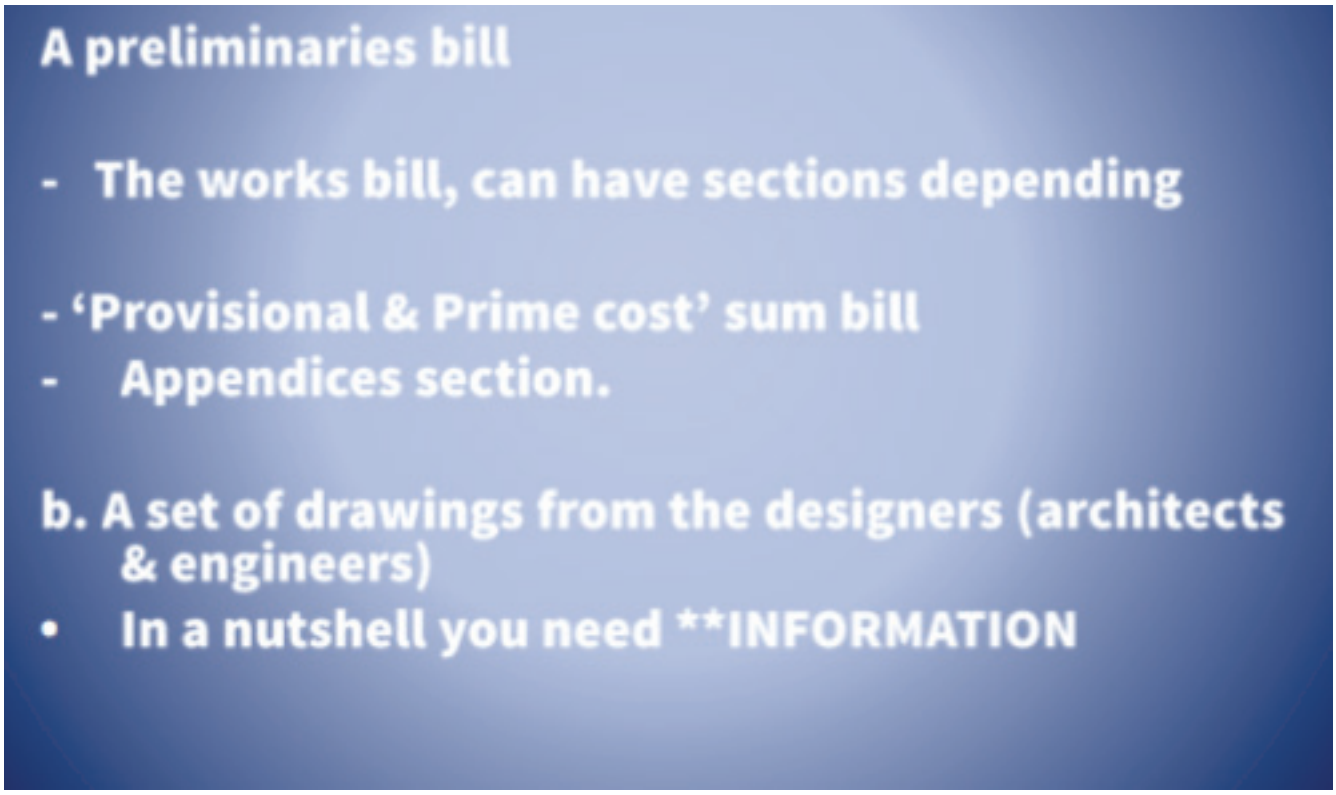
To PRICE you need

a. AwellstructuredBillsofQuantities(BoQ)from the Quantity Surveyor (QS) /Engineer

Defn: A BoQ is a document that precisely and accurately reflects the works to be executed. A well documented BoQ, includes (sections) :-

- Instruction to tenderers.
- A specifications bill (general description of materials & workmanship).

To PRICE you need



Pricing continued' ** Information sourcing

Source your prices well in advance and maintain

Understand and determine your costs.

