

Procedural steps and requirements for processing construction measures in financing arrangements (‘Construction annex’)

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Introduction

These regulations set out the main technical requirements for processing construction measures in financing arrangements. The funding recipient must comply with these regulations for each individual construction measure with **costs exceeding EUR 100,000**.

Definition: ‘A construction measure is a measure that involves the planning, erection, extension, modernisation, rehabilitation and/or conversion of built structures. This includes buildings and structural facilities in the areas of construction, civil engineering, landscaping and/or technical infrastructure.’

During the implementation of construction measures, the recipient is required to submit to GIZ **certain construction-related documents for technical review and approval**. The next planning or realisation step may take place only after GIZ has given its approval. This procedure serves to ensure that resources are used in a technically correct and cost-effective manner in accordance with the agreed purpose and in line with sound budgetary principles, by reference to the corresponding requirements of the German public sector building authorities within the framework of GIZ’s assigned mandate.

Prior to the (1) conceptual design, (2) planning and (3) realisation as well as after (4) completion of the measure, the recipient submits to GIZ the documents described in this annex for review and approval. If the review is positive, **approval is granted in text form**. Once this approval has been given, the recipient can proceed to the next step in the process. Approval may be granted subject to **conditions** that the recipient must comply with.

Unless otherwise agreed, **documents** must be submitted to GIZ in **digital form in English, French or German**.

1 Approval of conceptual design – implementation concept

When developing the concept for the construction measure(s), the recipient must prepare an implementation concept comprising the conceptual and technical description of the construction measure(s). This is based on the recipient's project proposal submitted prior to the conclusion of the contract and details the construction-related personnel, costs and deadlines. The implementation concept must be drawn up after conclusion of the contract, before planning and realisation of the construction measure(s) begins, and must be agreed with GIZ.

The **implementation concept** to be submitted by the recipient to GIZ for review and approval must include the following information:

1. **General information on each individual construction measure** (including title and brief description, type and scope of the construction measure, intended use and target group)
2. **Information on the property** (including availability and land rights, situation and (GPS) location, infrastructure and accessibility)
3. **Technical construction description** (including building methods and materials, climate and sustainability aspects, fire protection and safety requirements)
4. **Time and cost parameters** (including updated master schedule with milestones and cost estimate of planning and realisation costs)
5. **Personnel concept** (including information on the existing or planned personnel with construction expertise employed by the recipient who will supervise the construction measure(s))
6. **Chosen realisation procedure** (including details of intended subcontractors, e.g. for preparation, planning and/or realisation of the construction measure(s))

A separate implementation concept must be drawn up for each construction measure within the scope of the financing arrangement. It must be ensured that measures are numbered sequentially (M01, M02 etc.). Repeat or micro-measures may be grouped together.

GIZ must issue its approval before the planning work can be commissioned and/or the planning process can begin. When submitting the implementation concept, the recipient must also provide proof of employment of the construction personnel indicated in the project proposal.

Any changes to the content of the implementation concept or the planned construction measures that become necessary after approval by GIZ may only be made in consultation with GIZ. It may be necessary to obtain GIZ's approval again.

2 Approval of planning – design planning

Once the implementation concept has been approved, the recipient can commission the planning services. The recipient must conduct the commissioning process as well as the selection of the planner and/or the construction supervisor as detailed in the implementation concept. Depending on the given case, GIZ may carry out a technical review of the tender and award documents.

The recipient must ensure that the structural design together with the associated technical planning documents are prepared by a qualified planner (architecture/engineering firm or individual architect/engineer) licensed in the country in question, with appropriate evidence that they can be held liable. The contracted planner prepares the design planning based on the implementation concept and in accordance with GIZ's formal requirements.

The recipient must submit the following documents to GIZ for review and approval of the **design planning**:

1. **Design planning** and explanatory notes or presentation
2. **Cost monitoring** with updated cost estimate
3. **Other relevant documents** such as surveys, land titles and/or building permits

GIZ's approval of the design planning must be obtained prior to further processing by the planner. The recipient must ensure that any stipulated conditions are incorporated in the subsequent planning step.

It is obligatory to obtain approval of design planning for every construction measure. In addition, depending on the complexity of the construction measure, GIZ may also schedule a review for further planning steps (preliminary, concept, permit and/or implementation planning) and request the relevant documents, including technical plans, for approval. As a general rule, the requisite review and approval of a planning step by GIZ must be completed before moving on with the next planning step.

