


Government of Nepal
Ministry of Physical Infrastructure and Transport
Department of Roads
Quality, Research and Development Center
Chakupat, Lalitpur

Guideline for DLP Management

(Only for internal use at Department of Roads)


2021



Foreword



Ordinarily where the term 'defect' is used in a construction contract, it refers to work that has not been performed in accordance with the standards and requirements of the particular contract, and contractor shall have to rectify at its own expense. A 'Defect Liability Period (DLP)' is the time period specified in the contract during which a contractor is legally required to return to the construction site in order to repair any defect that has appeared in its work since the date of construction.

This guideline will be useful to all DoR professionals to manage the Defect Liability Period complying the contract conditions and PPR-2064, 125 (1Ka) rule.

I believe this document will support engineers for claiming 'Defect Liability' of contractors timely and persuade liable contractors to produce finest quality Road Infrastructures by correcting defect (if any) during DLP's.

The development of finest quality Road Infrastructures will lead Department of Roads to meet its objective of reducing total transportation costs and at the same time support the nation for sustainable development.

Thank You

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Er. Arjun Jung Thapa
Director General
Department of Roads

Acknowledgement

The Department of Roads has formed 6-Member Departmental Committee as Er. Prabhat Kumar Jha, SE as Coordinator, Er. Laxmi Datta Bhatt, SDE as Member, Er. Prem Prakash Khatari, SDE as Member, Er. Jibendra Mishra, SDE as Member, Er. Shankar Khanal as Member and Er. Shiv Raj Adhakari as Invite Member.

The effort and dedication of the 6-Member Departmental Committee for Drafting and Review of guidelines/standards/norms, are highly appreciable.

I believe that the guideline would be helpful to all DoR officilas.

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Dr. Bijay Jaisi
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1.0 Background

A Defect is any part of the Work not completed in accordance with the Contract. A Defect Liability Period (DLP) is a priorly set period of time after a construction project has been completed during which a contractor has the obligation to return to the site to rectify and correct defect. Generally, a DLP lasts for 12 months. Any Loss or damage to the Work or Materials to be incorporated in the Work between the Start Date and the end of the Defect Liability period or DLP shall be rectified by the Contractor at its own cost if the loss or damage arises from the Contractor's acts or omissions. DLP Start date is the date of work acceptance.

2.0 Scope of DLP

The scope of DLP is limited to the risk of loss or damages due to:

- (a) a Defect that existed from the construction stage and observed until the end of DLP
- (b) an event occurring from the Work Start Date before the end of DLP, which was not itself an Employer's risk, or
- (c) the activities of the Contractor on the Site from the Work Start Date until the end of DLP

3.0 Legal Compliance

Under the rule 125(1Ka) of Public Procurement Regulation-2064, if any defect are seen within the DLP, the Employer, by giving appropriate time to correct, shall claim to correct the defect based on the rule, Public Procurement Monitoring Office has issued a circular (secretary level decision, dated 2076.03.03) to all public entities to prepare and implement guideline for DLP Management.

The Employer shall retain from each payment due to the Contractor the proportion stated in the Special Conditions of Contract, which is typically 5% of contract amount; until Completion of the whole Works.

Upon the issuance of a Defect Liability Certificate by the Office Chief/ Project Manager, a half of the total amount retained should be updated in according to Budget and repaid to the Contractor and the remaining should be paid (should be compatible with the budget speech for fiscal year 2078/079) half when the Contractor has submitted the evidence of submission of tax return to the concerned Internal Revenue Office.

4.0 Fixing Defect Liability Period

Based on the nature and volume of the Work, the Office Chief/ Project Manager have to select appropriate defect liability period while drafting the Contract. For road pavement maintenance contracts, the DLP of 6 month is appropriate. But for new road construction or rehabilitation or upgrading works, the DLP shall not be less than 12 months. In case of Design and Build Contract, DLP should be fixed from 3-5 years.

5.0 DLP Reporting

Under the rule 125(1Ka) of Public Procurement Regulation-2064, monthly DLP progress report shall be documented for each contracts. The report shall include but not limited to :

- Name of the Office :
- Name of Contract :
- Contract Id no. :
- Name of Contractor :
- Date of Agreement :
- Date of Work Completion :
- Date of DLP Start :
- Due date of DLP Completion :
- Name of Site Engineer :
- Any Uncorrected Defect :
- Relavant BoQ Item No. :
- Defect Correction Instruction No:
- Uncorrected Defect: (List the details if it is repeated??)
- Site Engineer's Remarks:

- Date of Instruction :
- Method of Instruction : Written
- Details of Defect Correction Instruction
- Given Time to Response:
- Correction Reporting Details

6.0 Rectification

The Engineer shall visit the site after the completion of the project frequently in a fixed time basis and report to the Office Chief/ Project Manager of any defect. Before the end of the DLP for Work Contract, the Project Manager shall arrange inspection visit to the Works with the Engineer and Contractor/ representative(s) and shall prepare a list of defect including correction schedule and notify the contractor to correct them before the end of the DLP.

Defect rectification shall be done with the same specification requirements as the works that are done initially. With each defect correction notification to the contractor, appropriate response time period to correct the defect shall be given to the contractor.

Written instruction/ approval shall be given by/ sought from the Engineer regarding reinstatement of environment both during and after completion of works and up to the end of DLP.

If the routine maintenance item is included in BoQ's for the DLP, the contractor shall be liable to deploy workers for implementing routine maintenance works. If the contractor fails to undergo routine maintenance works, the contractor shall be responsible/ liable to correct the defect / rehabilitate and to hazards arising as a result of lack of routine maintenance.

7.0 Cure in case Contractor denies to correct defect

The Defect Liability Period (DLP) shall be extended for as long as Defect remain to be corrected. If the Contractor fails to correct defect within the given /specified time in the Defect Correction Notice, the Office Chief/ Project Manager shall assess the cost of having the defect to be corrected, and the Contractor shall be liable to pay twice of this amount. Such provision shall be included in the Special Conditions of Contract.

8.0 Issuing Defect Liability Certificate

The Defect Liability Certificate is a certificate issued by Project Manager upon correction of defect by the Contractor after successful fulfilment of its liabilities under the contract by the Contractor.

In case of contract run by temporary Project Offices, once the DLP is completed and DLP certificate is issued, the Road section/ Bridge shall be handed over to respective Division Offices within one month. The respective Division Office shall be informed well in advance for the joint site inspection before DLP ends.

9.0 DLP Monthly Reporting Format

Name of Office :

Name of Contract :

Contract Id no.:

Name of Contractor :

Date of Agreement :

Date of Work Completion :

Date of DLP Start :

Due date of DLP Completion :

Name of Site Engineer :

Any Uncorrected Defect :

Defect Correction Instruction No	Uncorrected Defect	Relevant BoQ Item No.	Site Engineer's Remarks

Date of Instruction:

Method of Instruction: Written

Detail of Defect Correction Instruction :

Given Time to Response :

Correction Reporting Details:

Name of Engineer:

Name of Contractor/ Representative(s):

Signature:

Signature:

Seal:

Seal:

Date:

Date:

