



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

MANUAL FOR CONSULTANT QUANTITY SURVEYORS

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- Annexure E: QUANTITY SURVEYING SERVICES DIRECTIVES

1 DEFINITIONS AND INTERPRETATION

- 1.1 “**Agreement**” means the written agreement between the **department** and the **quantity surveyor** on a specific project.
- 1.2 “**Architect**” means the consultant architect or entity appointed to perform certain architectural services on a specific project in terms of his agreement with the **department**.
- 1.3 “**Conditions of contract**” means the conditions of contract between the **department** and contractor applicable on a specific project as prescribed by the **department**.
- 1.4 “**Department**” means the Government of the Republic of South Africa in its national Department of Public Works and Infrastructure.
- 1.5 “**Departmental project manager**” means the departmental official nominated in the **department** to administer a specific project on its behalf.
- 1.6 “**Departmental quantity surveyor**” means the departmental official nominated in the **department** to provide guidance and assistance and give instructions on quantity surveying matters on a specific project.
- 1.7 “**Engineer**” means the consultant engineer or entity appointed to perform certain engineering services on a specific project in terms of his agreement with the **department**.
- 1.8 “**Manual**” means this “Manual for Consultant Quantity Surveyors” (QS 001).
- 1.9 “**Principal agent**” means the consultant appointed by the **department** to act in this position on a specific project and named in the **agreement**.
- 1.10 “**Professional team**” means the appointed consultants of the various disciplines on a specific project.
- 1.11 “**Quantity surveyor**” means the consultant quantity surveyor or entity appointed to perform certain quantity surveying services on a specific project in terms of his **agreement** with the **department**.
- 1.12 **Interpretation**
 - 1.12.1 Where words and phrases are highlighted in the text of this **manual** they shall bear the meaning assigned to them in 1.1 to 1.11 above and where such words and phrases are not highlighted they shall bear the meaning consistent with the context.
 - 1.12.2 In this **manual**, unless inconsistent with the context, the masculine gender includes the feminine and neuter genders and *vice versa*, and the singular includes the plural and *vice versa*.

2 APPOINTMENT

- 2.1 The **quantity surveyor** will be required to execute his work in accordance with the **agreement**, the principles as set out in this **manual** and any written supplementary instructions issued by the **department**.
- 2.2 Where there is any discrepancy between this **manual** and the **agreement**, the latter shall take precedence.
- 2.3 The **quantity surveyor** may interact directly with the **departmental quantity surveyor** on quantity surveying specific matters. The **quantity surveyor** will be required to keep the **departmental project manager** informed of all interactions.

3 FEE ACCOUNTS

- 3.1 The **quantity surveyor** may interact directly with the **departmental quantity surveyor** on interim as well as final fee accounts.
- 3.2 The applicable professional fees are stated in the **quantity surveyor's** Letter of Appointment, or the Tender or Quotation Document for Quantity Surveying Services.

4 DEPARTMENT'S WEBSITE

Documents on the **department's** website are available at <http://www.publicworks.gov.za/> under Forms & Documents / Consultants Guidelines.

5 CORRESPONDENCE

- 5.1 The WCS number and reference number indicated in the **agreement** must be quoted in all correspondence including accounts for professional fees.
- 5.2 All correspondence must be addressed to the "Director-General, Department of Public Works and Infrastructure" and marked for the attention of the **departmental project manager**.
- 5.3 Copies of the following documents must be submitted to the **departmental quantity surveyor**:
- estimates
 - priced bills of quantities
 - monthly financial reports
 - Project Data Sheet of Building Cost Database (QS 004).

6 ATTENDANCE OF MEETINGS

- 6.1 The **quantity surveyor** shall attend meetings whenever deemed necessary for the proper execution of the project. It is advisable that visits to the site for progress valuation purposes be arranged to coincide with monthly site meetings.
- 6.2 A briefing meeting will be held as soon as possible after appointment of the **professional team**. At this meeting important aspects regarding the budget, documentation program, building program, site, etc. will be discussed. The **quantity surveyor** is required to attend this meeting.

7 TENDER

Advertising for the purpose of inviting tenders and the selection and acceptance of a tender for the execution of the project, shall be the function of the **department**.

8 CONTRACT ADMINISTRATION

The **quantity surveyor** is expected to provide sound, practical pre-contract advice, to prepare all necessary documentation and to administer and finalise the contract in an unbiased, firm and contractual manner. Under no circumstances may the contractual requirements be deviated from.

9 DOCUMENTS

After approval and settlement of the final account, the **quantity surveyor** shall store all documents relating to the project for three years after the date of the final payment, following which instructions must be obtained from the **departmental project manager** with regard to final disposal thereof.

10 ESTIMATES

10.1 GENERAL

The **quantity surveyor** shall at all times accept responsibility for the accuracy of his estimates.

The **quantity surveyor** may at any time be requested to provide information relating to an estimate, or to revise an estimate. The decision as whether or not to proceed with a project depends to a large extent on the estimates.

The estimate summary must contain at least the information contained in the example (Annexure A) and must be submitted to the **departmental project manager** through the **principal agent**, with a copy to the **departmental quantity surveyor**.

Estimates for different types of buildings, specialist services and site works must be compiled separately and be reflected accordingly on the elemental estimate summary pages.

The **quantity surveyor** may interact directly with the **departmental quantity surveyor** on all estimates leading up to and including the pre-tender estimate.

10.2 DEMOLITION OF STATE OWNED BUILDINGS

The **quantity surveyor** must provide the **principal agent** with relevant information required to be included in the application for demolition of state owned buildings in terms of the "Policy and Procurement for the Demolition of State Buildings" (PRM010/1) which is available on the **department's** website.

