ABG LOCAL CONTRACTOR CAPACITY BUILDING

Introduction to Contract Management

A two-day capacity-building workshop for local contractors and construction service providers working with the Autonomous Bougainville Government

18–19 August 2026

Pasis Deck, Buka

Host: ABG Department of Infrastructure & Utilities (DIU)

In partnership with TSSP · Bougainville Partnership · DoWH

WELCOME

Why This Workshop Matters

The Autonomous Bougainville Government is investing heavily in local infrastructure — roads, water supply, schools and health facilities — and wants that investment delivered by capable, compliant local contractors.

Too many good contracts are lost to avoidable problems: incomplete tenders, missing compliance documents, poor records, unmanaged variations and late payment claims.

This two-day workshop equips you with the practical knowledge to compete for, win and deliver ABG and donor-funded contracts professionally — from your first tender to final close-out.

By the end of the workshop, you will be able to:

- Meet basic eligibility, compliance and tender requirements before bidding
- Interpret contract documents, scope, specifications and payment schedules
- Plan mobilisation, procurement, labour and work programmes
- Keep complete site records that support claims and inspections
- Manage variations, claims, interim payments and close-out correctly
- Apply safeguards, HSE and performance requirements that protect your business

PROGRAMME PARTNERS

Delivered With Our Partners

This workshop brings together the agencies you will work with most closely as a contractor to ABG.

ABG DIU

- ✓ Host agency — infrastructure delivery
- ✓ Contract administration & compliance
- ✓ Tender advertising and awards

DoWH

- ✓ Works supervision & quality management
- ✓ Monitoring and inspection standards

APSP-BP

- ✓ Business & technical assistance
- ✓ Mobilisation and works planning support
- ✓ Practical exercise facilitation

TSSP

- ✓ Technical support to DIU
- ✓ Safeguards, GEDSI & SEAH guidance
- ✓ Health, safety & environment support

PROGRAMME — DAY 1

Day 1: Contract Management Fundamentals & Compliance

8:30-9:00	Registration		DIU & Facilitators
9:00-9:30	Opening remarks & orientation	Programme purpose, structure and expectations	Acting Secretary /DFAT / Minister/President
9:30-10:00	Meet and greet	Building relationships between officers and contractors	DIU coordination team
10:00-10:30	ABG tender process & eligibility	Tender types, eligibility, documents, basic costing	ABG procurement / DIU
10:30-11:30	Introduction to contract management	What contract management is; why contracts succeed or fail	DIU, supported by TSSP
11:30-12:15	Understanding contract documents	Conditions, scope, BOQ, specifications, drawings, payment terms	DIU technical & procurement
12:15 – 1:15	*Lunch*		
1:15 – 2:00	Managing variations & contract changes	Approved vs unapproved changes; the variation process	DIU / supervising engineer
2:00 – 2:45	Managing claims & payments	Progress claims, certification, delays, cash flow	DIU finance / audit / admin
2:45 – 3:30	ABG contract compliance	Pre- and post-award compliance, insurance, banking	DIU & ABG Finance
3:30 – 4:00	*Coffee break*		
4:00- 5:00	Contractor performance management	Performance indicators, ratings and reporting	DIU works / contracts