Maintain a data bank of all tenders submitted and the results – to enable you know your differences

Pricing continued' ** Information sourcing

4. Obtain a QS Data Booklet

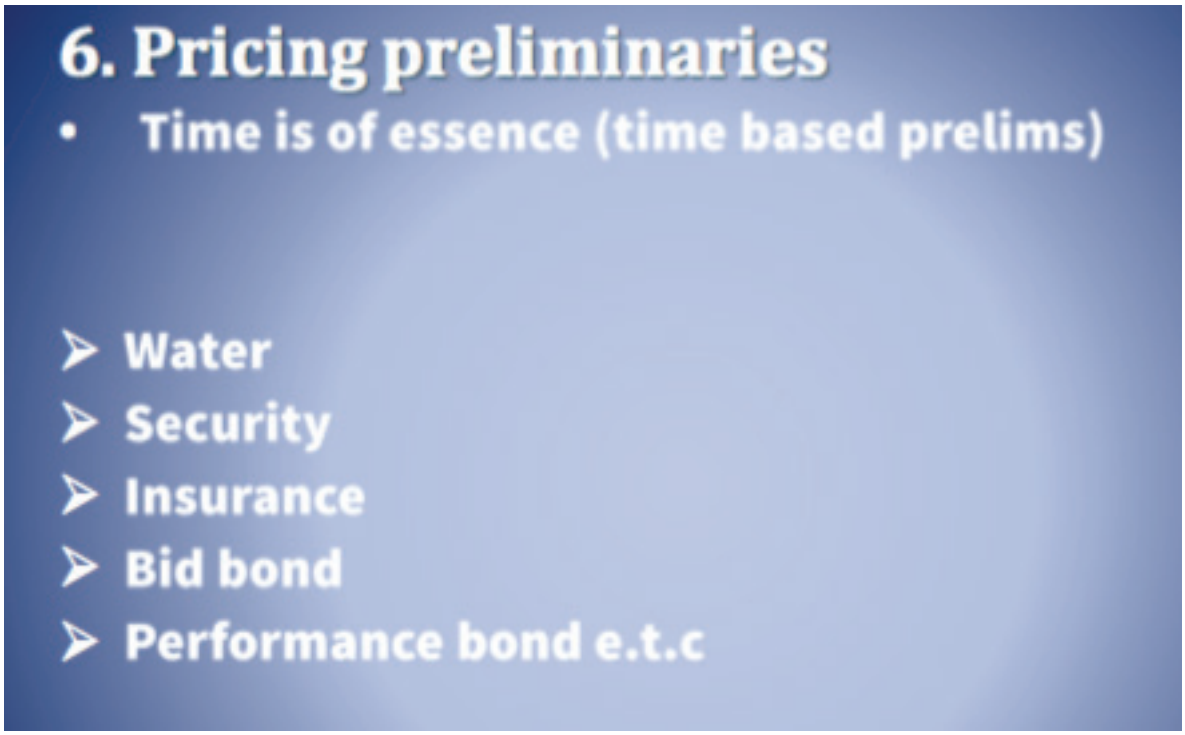
Steel reinforcement bars.
Y8=0.395kg per Lm Y10=0.616kg per Lm
The document can also be useful in checking materials delivered to site.
e.g. establishing capacity of lorries used to supply materials