It will be expected of the **quantity surveyor** to provide the following information regarding the demolition of state owned buildings:

- present value of the building(s)
- present market value of the building(s)
- present replacement value of the building(s)
- estimated cost to repair the building(s)
- present value of materials to be recovered
- method of disposal of recoverable materials.

10.3 COST CONTROL

The **quantity surveyor** will be responsible for cost planning and cost control strictly within the approved accommodation requirements of the project and must provide the **principal agent** with the necessary cost information. The **quantity surveyor** must also assist the **architect** in comparing the planned space with the accommodation requirements during all planning stages.

10.4 ESTIMATE SUBMISSIONS

The **quantity surveyor** must, on a regular basis, provide the **professional team** with updated estimates and cost information for cost planning and control purposes. The **quantity surveyor** must prepare and submit estimates for the design stages as described below.

It will be expected of the **quantity surveyor** to provide information in respect of the following project design matters:

- design economy
- potential savings
- value for money
- alternative materials and prices.

10.4.1 Inception stage

The **quantity surveyor** must, if required, advise on economic factors affecting the project and appropriate financial design criteria.

10.4.2 Concept and viability stage

The **quantity surveyor** must, if required, provide preliminary estimate(s) as well as elemental estimate(s) based on accommodation particulars.

10.4.3 Design development stage

10.4.3.1 Sketch plan estimates

The **quantity surveyor** will be required to submit a sketch plan estimate and must, on a regular basis, notify the **departmental project manager** in writing regarding progress with the sketch plan estimate. Copies of these letters must also be forwarded to the **departmental quantity surveyor**. The **quantity surveyor** must ensure that the sketch plan estimate is available for the Sketch Plan Committee meeting.

The sketch plan estimate must consist of the following documents:

- elemental estimate(s)
- a report if the present estimate differs from any previous estimates
- proposals of changes to be effected to ensure that the project is within the required budget
- projected cash flow, including professional fees.

The **quantity surveyor** is referred to the Sketch Plan Committee Manual, which is available on the **department's** website, for guidelines in respect of the submission of sketch plan estimates.

10.4.3.2 Working drawing estimates

The **quantity surveyor** will be required to submit a working drawing estimate and must, on a regular basis, notify the **departmental project manager** in writing regarding progress with the working drawing estimate. Copies of these letters must also be forwarded to the **departmental quantity surveyor**.

The working drawing estimate must consist of the following documents:

- elemental estimate(s)
- a report if the present estimate differs from the sketch plan estimate
- a report if the budget is exceeded
- projected cash flow, including professional fees.

10.4.4 Documentation and procurement stage

10.4.4.1 Pre-tender estimate

The **quantity surveyor** will be required to submit a pre-tender estimate in the form of a fully priced bills of quantities. The priced bills of quantities must be submitted to the **departmental project manager**.

The **quantity surveyor** must, on a regular basis, notify the **departmental project manager** in writing regarding progress with the pre-tender estimate. Copies of these letters must also be forwarded to the **departmental quantity surveyor**.

The pre-tender estimate must consist of the following documents:

- copy of the **quantity surveyor's** pre-tender priced bills of quantities
- elemental estimate summary page

- a report if the present estimate differs from the working drawing estimate
- projected cash flow, including professional fees.

11 PROCUREMENT DOCUMENTATION

11.1 COMPILING OF PROCUREMENT DOCUMENTS

The **quantity surveyor** is referred to the “Procurement Documentation Guidelines for Building Contracts” (QS 002) which is available on the **department’s** website, for guidelines in respect of the compilation of procurement documents.

The **departmental project manager** is responsible for the completion of all procurement forms, as well as for assembling the procurement documents.

The **quantity surveyor** must advise and may, wherever required, assist the **departmental project manager** with the completion of relevant procurement forms.

- 11.1.1** The following items on the “Contract Data” (DPW-04 EC) form must be completed by the **departmental project manager** with the assistance of the **quantity surveyor**:

11.1.1.1 Maintenance periods

Elements to which extended defects liability periods are applicable must be described.

11.1.1.2 Construction period and penalty

The construction period in weeks/months and the penalty per calendar day must be inserted.

11.1.1.3 Insurances

The values of contract works insurance, public liability insurance and support insurance (if applicable) must be selected and where applicable described.

11.1.1.4 Standard system

The measuring system used in preparing the bills of quantities must be selected.

11.1.1.5 Contract Price Adjustment Provisions (CPAP)

A selection must be made whether or not the contract value is to be adjusted using CPAP indices.

CPAP can be applied to any contract but is deemed inappropriate where the anticipated contract value is low and the construction period is less than a year.

- 11.1.2** The following forms must be completed by the **quantity surveyor** for inclusion in the procurement documents:

11.1.2.1 Pricing instructions

Items pertaining to pricing instructions must be described and included on the “Pricing Instructions” (PG-02.2 EC) form which is available electronically from the **departmental project manager**.

11.1.2.2 Scope of works

Items pertaining to scope of works must be described and included on the “Scope of Works” (PG-01.2 EC) form which is available electronically from the **departmental project manager**.

11.1.2.3 Site information

Items pertaining to site information must be described and included on the "Site Information" (PG-03.2 EC) form which is available electronically from the **departmental project manager**.

12 BILLS OF QUANTITIES

12.1 FORMAT AND LAYOUT

12.1.1 Format

Bills of quantities must be produced on size A4 paper with suitable front and back covers and must be bound in the top left hand corner. Bills of quantities may not be bound in book form.

12.1.2 Cover page and flysheet

A cover page and flysheet must be provided for the bills of quantities. The **quantity surveyor** is referred to Annexure B for examples hereof.

12.1.3 Index

A comprehensive index must be provided for the bills of quantities.

12.1.4 Sections

A single comprehensive document is preferred, provided the individual buildings or sections can be extracted when cost information is required.

12.1.5 Collections and summaries

The total on each page must be carried to a collection of each trade. Each trade total must be carried to a summary of each section. The total of each section must be carried to a final summary.

The final summary must state "Total carried to Form of Offer and Acceptance".

12.1.6 References

The section and bill number, an abbreviation of the applicable trade and the project name must be reflected in the bottom left hand corner of each page.

12.2 GENERAL

12.2.1 Standard system

Bills of quantities must be prepared in accordance with the latest edition of the Standard System of Measuring Building Work.

12.2.2 Specifications and preambles

The specification document "Construction Works: Specifications: General Specification (PW371-A) Edition 2.1", is available on the **department's** website and must not be bound into the bills of quantities.

The specification document "Construction Works: Specifications: Particular Specification (PW371-B) Edition 2.2" will be issued together with the drawings and must be read in conjunction with the drawings when preparing the bills of quantities.

Short descriptions may be used in bills of quantities to line up with full descriptions in the above specifications, but care must be taken to use the same terminology as the specifications for ease of reference. Full descriptions or additional preambles must be provided for items/materials not covered by the above specifications.

Various **architects'** and **engineers'** specifications and guideline documents are available on the **departments'** website and must be referred to in the bills of quantities where relevant.

Additional **engineers'** specifications may be included in the bills of quantities only if they are supplementary to the above specifications.

12.2.3 Trade names

The use of trade names or catalogue references in descriptions must be avoided. Items must be described fully and wherever possible reference made to the relevant SANS specifications or, where these do not exist, to quality and performance specifications.

In exceptional cases where trade names are approved by the **departmental project manager** for inclusion in the bills of quantities, they are to be described as "or equal approved".

12.2.4 HIV/Aids awareness

Items and documents in respect of HIV/Aids awareness, which are available on the **department's** website, should only be inserted in contracts with a construction period of more than 6 months and/or a value of over R2 million.

12.2.5 Imported materials and equipment

The intended use of any imported materials and equipment must be reported to the **departmental project manager** through the **principal agent** to obtain approval.

Adjustments in respect of imported materials and equipment will be in accordance with the "Schedule for Imported Materials and Equipment" (DPW-23 EC) form of the procurement document.

12.2.6 Discrepancies

Discrepancies between the drawings, specification and/or any other instruction must be brought to the attention of the **architect** and/or **engineer**.

Immediately after completion of the measuring, all marked-up drawings are to be handed to the **architect** and/or **engineer** in order that the original drawings may be corrected.

All queries relating to the project must be referred to the **departmental project manager** through the **principal agent** for a decision.

12.2.7 Submission of bills of quantities

When completed, the typed bills of quantities must be submitted to the **departmental project manager** through the **principal agent**. The **departmental project manager** will provide information with respect to number of copies, delivery date of printed bills, etc.

The **quantity surveyor** must provide the required number of copies of bills of quantities in hard copy format, as well as in electronic format on compact discs (CD's). These must be in a workable format in order to enable the tenderers to price the document.

As electronic format bills of quantities may be used by tenderers to price their bills of quantities, it remains the responsibility of the **quantity surveyor** to ensure that the content of said bills of quantities is unaltered and that it remains identical to that of the original bills of quantities.

12.2.8 Amendments to bills of quantities

The **departmental project manager** must be informed should any errors be noted and amendments be required to the bills of quantities out to tender. The revised pages or information in the form of an addendum document are to be handed to the **departmental project manager** through the **principal agent**. The **departmental project manager** will issue the document to all tenderers concerned and the **quantity surveyor** is expressly forbidden to issue any amendment, additional or supplementary information directly to tenderers in any manner whatsoever.

12.3 CONTENT

12.3.1 Notes to tenderers

Items historically included in notes to tenderers, such as pricing instructions, scope of works and site information, must be described and included on the "Scope of Works" (PG-01.2 EC), "Pricing Instructions" (PG-02.2 EC) and "Site Information" (PG-03.2 EC) forms respectively of the procurement document.

12.3.2 Preliminaries

Preliminaries must be dealt with in accordance with the "Preliminaries for inclusion in Bills of Quantities and Lump Sum Documents based on the JBCC Series 2000 documentation" (QS 003) which is available on the **department's** website.

The **quantity surveyor** is to note that no additional provision for Preliminaries may be included in the engineering sections of the bills of quantities.

12.3.3 Contract Price Adjustment Provisions (CPAP)

A selection must be made on the "Contract Data" (DPW-04 EC) form of the procurement document, whether or not the contract value is to be adjusted using CPAP indices

No provisional amount for CPAP may be included in the bills of quantities.

12.3.4 Comprehensive contracts

The **department's** policy is to use comprehensive contracts wherever possible. The use of nominated or any other subcontract must be approved by the **departmental project manager** after consultation with the **departmental quantity surveyor**.

12.3.5 Provisional sums and prime cost items

Only with the prior approval of the **departmental project manager** and after consultation with the **departmental quantity surveyor**, may a provisional sum or a prime cost (PC) item be inserted in the bills of quantities. For ease of reference all provisional sums are to be kept in a separate section in the bills of quantities.

12.3.6 Expanded Public Works Programme (EPWP)

12.3.6.1 Employment and training of youth workers on the Expanded Public Works Programme (EPWP) Infrastructure Projects: National Youth Service (NYS)

Should the employment and training of youth workers under the EPWP NYS programme be applicable to a particular project, the **quantity surveyor** must ensure that a separate bill or section is prepared and included in the bills of quantities in accordance with the requirements as set out in the "Additional Specification SL: Employment and Training of Youth Workers on the Expanded Public Works Programme (EPWP) Infrastructure Projects: National Youth Service (NYS)", a copy of which must be bound into "Part C3: Scope of Works" of the procurement documentation.

The **quantity surveyor** is referred to the "Guidelines for the Implementation of the National Youth Service Programme under the Expanded Public Works Programme (EPWP)" for further information

regarding the employment and training of youth workers under the EPWP NYS programme.

12.3.6.2 Implementation of labour-intensive Infrastructure Projects under the Expanded Public Works Programme (EPWP)

Should the implementation of labour-intensive works under the EPWP be applicable to a particular project, the **quantity surveyor** must ensure that relevant items are included in the bills of quantities in accordance with the requirements as set out in the “Guidelines for the Implementation of Labour-Intensive Infrastructure Projects under the Expanded Public Works Programme (EPWP)”.

12.3.6.3 Should any other requirements in respect of the EPWP be identified on a particular project, the **quantity surveyor** must ensure that provision is made for these requirements in relevant items, bills, or sections in the bills of quantities.

12.3.6.4 EPWP documents are available on the EPWP website at <http://www.epwp.gov.za>, or from the **departmental project manager**.

12.3.7 Credit items

Should the project involve demolition or alteration work for which credit for old materials and equipment can be anticipated, provision must be made in the bills of quantities for pricing the credit individually against the items. Provision must be made for transferring the credit amounts to an item of "Credit for old materials for demolitions/alterations" on the final summary page which is deducted from the subtotal after VAT.

12.3.8 Contingency amount

No contingency amount may be included in the bills of quantities.

12.3.9 Budgetary allowances

No budgetary allowances may be included in the bills of quantities. All work must be measured out in detail. Work for which limited information or details are available must be measured provisionally.

12.3.10 Addendums

Addendums such as drawings, diagrams, soil reports, specifications, etc. must be bound into “Part 3: Scope of Works” or “Part 4: Site Information” of the procurement document.

13 CONTRACT ADMINISTRATION

13.1 CONTRACT DATA

The **quantity surveyor** must ensure that relevant selections in respect of date of issue of interim payment certificates, payment of preliminaries, adjustment of preliminaries and annual building holiday periods have been provided by the contractor in Part 2 of the Schedule of the “Contract Data” (DPW-04 EC) form of the procurement document to ensure proper contract administration.

13.2 TENDER ADJUDICATION AND CONTRACT AWARD

The **quantity surveyor** must verify the priced bills of quantities of the recommended tenderer and provide the **departmental project manager** with a written report through the **principal agent**, with a copy to the **departmental quantity surveyor**, on the following:

- open market competitiveness of the recommended tender
- reasons if the recommended tender amount differs from the pre-tender estimate
- confirmation that the recommended tender is within the approved budget
- projected cash flow, including professional fees.

13.3 PRICED BILLS OF QUANTITIES

The **quantity surveyor** must ensure that the priced bills of quantities are priced in accordance with clause B2.5 of the JBCC Preliminaries without altering the contract sum. All adjustments to rates are to be discussed with the contractor.

Arithmetical errors are to be corrected prior to the award of the tender in accordance with clause C.3.9 of the latest version of the Standard Conditions of Tender as contained in Annex C of the CIDB Standard for Uniformity in Construction Procurement.

Three sets of copies of the signed priced bills of quantities must be made by the **quantity surveyor**. One set is to be retained by himself, one set must be submitted to the **departmental project manager** and one set must be submitted to the Directorate: Quantity Surveying Services at Head Office which is the custodian of the Building Cost Database.

13.4 RATES ANALYSIS

The **quantity surveyor** is required to complete and submit the BER Building Cost Survey questionnaire online on the BER website, for all accepted tenders, for compilation of the Building Cost Indices by the Bureau for Economic Research.

13.5 HANDING OVER OF SITE

It is expected of the **quantity surveyor** to attend the site handover meeting.

13.6 FINANCIAL REPORTS

It is required of the **quantity surveyor** to submit monthly financial reports, up to the date of approval of the final account, to the **departmental project manager** through the **principal agent** with a copy to the **departmental quantity surveyor**. The financial report pro-forma (PRM036) is available on the **department's** website, or from the **departmental project manager**.

The **quantity surveyor** is to note that the submission of monthly financial reports is compulsory.

The **quantity surveyor** must ensure that the information contained in the monthly financial reports is accurate and up-to-date, in order to ensure proper and reliable financial planning and management.

It is a compulsory requirement that financial reports must be scrutinised by a departmental professional registered quantity surveyor at least every quarter for projects up to R40 million and monthly for all projects exceeding R40 million.

13.7 SITE MEETINGS

It is expected of the **quantity surveyor** to attend site meetings.

The **quantity surveyor** must regularly scrutinise minutes of site meetings, as well as contract instructions, to ensure that any item with a cost implication is immediately brought to the attention of the **principal agent**, in order that an official contract instruction can be issued by him for same.

13.8 PAYMENT CERTIFICATES

Valuations for payment certificates (PRM034) must be made in accordance with the **conditions of contract**, on the applicable form which is available on the **department's** website, or from the **departmental project manager**, and which must be submitted to the **principal agent** for certification.

Payment reduction security must be dealt with in strict accordance with the relevant clauses of the **conditions of contract**.

13.9 IMPOSITION OF PENALTY

As soon as an overrun of the construction period occurs, it must be reflected on the recovery statement and payment certificate forms by means of a deduction in terms of the penalty clause, unless an extension of time has been granted in writing by the **department**.

The **quantity surveyor** is to note that the waiver of penalties does not constitute extension of time.

13.10 CONTRACT INSTRUCTIONS

The **principal agent** is responsible for the issuing of all contract instructions.