PROGRAMME — DAY 2

Day 2: ABG Tendering, Contract Administration & Close-out

8:30 – 9:00	**Recap and Q&A**	Day 1 key messages; parking-lot questions	DIU facilitation team
9:00 – 10:00	**Planning for contract delivery**	Mobilisation, procurement, labour, work programmes	DIU technical / works
10:00 – 11:00	**Contractor records & documentation**	Site diaries, attendance, materials & plant records	DIU & DoWH
11:00 – 12:00	**Contract execution & quality management**	Working to specification; quality management plans	DIU & DoWH
12:15 – 1:15	*Lunch*		
1:15 – 1:45	**Monitoring, inspection & quality assessment**	What supervisors check; evidence for certification	DIU & DoWH
1:45 – 3:15	**Social Safeguarding and HSE**	Safeguards, child protection, GEDSI, SEAH prevention, Risk assessment, PPE, incident reporting	DIU & TSSP
3:15 – 3:45	**Variation process refresher**	Approval process; documentation requirements	DIU contract admin
3:45 – 4:00	*Coffee break*		
4:00 – 4:30	**Contractual claims & disputes**	Raising claims, notices, resolution pathways	DIU legal / finance
4:30 – 5:00	**Interim payment certificate process**	IPC process, retention, certification roles	Finance / audit / DIU
5:00 – 5:30	**Contract close-out & handover**	Completion, defects, final reporting and closure	DIU & BP
5:30 – 6:00	**Experience sharing & evaluation**	Peer lessons, support needs, evaluation survey	DIU / contractors
6:00 – 7:00	*Closing & presentation of participation*		DIU

DAY 1

ABG Tendering, Contract Management Fundamentals & Compliance

From preparing a competitive tender, to understanding what a contract is, to managing it safely, fairly and compliantly on site.

1. ABG tender process & eligibility requirements
2. Introduction to contract management
3. Understanding contract documents
4. ABG contract compliance
5. Managing variations & contract changes
6. Managing claims & payments
7. Health, safety & environment
8. Contractor performance management

GETTING STARTED

Key Terms: Tender vs. Contract

Tender

A formal offer submitted by a contractor in response to an advertised opportunity, setting out price, programme and capability to carry out the work.

Contract

The legally binding agreement formed once a tender is accepted — conditions, scope, specifications, drawings, BOQ and payment terms that both parties must follow.

From tender to contract

Tender advertised › Contractor submits bid › Bid evaluated › Contract awarded & signed › Delivery begins

Remember: signing the contract is the start of your obligations, not the end of the process — everything from here is about delivering to what you agreed.

GETTING STARTED

Who's Who in an ABG Contract

Every contract sets out who can approve what. Knowing these roles helps you know who to raise issues, claims and variations with.

Employer (ABG)

The Autonomous Bougainville Government, also called the Principal, Owner or Client, owns the contract and delegates authority to act on its behalf.

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Employer's Representative

Usually the Chief Secretary/Administrator. Signs the contract and issues Variation Orders and formal notices on termination or disputes.

→

Superintendent

Appointed by the Employer's Representative to run day-to-day contract administration, often delegated to a Superintendent's Representative or Works Manager.

→

Contractor

You, responsible for delivering the works to the specification, programme and quality set out in the contract, and for raising claims and variations correctly.

EX 1

Understanding the Tender Process

- ABG advertises opportunities according to tender type and budget ceiling; small, medium and large works follow different procurement thresholds.
- Tender notices set out the scope, eligibility criteria, submission requirements and closing date; read them carefully before bidding.
- Responding to the right opportunity, with the right documents, is the first step to a competitive submission.
- Basic costing and realistic pricing, based on quantities, labour, materials and plant, strengthens your bid and protects your margins.

Before You Submit

- Confirm you meet the eligibility criteria
- Check the tender type matches your capacity
- Note the closing date and submission method
- Price realistically — avoid under-bidding

DAY 1 · SESSION 1

Are You Eligible & Ready to Bid?

Use this checklist before preparing any tender submission.

Eligibility

- ✓ Business registration current
- ✓ Tax clearance obtained
- ✓ Relevant experience & capacity

Required Documents

- ✓ Company & financial documents
- ✓ Insurance & compliance certificates
- ✓ Priced BOQ / cost schedule

Costing Basics

- ✓ Quantities checked against BOQ
- ✓ Labour, materials & plant priced
- ✓ Overheads & margin included

DAY 1 · SESSION 1

What Is Contract Management?

- Contract management is the process of planning, monitoring and administering a contract from award through to final close-out.
- It covers both parties: the Employer (ABG) sets requirements and makes payments; the Contractor delivers works to specification, on time and within budget.
- Good contract management means the right people, records and approvals are in place at every stage — not just "doing the work."
- Every contract has conditions, obligations and deadlines, knowing them protects both your payments and your reputation.

Key Parties

- **Contractor** — delivers the works
- **Client / Employer (ABG)** — owns the contract
- **Engineer / Superintendent (ABG)**— administers the contract
- **Supervisor (ABG)—** checks quality and progress on site

Why Contracts Succeed or Fail

Poor planning

- Underestimating time, labour, materials or site conditions before mobilising.

Weak records

- No site diary, attendance or materials records to support claims or defend disputes.

Unmanaged risk

- Not raising variations, delays or site issues formally and early.

Poor communication

- Issues not reported to the Superintendent until they become disputes.

Your Obligations Across the Lifecycle

Pre-Award → Award → Post-Award

- **Pre-award**: eligibility, compliance, realistic bid
- **Award:** negotiate, contract signing
- **Post-Award**
  - Mobilisation: approvals, resources, HSE plan
  - Delivery: quality, programme, records, reporting
  - Close-out: completion, defects, final documentation, retention payment

What's In Your Contract?

Conditions of Contract

- The legal rules governing both parties — payment terms, timeframes, defects liability, dispute processes.

Scope of Works & Specifications

- Exactly what must be built, to what standard, and any technical requirements.

Drawings & Bill of Quantities (BOQ)

- Technical plans and the priced schedule of items you are contracted to deliver.

Payment Schedule & Penalty Clauses

- When and how you get paid, and the consequences of late or non-delivery.

Read Before You Sign

- Check the programme and completion date are realistic
- Confirm retention, penalty and defects liability terms
- Identify any approvals you must obtain before starting
- Ask DIU if any clause is unclear; do not guess

Before You Mobilise: Compliance Checklist

Confirm the following before moving people, plant or materials to site.

Insurance & Banking

- ✓ Public liability insurance current
- ✓ Workers' compensation in place
- ✓ Active local bank account details lodged

Documentation

- ✓ Signed contract & appendices on file
- ✓ Approved programme submitted
- ✓ Site-specific HSE plan approved

Site Readiness

- ✓ Site access & handover confirmed
- ✓ Materials, labour & plant mobilised
- ✓ Key contacts (Superintendent, Supervisor) confirmed

ABG Contract Compliance

- Compliance is checked both before award and throughout delivery — it does not stop once you win the tender.
- Pre-award compliance includes eligibility, tax and business registration, insurance and financial readiness.
- Post-award compliance includes maintaining valid insurance, banking details, safeguards and HSE standards throughout the contract.
- ABG Finance and DIU carry out periodic audit and compliance checks — incomplete records or lapsed insurance can delay your payments.

Documents to Keep Current

- Business registration & tax clearance
- Insurance certificates (public liability, workers' comp)
- Bank account and financial details
- Safeguards & HSE compliance records

Ex 2

What Is a Variation?

- A variation is any change to the scope, cost or time of the contract that is different from what was originally agreed.
- Variations must be formally approved before the additional work is carried out — verbal instructions are not enough.
- Work carried out without an approved variation is at risk of not being paid, even if it was genuinely needed.
- Common triggers include unforeseen site conditions, design changes, or instructions from the Superintendent.

Evidence You Need

- Written description of the change
- Photos or site records showing the condition
- Cost and time impact estimate
- Written approval before proceeding

The Variation Process

Follow these steps every time — skipping a step is the most common cause of unpaid variation work.

1

1. Identify

Spot the change from the agreed scope, cost or programme.

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2

2. Notify

Advise the Superintendent in writing, as soon as possible.

›

3

3. Assess

Superintendent reviews cost, time and scope impact.

›

4

4. Approve

A formal Variation Order is issued before work proceeds.