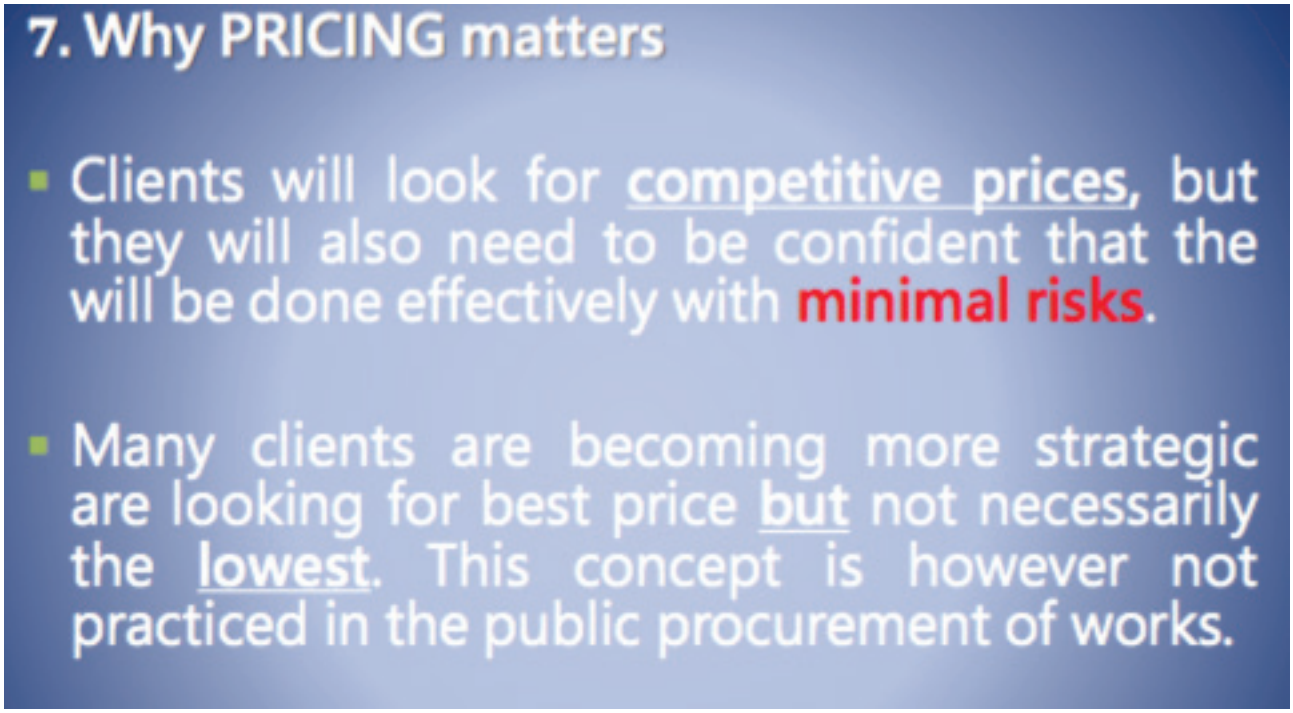
5. Accurate square metre estimating is key.