The **quantity surveyor** is required to prepare estimates of cost for all contract instructions issued by the **principal agent** and to advise him of more economical solutions or possibilities.

13.11 CONTRACTOR'S CLAIMS FOR EXPENSE AND LOSS

Any claims with financial implications must be dealt with in strict accordance with the **conditions of contract**. No payments are to be made to the contractor for a claim unless it has been approved by the **department** in writing.

14 FINAL ACCOUNT

14.1 GENERAL

The final account (Annexure C) must be finalised in accordance with the **conditions of contract** and must be submitted to the **departmental project manager** through the **principal agent**. The final account must comply with the requirements as stated in the "Certificate of Compliance and Indemnity by Consultants" (PRM045), which is available on the **department's** website and which is to be signed and attached to the final account.

The **quantity surveyor** must ensure that the following documentation is included with the final account:

- copy of priced bills of quantities
- Certificate of Compliance and Indemnity by Consultants (PRM045), signed by the **quantity surveyor**
- copy of letter confirming the commencement date
- copy of Contract Data (DPW-04 EC)
- copies of approved Contract Instructions (Variation Orders) (PRM037)
- copies of payment certificates signed by the **principal agent** (PRM034)
- copies of approved revision of date for practical completion (PRM040)
- copy of certificate of practical completion (PRM041)
- copy of certificate of works completion
- copy of certificate of final completion (PRM046)
- copies of CPA calculations
- copy of Contract Completion Report (PRM043)
- calculations of non-scheduled rates, including invoices, receipts, etc.
- documentation confirming successful test results (test cubes, compaction tests, etc.)
- Final Statement (PRM044)
- Final Account Certification by Consultant Quantity Surveyor (QS 005).

The **quantity surveyor** must certify that the project has been completed within the approved budget.

The **quantity surveyor** shall be held accountable for any costs arising from the late completion of the final account.

The **quantity surveyor** must retain a copy of the final account for his own records.

The **quantity surveyor** may interact directly with the **departmental quantity surveyor** in order to finalise the final account. The final account must be checked and audited by a departmental professional registered quantity surveyor.

14.2 NUMBERING OF PAGES

All pages of the final account are to be numbered consecutively.

14.3 PRICING

Schedule rates must be clearly cross referenced to the priced bills of quantities.

Non-schedule rates must be determined in terms of the **conditions of contract**.

New rates negotiated at current prices must either be de-escalated to base date, or included in the final account as non-escalatable amounts.

All supporting documentation e.g. invoices, receipts, build up of non-schedule rates, etc., must be included with the final account and clearly cross referenced to the relevant items to which they refer.

14.4 RE-MEASUREMENT OF PROVISIONALLY MEASURED WORK

All work measured provisionally must be re-measured.

14.5 CONTRACT PRICE ADJUSTMENT PROVISIONS (CPAP)

The date of the **principal agent's** payment certificate and not the valuation date must be used for calculating CPA.

An extended completion date may only be taken into account for contract price adjustment calculations if it has been approved by the **department**.

14.6 CONTRACTOR'S ASSISTANCE

The final account must be finalized without the contractor should there be a lack of co-operation and assistance from him in this regard.

14.7 CONTRACT INSTRUCTIONS

It is essential that approved contract instructions be obtained for all adjustments to the contract value, with the exception of provisional items which imply remeasurement, unless there is a change to the scope of work for which a contract instruction is required.

Copies of all such approved contract instructions must be included in the final account.

14.8 REVISION OF DATE FOR PRACTICAL COMPLETION

Revision of date for practical completion will only be valid if granted in writing by the **department**.

Penalties are to be deducted for any delay in the completion of the contract unless the revision of date for practical completion has been granted in writing by the **department**.

The **quantity surveyor** is to note that the waiver of penalties does not constitute extension of time.

14.9 PAYMENT REDUCTION

Payment reduction security must be dealt with in strict accordance with the relevant clauses of the **conditions of contract**.

14.10 ISSUING OF FINAL STATEMENT

The final statement may not be issued to the contractor for signature prior to the final account being approved by the **department**.

14.11 OVERPAYMENTS

Should an overpayment to the contractor occur, the **departmental project manager** must be notified immediately through the **principal agent** and the matter subsequently confirmed in writing stating the reasons for such overpayment. The **professional team** will be held liable for any overpayments to the contractor.

15 BUILDING COST DATABASE

15.1 The Project Data Sheet (QS 004) (Annexure D), which captures the input data for the Department's Building Cost Database, and which is available on the Department's website, must be submitted by the **quantity surveyor** to the **departmental project manager**, with a copy to the **departmental quantity surveyor**, and to the Directorate: Quantity Surveying Services at Head Office which is the custodian of the Building Cost Database, at the following two stages of the project:

15.1.1 Bills of quantities stage

Sections A to D of the Project Data Sheet must be completed and submitted once the contract has been awarded and the priced contract bills of quantities become available.

It is a requirement that the **quantity surveyor** also submits the copy of the priced bills of quantities, as referred to above, to the Directorate: Quantity Surveying Services at Head Office at this stage. The project's tender date must be clearly indicated on the copy of the priced bills of quantities.

15.1.2 Final account stage

Sections E to G Sections E to G of the Project Data Sheet must be completed and submitted once the final account has been settled and final professional fees have been claimed by all consultants.

15.2 The Project Data Sheet must be completed in respect of all categories of building projects i.e. new, additions, alterations and additions, repairs and renovations, refurbishments, restorations (heritage), etc.

It is not necessary to complete the Project Data Sheet in respect of RAMP projects.

15.3 The **quantity surveyor** is to note that the submission of the Project Data Sheet is compulsory.

16 QUANTITY SURVEYING SERVICES DIRECTIVES

The **quantity surveyor** is referred to the following directives (Annexure E), which address various quantity surveying related matters. The **quantity surveyor** will be required to execute his work in accordance therewith.