›

5

5. Implement

Carry out the work and keep full supporting records.

Remember: no approved Variation Order means no guaranteed payment — always get it in writing first.

Ex 3

Progress Claims & Certification

- A progress claim is your formal request for payment for work completed to a given date, supported by evidence.
- Claims are checked and certified by the Superintendent before payment is processed by ABG Finance.
- Your claim package should match the BOQ and be supported by measurements, records and — where relevant — approved variations.
- Incomplete or unsupported claims are the single biggest cause of payment delay.

A Complete Claim Includes

- Claim form referencing the BOQ items
- Supporting measurements & site records
- Photos of completed work
- Approved variation orders (if applicable)

Ex 4

Understanding mobilization, retentions, deductions and cash-flow

Mobilization payment

- An advance payment made early in the contract to get you started — site set-up, plant, materials and initial labour; it is recovered from your later progress claims, so budget it as working capital, not profit.

Retentions

- A percentage held back from each payment until the defect liability period ends; plan your cash flow around this.

Deductions & damages

- Applied for defective work, non-compliance or late completion; avoidable with good quality control.

Cash-flow management

- Track what is owed, what is retained and when it falls due; don't rely only on the next claim to cover costs.

Avoiding Payment Delays

Why payments get delayed

- Incomplete or incorrect claim documents
- Claiming for work not yet verified or approved
- Missing evidence — photos, dockets, measurements
- Late submission or wrong claim format

How to avoid delays

- Use the contract's claim template and checklist
- Claim only for completed, verified work
- Attach all records and supporting documents
- Submit on time, by the agreed cut-off date

Remember: A complete, accurate claim, submitted on time, is the fastest path to payment.

How Your Performance Is Assessed

- DIU and the Superintendent assess contractor performance throughout the contract, not just at completion.
- Assessment covers quality of work, adherence to programme, compliance with contract and safeguard requirements, and responsiveness to instructions.
- Performance is typically reported and recorded, forming part of your track record with ABG.
- Consistent, well-documented delivery builds the reputation needed to win larger and more complex contracts.

Performance Is Measured On

- Quality of work delivered
- Time / programme adherence
- Compliance (safeguards, HSE, financial)
- Reporting & responsiveness

DAY 1 · SESSION 8

Why Performance Affects Your Future

- Strong performance records improve your standing for future ABG and donor-funded tender opportunities.
- Poor performance — repeated defects, late delivery or non-compliance — can limit eligibility for future contracts.
- Performance reporting expectations should be understood and agreed with the Superintendent from the start of the contract.
- Treat every contract as an opportunity to build a track record, not just complete a job.

Improve Your Rating

- Deliver to specification the first time
- Communicate issues early and clearly
- Keep compliance documents current
- Respond promptly to Superintendent requests

DAY 2

Contract Administration, compliance & Close-out

From preparing a competitive tender, through delivery and quality management, to a clean and compliant close-out.

1. Planning for contract delivery
2. Contractor records & documentation
3. Contract execution & quality management
4. Monitoring, inspection & quality assessment
5. Social safeguards
6. Health, safety & environment
7. Contractual claims & disputes
8. Interim payment certificate process
9. Variation process refresher
10. Contract close-out & handover

DAY 2 · SESSION 1

Planning for Contract Delivery

- Once awarded, a set of post-contract steps — meetings, work planning and approvals — must happen before work begins.
- Mobilisation planning covers procurement, labour, equipment and resources needed to start on programme.
- Approved plans reduce the risk of delays, cost overruns and disputes once work is underway.
- Planning scales with contract size — small works still need a simple plan; larger contracts need more detailed programming.

Mobilisation Checklist

- Pre-start meeting held with Superintendent
- Work programme submitted and approved
- Labour, plant & materials confirmed
- Procurement lead times accounted for

What Records Must You Keep?

Complete, accurate records are your best protection in claims, inspections and disputes.