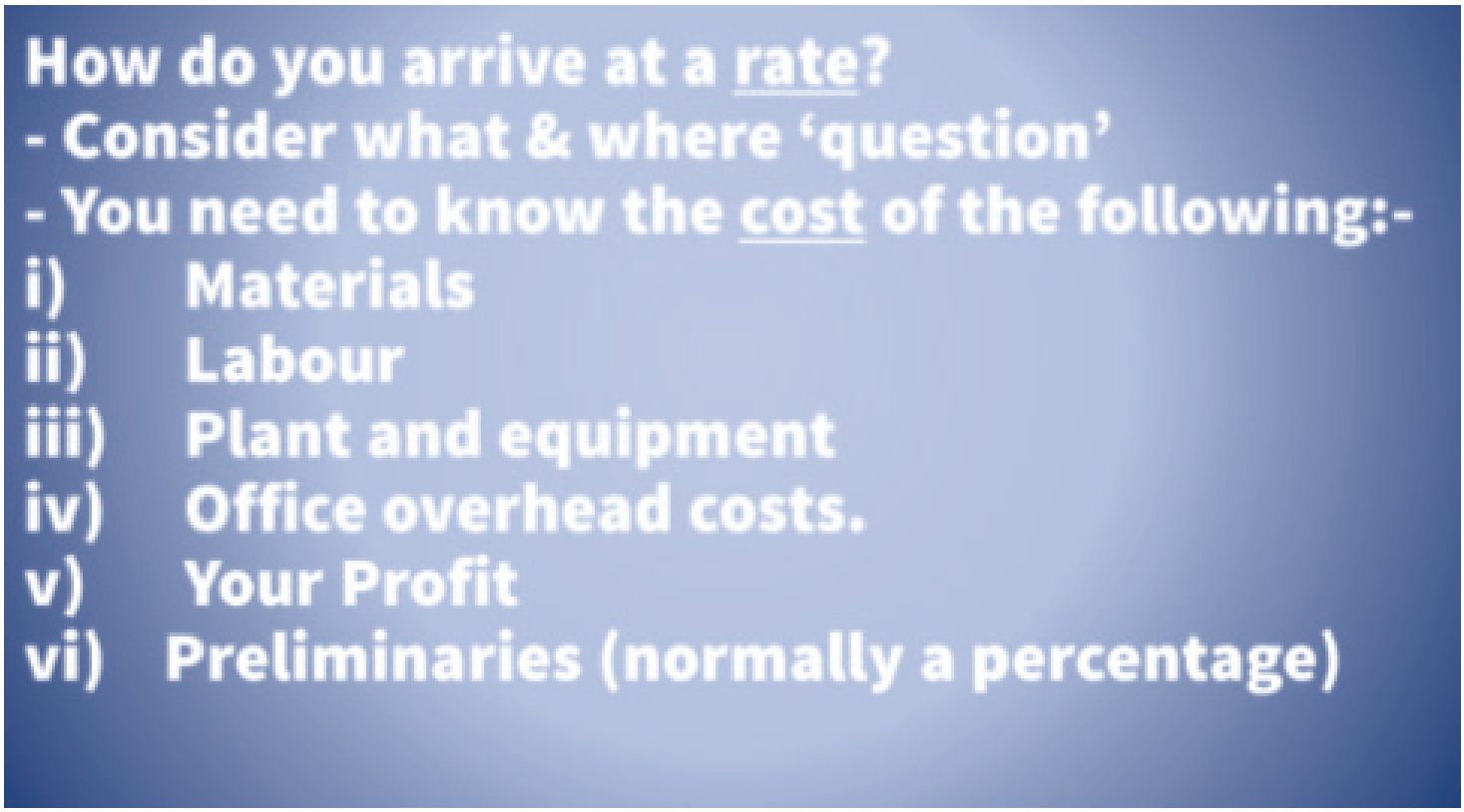
Square meter estimating is the bedrock of construction projects. If you can't do this you will not know how much material to buy or cost of your labour.