16.1 Directive No 1

Directive to Consultant Quantity Surveyors appointed by the National Department of Public Works (April 2016)

- 16.2 Directive No 2**
Directive to Project Managers with regard to Consultant Quantity Surveyors appointed by the National Department of Public Works (April 2016)
- 16.3 Directive No 3**
Directive to Departmental Project Managers and Departmental Quantity Surveyors with regard to the compilation and finalisation of Final Accounts compiled by Consultant Quantity Surveyors (April 2016)
- 16.4 Directive No 4**
Directive to Project Managers, Departmental Quantity Surveyors and Consultant Quantity Surveyors with regard to steps to be taken in the event of the cancellation of a contract or the liquidation of a Contractor (July 2016)
- 16.5 Directive No 5**
Directive to Project Managers and Departmental Quantity Surveyors with regard to steps to be taken in the event of contractual claims and disputes on building and related contracts (July 2016)

Annexure A



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

EXAMPLE OF ELEMENTAL ESTIMATE SUMMARY

TYPICAL EXAMPLE OF AN ELEMENTAL ESTIMATE SUMMARY

PROJECT: Bloemfontein: Supreme Court: Alterations and Additions

ESTIMATE OF CURRENT CONSTRUCTION COST INCLUDING VALUE ADDED TAX

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE: ELEMENTAL ESTIMATE: SUMMARY PAGE						
FILE NUMBER:		0123/1/2/3/4			DATE	1-Dec-06
WCS NUMBER:		001234			BER INDEX	2,701.4
DESIGN STAGE		SKETCH PLAN ESTIMATE				
NO	SPACE CATEGORY	UNIT	GROSS m²	RATE / m²	AMOUNT	%
1	PRELIMINARIES	%	9.9%	451.49	8,262,320	9.0%
2	BUILDING IMPROVEMENTS	m²	18,300	2,563.53	46,912,514	51.3%
2.1	SUB-STRUCTURE	m²	18,300	-	-	0.0%
2.2	GROUND FLOOR CONSTRUCTION	m²	18,300	92.03	1,684,159	1.8%
2.3	STRUCTURAL FRAME	m²	18,300	859.81	15,734,457	17.2%
2.4	EXTERNAL ENVELOPE	m²	18,300	539.88	9,879,776	10.8%
2.5	ROOFS	m²	18,300	119.97	2,195,506	2.4%
2.6	INTERNAL DIVISIONS	m²	18,300	235.84	4,315,951	4.7%
2.7	FLOOR FINISHES	m²	18,300	147.92	2,706,852	3.0%
2.8	INTERNAL WALL FINISHES	m²	18,300	139.97	2,561,423	2.8%
2.9	CEILINGS	m²	18,300	127.92	2,340,934	2.6%
2.10	FITTINGS	m²	18,300	192.01	3,513,747	3.8%
2.11	SANITARY INSTALLATION	m²	18,300	107.92	1,975,017	2.2%
3	SPECIALIST SERVICES	m²	18,300	1,049.35	19,203,152	21.0%
3.1	ELECTRICAL INSTALLATION	m²	18,300	347.09	6,351,794	6.9%
3.2	AIR CONDITIONING INSTALLATION	m²	18,300	333.58	6,104,548	6.7%
3.3	VENTILATION INSTALLATION	m²	18,300	50.65	926,970	1.0%
3.4	KITCHEN EQUIPMENT	m²	18,300	-	-	0.0%
3.5	FIRE PROTECTION INSTALLATION	m²	18,300	94.50	1,729,385	1.9%
3.6	LIFT INSTALLATION	m²	18,300	87.43	1,600,000	1.7%
3.7	CONVEYOR INSTALLATION	m²	18,300	-	-	0.0%
3.8	SECURITY EQUIPMENT	m²	18,300	108.01	1,976,500	2.2%
3.9	AUDIO VISUAL EQUIPMENT	m²	18,300	18.58	340,000	0.4%
3.10	COMMUNICATION SYSTEMS	m²	18,300	9.51	173,955	0.2%
4	SITE DEVELOPMENT COST	m²	18,300	932.23	17,059,769	18.7%
4.1	BULK EXCAVATIONS	m³	27,622	359.67	9,934,732	10.9%
4.2	ROADS	m²	1,146	332.90	381,507	0.4%
4.3	PARKING	m²	2,677	1,654.88	4,430,103	4.8%
4.4	WALKWAYS	m²	414	1,250.00	517,500	0.6%
4.5	LANDSCAPING	m²	-	-	-	0.0%
4.6	SITE ENCLOSURE	m	10	4,064.00	40,640	0.0%
4.7	WATER SUPPLY	m	300	250.00	75,000	0.1%
4.8	FIRE SUPPLY	m	20	1,625.00	32,500	0.0%
4.9	SEWERAGE DISPOSAL	m	150	350.00	52,500	0.1%
4.10	STORM WATER DRAINAGE	m	300	291.67	87,500	0.1%
4.11	ELECTRICAL SUPPLY	m	50	2,935.00	146,750	0.2%
4.12	MUNICIPALITY FEES	no	6	209,465.33	1,256,792	1.4%
4.13	DEMOLITIONS	m²	106	983.44	104,245	0.1%
5	ESTIMATED AMOUNT EXCL. VAT	m²	18,300	4,997	91,437,755	100.0%
6	ADD: VALUE ADDED TAX	14%	18,300	700	2,801,286	
7	ESTIMATED AMOUNT INCL. VAT	m²	18,300	5,696	104,239,041	

Annexure B



public works
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Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

EXAMPLE OF BILLS OF QUANTITIES COVER PAGE AND FLYSHEET

X

(Printed bills are to be
numbered consecutively
on front cover)