Daily Records

- ✓ Site diary entries
- ✓ Weather & site conditions
- ✓ Instructions received

Workforce & Plant

- ✓ Attendance records
- ✓ Plant & equipment hours
- ✓ Subcontractor records

Materials & Filing

- ✓ Materials delivered & used
- ✓ Delivery dockets filed
- ✓ Records filed and backed up

Why Records Matter

- Good records link directly to your ability to claim payment — unsupported claims are the most common reason for delay.
- Records provide the evidence needed to support a variation request or defend against a disputed instruction.
- Site diaries and inspection records help monitoring teams verify progress and quality without guesswork.
- At close-out, complete records make final certification and payment release faster and smoother.

Records Support

- Progress claims & certification
- Variation requests & approvals
- Monitoring & inspection
- Contract close-out & final payment

Contract Execution & Quality Management

- Execution means delivering the works exactly as set out in the specifications and approved plans — not a similar or convenient alternative.
- A quality management plan sets out how you will control and demonstrate quality throughout the works, not just at handover.
- Larger or more technical works may require a formal construction management plan — confirm this with the Superintendent early.
- Safeguards, HSE and environmental compliance apply throughout execution, not only during mobilisation.

Quality Management Basics

- Work to approved drawings & specifications
- Check materials meet required standards
- Inspect your own work before calling for sign-off
- Correct defects promptly, before they compound

DAY 2 · SESSION 4

Ex 5

Monitoring, Inspection & Quality Assessment

- Supervisors and monitoring teams regularly check progress, quality and compliance against the contract during delivery.
- Inspections verify that completed work matches what is being claimed — a mismatch delays certification and payment.
- Being ready for inspection at any time is far easier than preparing for one after the fact.
- Strong records make quality assessment and payment certification faster for everyone involved.

What Inspectors Look For

- Work matches drawings & specification
- Quantities match what is being claimed
- Records support progress claimed
- HSE and safeguard standards are being met

Social Safeguards & GEDSI

- Contractors on ABG and donor-funded works must apply social safeguard obligations across all site activities.
- This includes Gender Equality, Disability and Social Inclusion (GEDSI) — ensuring the workplace and community engagement are safe and fair for everyone.
- Child protection requirements apply to all sites — including restricting site access to minors and safe recruitment practices.
- These are contractual obligations, not optional extras — non-compliance can affect your contract standing.

Practical Site Actions

- Brief all workers on safeguard expectations
- Restrict unauthorised site access, including children
- Provide safe, inclusive facilities for all workers
- Know your reporting pathway for concerns

Preventing & Reporting SEAH

- SEAH (Sexual Exploitation, Abuse and Harassment) prevention is a mandatory requirement on all contracted works.
- Every contractor must understand acceptable conduct standards for staff and subcontractors working on ABG sites.
- Clear, confidential reporting pathways must be known to all workers — concerns should be raised early, not hidden.
- TSSP and DIU safeguards specialists are available to support contractors in meeting these requirements.

Code of Conduct Basics

- Zero tolerance for exploitation or abuse
- Respectful conduct toward the community
- Confidential, accessible reporting channels
- Prompt action on any reported concern

Health, Safety & Environment (HSE)

HSE compliance protects your workers, your community and your contract standing — it must be planned before mobilisation, not after an incident.

Risk & Planning

- ✓ Site risk assessment completed
- ✓ Site-specific HSE plan approved
- ✓ Environmental impacts identified

On-Site Practice

- ✓ PPE provided and worn
- ✓ Hazards signed and controlled
- ✓ Emergency procedures briefed to workers

Reporting & Action

- ✓ Incidents reported immediately
- ✓ Corrective actions recorded and closed out
- ✓ HSE linked into daily supervision

EX 6

Raising a Claim or Dispute

- A claim is a formal request — for payment, time or another entitlement — made in writing and supported by evidence.
- A dispute notice is required when a claim or instruction is not agreed and needs formal resolution.
- Decision-making follows a defined pathway — usually starting with the Superintendent before escalating further.
- Raise concerns early and in writing; verbal complaints are hard to act on and easy to lose track of.

