

CAPITAL & INFRASTRUCTURE BUILDING CONTRACT DIRECTIVE

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REFERENCE

CORRECTION OF ERRORS IN PRICED TENDER DOCUMENTS

1. Checking of Priced Tender Documents

Priced Bills of Quantities/Schedules of Work/Specifications/Employers Requirements submitted by the lowest tenderer are to be opened and examined for any arithmetical or pricing errors. The tender documents returned are also to be examined for qualifications, caveats or clarifications appended by the tenderer. Refer also to Building Contract Directive BCD.6.

[See BCD 6](#)

2. Corrections of Errors: generally

JCT Tendering Practice Note 2012 recommends two alternative straight forward procedures. Under Alternative 1 correction of the tender price is not permitted and under Alternative 2 correction of the tender price is permitted.

The choice between Alternative 1 and 2 must be made before contractors are invited to tender and tenderers informed which Alternative is to apply at the Preliminary Tender Enquiry Stage.

Generally Alternative 1 should apply however it may be considered inappropriate with a `partnering approach` and two stage tendering procedures.

Capital & Infrastructure agreement must be obtained in advance if Alternative 2 is to be used.

3. Corrections of Errors: Alternative 1 Option

(a) Where errors are found in the priced tender documents to be dealt with in accordance with Alternative 1 of JCT Tendering Practice Note 2012, the tenderer should be given details of the errors and afforded an opportunity of confirming or withdrawing his tender.

(b) If the tenderer elects to stand by his tender and confirmation has been received from him, the total amount of the error should be expressed as a percentage of the correct total of the Bills of Quantities/Schedule of Works/ Specification/Employers Requirements (excluding preliminary items, contingencies and Provisional Sums). An endorsement should then be added to the Bills of Quantities/Schedule of Works / Specification/Employers Requirements indicating that the tenderer's rates are deemed to be considered as reduced or increased as appropriate by this percentage (see (e) below). This endorsement should be signed by both parties to the contract.

(c) When preparing the final account it will be necessary to apply the percentage increase/decrease to the total of both additions and omissions on the variation account where related to the original priced documents, with the exception of preliminaries and provisional sum accounts.

JCT Tendering Practice Note 2012,

NOTE:

THIS DIRECTIVE IS APPLICABLE TO THE MAJORITY OF SCHEMES BUT IT WILL NOT NECESSARILY BE APPROPRIATE TO ALL WORKS AND THEREFORE ON EACH SCHEME IT WILL BE NECESSARY TO CHECK THE SPECIFIC REQUIREMENTS.

- (d) In cases where the percentage error is insignificant it may be possible to agree with the contractor that the percentage adjustment can be ignored and adjusted within the Preliminaries section where the remainder of the priced document is unaffected. This should be established in writing before the contract is signed.
- (e) Where the corrected total exceeds the tender sum, the rates will be considered as reduced. Where the corrected total is below the tender sum, the rates will be considered as increased.
- (f) It is useful to insert corrected figures (without obliterating the tenderer's figures) into the working copy of the Bill of Quantities/Schedule of Works/ Specification/Employers Requirements. Although the tendered figures are the contractual amounts, having the corrected figures to hand may avoid pitfalls in the administration of the contract, particularly on valuations.

4. Corrections of Errors: Alternative 2 Option

- (a) Where errors are found in the priced tender documents to be dealt with in accordance with Alternative 2 of JCT Tendering Practice Note 2012, the tenderer should be given details of the errors and afforded an opportunity of confirming or withdrawing his tender.
- (b) If the tenderer elects to stand by his tender and confirmation has been received from him, follow the procedures set out in 3 above. Correction of Errors – Alternative 1.
- (c) If the tenderer elects to amend his tender figure and possibly certain rates in his documents, he should either amend the original tender and initial the changes or confirm the alterations in a letter.
- (d) If the amended tender is still the lowest (or `best value` as the case may be) and there are no other reasons for not recommending it then it should be recommended for acceptance. NOTE: The `original` letter confirming the alteration should be appended to the tender documentation for contract purposes.
- (e) If the amended tender is no longer the lowest (or `best value` as the case may be) the offer that as a result has become the lowest (or `best value`) should be examined and the analysis of tenders process repeated for the alternative tender.

CONCLUSION