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

BILLS OF QUANTITIES

FOR

BLOEMFONTEIN:

SUPREME COURT:

ALTERATIONS AND ADDITIONS

QUANTITY SURVEYOR:

**ABC Quantity Surveyors
BLOEMFONTEIN**

ARCHITECT:

**XYZ Architects
BLOEMFONTEIN**

(Month and year when printed)

(EXAMPLE ONLY)

REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
BILLS OF QUANTITIES
FOR
BLOEMFONTEIN:
SUPREME COURT:
ALTERATIONS AND ADDITIONS

PART A

QUANTITY SURVEYORS

ABC QUANTITY SURVEYORS
200 Zastron Street
BLOEMFONTEIN
9301
P.O. Box 1234
BLOEMFONTEIN
9300
Contact person: Mr. Z
Tel: (051) 335-1000
Cell: 082 111 1111
Fax: (051) 335-0000

ARCHITECTS

XYZ ARCHITECTS
100 President Street
BLOEMFONTEIN
9301
P.O. Box 4321
BLOEMFONTEIN
9300
Contact person: Ms X
Tel: (051) 355-2000
Cell: 083 000 0000
Fax: (051) 355-1000

ELECTRICAL ENGINEERS

QRS ELECTRICAL ENGINEERS
500 Aliwal Street
BLOEMFONTEIN
9301
P.O. Box 6789
BLOEMFONTEIN
9300
Contact person: Mr. A
Tel: (051) 123 4567
Cell: 072 000 0000
Fax: (051) 333-1111

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

REGIONAL OFFICE: BLOEMFONTEIN

Civilia Building
14 Elizabeth Street
BLOEMFONTEIN
Private Bag X 20 605
BLOEMFONTEIN
9300

Project Manager: Mr. M
Tel: (051) 400 8702
Cell: 084 000 0000
Fax: (051) 400-8875

(Month and year when printed)

Annexure C



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

EXAMPLE OF FINAL ACCOUNT



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Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

BLOEMFONTEIN:
SUPREME COURT:
ALTERATIONS AND ADDITIONS
FINAL ACCOUNT

CONTRACTOR

Builder & Sons
16 Cove Road
KOPPIESDRAAI
1532

QUANTITY SURVEYORS

ABC Quantity Surveyors
BLOEMFONTEIN

ARCHITECTS

XYZ Architects
BLOEMFONTEIN

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

REGIONAL OFFICE: BLOEMFONTEIN
Civilia Building
14 Elizabeth Street
BLOEMFONTEIN
Private Bag X 20 605
BLOEMFONTEIN
9300

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

FINAL ACCOUNT

WCS NO: 003706
REFERENCE NO: 6032/1004/9/4

PROJECT: BLOEMFONTEIN: SUPREME COURT:
ALTERATIONS AND ADDITIONS

CONTRACTOR: BUILDER AND SONS

<u>INDEX</u>	<u>PAGE</u>
1 Final Statement	1
2 Final Summary	2
3 Item No. 1 - Alterations to Generator Room	3
4 Item No. 2 - Hoop Iron Ties to Columns	3
5 Item No. 3 - Re-do Brickwork in Corridor	3
6 Item No. 4 - Window Sill and Lintol Details	4
7 Item No. 5 - Alterations to Counters	5
8 Item No. 6 - Remeasurement of General Site Works	6
9 Item No. 7 - Remeasurement of Provisionally Measured Items	6

The Final Statement must be printed on the latest revision of form PRM044/2 available on the department's website.

PRM044/2

**DEPARTMENT OF PUBLIC WORKS
AND INFRASTRUCTURE**

FINAL STATEMENT

WCS NO: 003706
REFERENCE NO: 6032/1004/9/4

PROJECT: BLOEMFONTEIN: SUPREME COURT: ALTERATIONS AND ADDITIONS

CONTRACTOR: BUILDER AND SONS

Net amount of contract (excluding VAT)			R	3 618 925.26	
Net omission (excluding VAT)			R	-	-
Net addition (excluding VAT)			R	53 831.00	+
			R	3 672 756.26	
PLUS: Contract Price Adjustments			R	303 365.67	+
			R	3 976 121.93	
(1) LESS: Penalty for late completion	R	-			
(2) LESS: Penalty for non-compliance with CPG	R	-	R	-	-
			R	3 976 121.93	
Value Added Tax			R	596 418.29	+
			R	4 572 540.22	
LESS: Credit for old materials			R	-	-
FINAL VALUE OF CONTRACT			R	4 572 540.22	
*Retention retained (including VAT)			R	-	

CONSULTING QUANTITY SURVEYOR

DATE: _____

PROJECT MANAGER

DATE: _____

PRINCIPAL AGENT

DATE: _____

**pp DIRECTOR-GENERAL
DEPARTMENT OF PUBLIC WORKS AND
INFRASTRUCTURE**

DATE: _____

I, the undersigned, duly authorised, accept the above statement as correct.

CONTRACTOR

DATE

*Applicable for engineering contracts where 12 months retention period is required and retention amount also included in final value of contract.

