

Province Government
Ministry of Physical Infrastructure Development
Koshi province
Morang, Biratnagar

Guideline for Defect Liability Period (DLP) Management
(Only For internal use)



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रमेश कुमार सिंह
प्रदेश सचिव

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1. Background

A defect of 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. Generally, a DLP last 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 of the loss or damage arises from the Contractor's acts or omissions. DLP Start date is the date of work acceptance.

2. 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.
- (c) The activities of the contractor on the site from the work date until the end of DLP.

3. 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 base 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/Project manager, a half of the total amount retained should be update in according to Budget and repaid to the contractor and the remaining should be paid (should be compatible with the budget speech for fiscal years 2078/079) half when the contractor has submitted the evidence of submission of tax return to the concerned internal revenue office.


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4. 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. DLP Reporting

Under the rule 125(1 ka) of Public Procurement Regulation-2064, Monthly DLP progress report shall be documented for each contract. 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 Start:
- Due date of DLP Completion:
- Name of site Engineer:
- Any Uncorrected defect:
- Relevant 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. 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


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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 work that are done initially, With each defect correction notification to the contractor, 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 work and up to the end of DLP.

If the routine maintenance item is include 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. 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 pat twice of this amount. Such provision shall be included in the Special Conditions of Contract.

8. 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. DLP Monthly Reporting format

Name of Office:

Name of Contract:

Contract id no:

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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

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.....

Given Time to Response:

Correction Reporting Details

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Name of Engineer:

Signature:

Seal:

Date:

Name of Contractor/Representative:

Signature:

Seal:

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