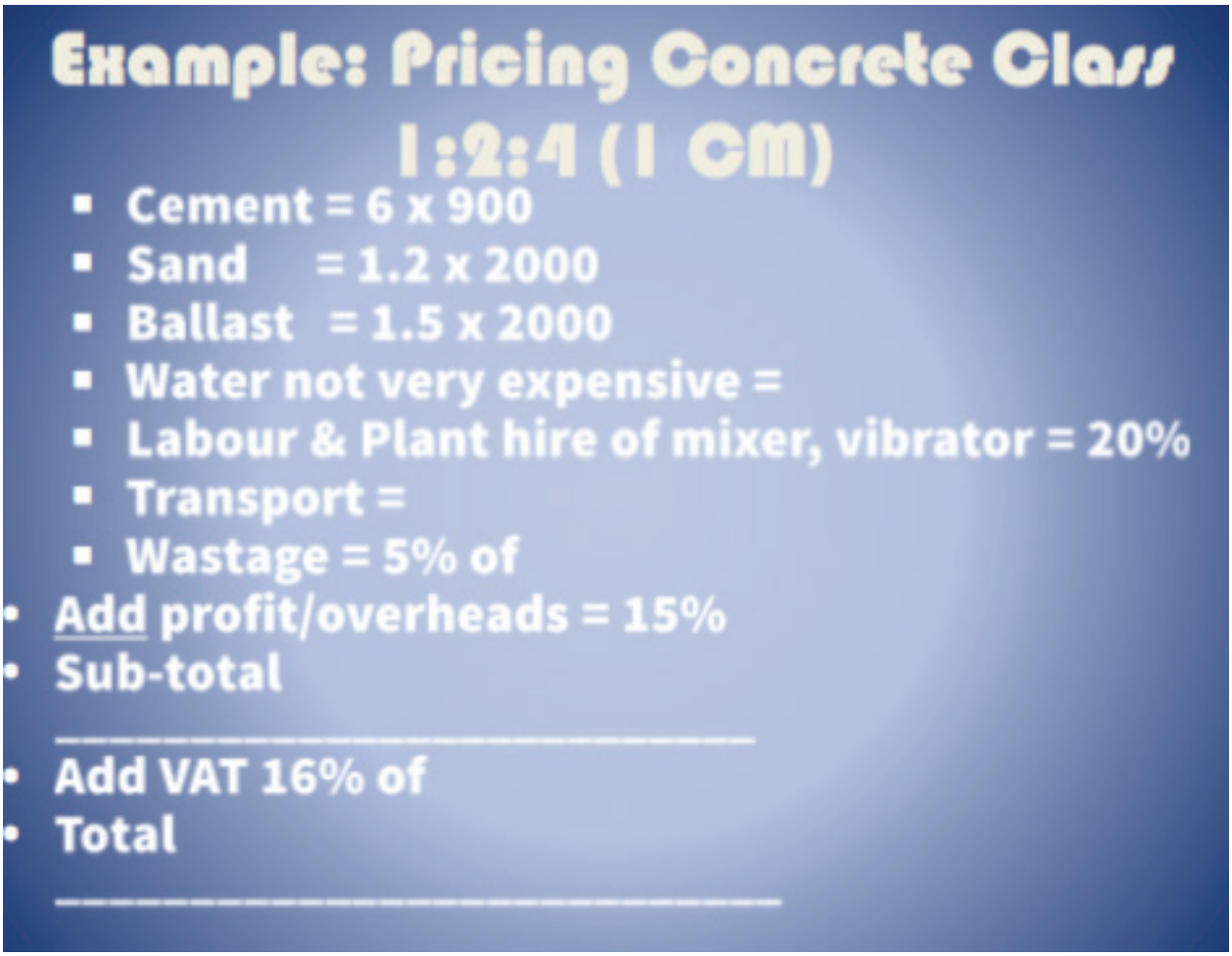
e.g. Walling:

• Observe how long a FUNDI takes to construct a SM, materials required, overhead costs and Profit Margins






How do you arrive at a rate?
- Consider what & where 'question'
- You need to know the cost of the following:-
i) Materials
ii) Labour
iii) Plant and equipment
iv) Office overhead costs.
v) Your Profit
vi) Preliminaries (normally a percentage)


Example: Pricing Concrete Class 1:2:4 (1 CM)
Cement = 6 x 900
Sand = 1.2 x 2000
Ballast = 1.5 x 2000
Water not very expensive =
Labour & Plant hire of mixer, vibrator = 20%
Transport =
Wastage = 5% of
Add profit/overheads = 15%
Sub-total
Add VAT 16% of
Total

Important Notes

• Always remember that a winning submission/bid is the end result of a chain of well performed events
• To conclude and also ‘advice’ to all of you, to get it right, you need a QS/Engineer, do not fear the expense of engaging a Qs but the benefits. As a contractor you need these Qs /Engineer also during the execution stage

Always Understand Your Contract

After award, you now go to site, at this point let us briefly look at, different TYPES of conditions of contracts.

Agreement and Conditions of Contract for building works by JBC ‘the green book’
FIDIC Conditions of Contract for Civil Engineering works
KABCEC for subcontractors