3 Approval for realisation – technical tender and award documents

After approval of the design planning, the recipient ensures that the commissioned planner prepares the detailed implementation plans, including all necessary construction and detail drawings as well as technical plans. Based on these, the recipient prepares the requisite tender documents for realising the construction measures. The contract for realisation is usually awarded to a local building company with the necessary construction expertise and personnel.

The recipient must submit the following documents to GIZ for review and approval of the **technical tender and award documents**:

1. **Construction-related tender documents** such as the implementation planning, priced bill of quantities and technical specifications
2. **Updated cost monitoring** with calculation of costs
3. **Price comparison** with ranking and recommendation for award of contract (after evaluation of bids)

GIZ's approval of the documents mentioned in 1. and 2. above constitutes a prerequisite for the recipient's issuing an invitation to tender for realising the works. GIZ must give its approval before the recipient can publish the tender. After evaluating the bids, the recipient submits to GIZ the documents mentioned in 3. for review. GIZ must give its approval before the recipient can award any contract for realisation of the construction measure(s).

In the construction phase, the recipient prepares regular progress reports as agreed in the implementation concept and submits them to GIZ to keep the latter informed. GIZ may arrange site inspections, which must be facilitated by the recipient. If agreed in the implementation concept, interim acceptances must be coordinated with GIZ.

Any addenda, adjustments or amendments to contracts for realisation of the construction works that result in deviations from the original contract amount of more than 10% and/or changes to structural safety, escape routes, fire protection or structural engineering must be submitted to GIZ for review and approval.

4 Approval of completion – construction completion report and statement of construction costs

After approval of realisation and completion of the construction measure(s), the recipient technically accepts the works of the contracted building company. Once construction is completed, the acceptance and taking over, including the list of defects, must be recorded in writing by the recipient.

If the recipient is not the subsequent user and/or owner of the construction measure(s), the handing over and, if applicable, transfer of ownership to the latter must also be documented. The recipient must also instruct the latter in the operation, maintenance and necessary servicing of the construction measure(s) and technical installations.

The recipient must submit the following documents to GIZ for review and approval of the **construction completion report and the statement of construction costs**:

1. **Construction completion report** including photo documentation; information on warranty management with defects liability periods, retentions and possible guarantees or risk assumption; and if necessary, maintenance concept with relevant technical documentation
2. **Acceptance, taking over and handing over protocols** including a list of possible outstanding work and/or technical defects (list of defects) and their remedy
3. **Statement of construction costs** with complete cost monitoring

The recipient is obliged to provide GIZ with a complete documentation after completion of the construction measure(s) including all construction-related documents. Where relevant, this shall include, in addition to the documents referred to in this annex, as-built drawings, verified quantity surveys and site reports, as well as a full set of contract documents of the recipient's subcontractors, including interim and final invoices.

5 Internal construction control

Any construction measure can be subject to an 'internal construction control' by GIZ in the course of realisation. This inspection serves GIZ's internal quality assurance with regard to construction measures. An internal construction control is generally conducted during realisation or, in exceptional cases, immediately after completion of the construction measure(s). The recipient is required to support the implementation of any such internal construction controls by GIZ, including facilitating site visits and providing additional documents on request. GIZ informs the recipient with due notice of any planned internal construction controls and its scope.

As part of an internal construction control, a construction expert commissioned by GIZ visits selected construction sites to check the technical quality of the construction measure(s). In addition, spot checks of the recipient's construction-related documentation are carried out to verify that it is complete. A further essential element of an internal construction control is the qualitative and quantitative comparison of the agreed, planned and commissioned construction services against the realised outcomes. Any measures determined in the internal construction control's report must be implemented by the recipient within a period specified by GIZ. The recipient must submit to GIZ appropriate evidence to this effect.

6 Other provisions

The provisions set out in this annex shall apply unless expressly contractually agreed otherwise. In the event of failure to submit the respective documents in accordance with the agreed construction specifications and within the meaning of the provisions set out in this annex, this shall constitute for GIZ an event affecting the contract due to a breach of a material contractual obligation entitling GIZ to suspend payments, terminate the contract and demand repayment.

Additional agreements or agreements deviating from the above provisions must be made in writing and must be recorded in the implementation concept. GIZ is entitled to schedule further reviews and approvals and to request additional documentation from the recipient.