A Strong Claim Needs

- Clear written notice of the issue
- Reference to the relevant contract clause
- Supporting records and evidence
- A specific, reasonable request

The Interim Payment Certificate (IPC) Process

This is the pathway your progress claim follows from submission to payment.

1

1. Submit

Contractor lodges the claim with supporting documents.

›

2

2. Assess

Superintendent reviews against work completed on site.

›

3

3. Certify

An Interim Payment Certificate is issued, less retention.

›

4

4. Pay

Finance processes payment against the certified amount.

DAY 2 · SESSION 9

Variation Process Refresher

A quick recap of yesterday's variation process — the sequence that protects your payment.

1

1. Identify & Notify

Flag the change to the Superintendent in writing straight away.

›

2

2. Get Approval

Wait for a formal Variation Order before proceeding.

›

3

3. Document & Claim

Keep evidence and include the approved variation in your next claim.

Risk: unapproved work is done at your own risk — there is no guarantee of payment without a Variation Order.

DAY 2 · SESSION 10

Dispute Resolution Pathway

Follow the pathway in order — most issues are resolved before they need to escalate.

1

1. Raise

Notify the Superintendent in writing with supporting evidence.

›

2

2. Discuss

Meet to clarify the issue and explore resolution.

›

3

3. Escalate

Unresolved issues go to a higher decision-maker or dispute process.

›

4

4. Resolve

A formal decision or agreement closes out the issue.

Tip: good records and early communication resolve most issues at step 1 or 2 — before they become formal disputes.

Common Reasons Payments Are Delayed

- Missing or incomplete supporting documents attached to the claim.
- Claimed quantities that don't match what was verified on site.
- Outstanding compliance items — expired insurance, missing safeguard records.
- Finance, audit and technical certification each play a role — a gap in any one step holds up the whole payment.

Speed Up Your Payment

- Attach every required document up front
- Match claimed quantities to site records
- Keep compliance certificates current
- Respond quickly to any query raised

Contract Close-out & Handover

A clean close-out gets your final payment and retention released faster.

1

1. Practical Completion

Works are complete and ready for handover inspection.

›

2

2. Defects Liability

Any defects identified are corrected within the agreed period.

›

3

3. Final Inspection

Superintendent confirms all works meet the contract.

›

4

4. Final Claim & Close-out

Final payment is certified and the contract is formally closed.

Final Documentation Checklist

Prepare these before requesting handover and final payment.

Completion

- ✓ All works complete to specification
- ✓ Defects identified and corrected
- ✓ As-built records provided

Final Payment

- ✓ Final claim submitted with evidence
- ✓ Outstanding variations closed out
- ✓ Retention release requested

Handover

- ✓ Handover certificate signed
- ✓ Warranties / manuals provided
- ✓ Final report and records filed
- ✓ Retention released

WRAP-UP

Key Takeaways

A contract is a two-way commitment: ABG provides clear requirements and timely payment; you deliver quality work, on programme, with the right records.

Most disputes and payment delays come from the same avoidable causes — missing approvals, weak records and communication.

Compliance and good records are not paperwork for its own sake — they are what protect your claims, your reputation and your future opportunities.

You are not on your own: DIU, TSSP, BP and DoWH are here to support you through tendering, delivery and close-out.

Carry these habits into every contract

- Read the contract before you sign it
- Get variations approved in writing, always
- Keep daily site records without fail
- Submit complete, evidenced claims on time
- Raise issues early — don't let them become disputes

Where to Get Help

Autonomous Bougainville Government
Department of Infrastructure and Utility
Address:
P. O. Box 322, Buka, ARoB
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Email: macvrobin@gmail.com

Thank You

Questions and discussion · Together, building stronger local contractors for Bougainville