FOR DEPARTMENTAL USE

Contract close out captured on WCS (WG10PU): Name: _____ OPW: _____
Date: _____

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

BLOEMFONTEIN: SUPREME COURT: ALTERATIONS AND ADDITIONS

Final Summary

Item	Description	Omissions	Additions
Item No. 1	Alterations to Generator room (*CI No. 1)		1 026.00
Item No. 2	Hoop Iron Ties to Columns (CI No. 2)		264.00
Item No. 3	Re-do Brickwork in Corridor (CI No. 3)		No cost
Item No. 4	Window Sill and Lintel Details (CI No. 4)	1 971.00	10 334.30
Item No. 5	Alterations to Counters (CI No. 5)	5 103.00	57 335.10
Item No. 6	Remeasurement of General Site Works (including CI No. 6)	30 090.30	25 547.00
Item No. 7	Remeasurement of Provisionally Measured Items	8 852.90	5 341.80
	Totals	46 017.20	99 848.20
	<u>Less: Omissions</u>		46 017.20
	<u>Net Addition Carried to Final Statement</u>	R	53 831.00

* CI = Contract Instruction

BLOEMFONTEIN: SUPREME COURT		<u>Unit</u>	<u>Qty</u>	<u>Rate</u>	<u>Amount</u>
<u>Item No. 1</u>					
<u>Alterations to Generator room (CI No. 1)</u>					
<u>ADD</u>					
For site works see Item No. 6: Remeasurement of General Site Works					
1	Demolish one brick wall and remove	m ²	13	22.00	286.00
2	Fair raking cutting as item 33/48	m	15	20.00	300.00
3	Brick on edge coping as item 23/47	m	6	28.00	168.00
4	Ditto, raking see item 23/47	m	8	29.00	232.00
5	Extra over for right angle as item 44/48	No	1	20.00	20.00
6	Ditto, for fair closed end as item 45/48	No	1	20.00	20.00
<u>Item No. 1</u>					
<u>Addition: Carried to Final Summary</u>					R 1 026.00
<u>Item No. 2</u>					
<u>Hoop Iron Ties to Columns (CI No. 2)</u>					
<u>ADD</u>					
1	6 x 50mm Mild steel lugs 200mm long welded to column and screwed to brickwork see item 37/83	No	22	12.00	264.00
<u>Item No. 2</u>					
<u>Addition: Carried to Final Summary</u>					R 264.00
<u>Item No.3</u>					
<u>Re-do Brickwork in Corridor (CI No. 3)</u>					
No cost					R -

BLOEMFONTEIN SUPREME COURT		<u>Unit</u>	<u>Qty</u>	<u>Rate</u>	<u>Amount</u>
<u>Item No. 4</u>					
<u>Window Sill and Lintel Details (CI No. 4)</u>					
<u>OMIT</u>					
1	One brick wall in lintels as item 11/46	m ²	12	110.00	1 320.00
2	Brick reinforcement as item 14/46	m	141	1.00	141.00
3	Temporary turning piece to flat brick lintel as item 15/46	m	60	8.50	510.00
<u>Item No. 4</u>					
<u>Omission: Carried to Final Summary</u>					R 1 971.00
<u>ADD</u>					
1	25 MPa concrete as item 3/40	m ³	3	400.00	1 200.00
2	Formwork to sides in narrow widths as item 27/42	m	119	22.00	2 618.00
3	Formwork to soffits in narrow widths as item 28/42	m	119	22.00	2 618.00
4	Untinted grano finish to vertical surfaces and raking sills in narrow widths 500mm girth see item 3/90	m	119	30.70	3 653.30
5	Untinted grano finish to vertical surfaces and soffits in narrow widths 200mm girth see item 3/90	m	35	7.00	245.00
<u>ITEM NO. 4</u>					
<u>Addition: Carried to Final Summary</u>					R 10 334.30

	BLOEMFONTEIN: SUPREME COURT	<u>Unit</u>	<u>Qty</u>	<u>Rate</u>	<u>Amount</u>
	<u>Item No. 5</u>				
	<u>Alterations to Counters (CI No. 5)</u>				
	<u>OMIT</u>				
1	Counters as items 40/66 to 50/66		Item		5 103.00
	<u>Item No. 5</u>				
	<u>Omission: Carried to Final Summary</u>				R 5 103.00
	<u>ADD</u>				
1	Half brick wall as item 1/45	m ²	5	55.00	275.00
2	One brick wall as item 5/45	m ²	11	100.00	1 100.00
3	Extra over for facing and pointing as item 21/47	m ²	29	60.00	1 740.00
4	Brick on edge coping as item 23/47	m	2	28.00	56.00
5	Fair cutting for squint quoin as item 29/47	m	4	20.00	80.00
6	30mm Granite top as item 64/51	m ²	15	3,000.00	45 000.00
7	Extra for mitred intersection as item 66/51	m	2	600.00	1 200.00
8	30mm Radius rounded angle as item 68/51	m	19	240.00	4 560.00
9	50 x 400mm Rounded seat as item 43/66	No	4	239.40	957.60
10	30 x 30 x 3mm Angle section bracket as item 38/83	kg	49	10.50	514.50
11	Extra for mitred intersection as item 39/83	No	69	8.00	552.00
12	Hole through angle section as item 41/83	No	92	3.00	276.00
13	M10 rawl bolt as item 42/83	No	46	8.00	368.00
14	Support for chair as item 43/83	No	4	110.00	440.00
15	Paint to rail as item 16/112	m	36	6.00	216.00
	<u>Item No. 5</u>				
	<u>Addition: Carried to Final Summary</u>				R 57 335.10

BLOEMFONTEIN: SUPREME COURT		<u>Unit</u>	<u>Qty</u>	<u>Rate</u>	<u>Amount</u>
<u>Item No. 6</u>					
<u>Remeasurement of General Site Works (including CI No. 6)</u>					
<u>OMIT</u>					
1	General site works as items 1/116 to 14/118	Item			30 090.30
<u>Item No. 6</u>					
<u>Omission: Carried to Final Summary</u>					R 30 090.30
<u>ADD</u>					
1	Clear the site to be built upon as item 1/116	m ²	2 381	2.00	4 762.00
2	Remove 100 mm diameter steel pipe as item 2/117	No	1	500.00	500.00
3	Taking out tree stump as item 4/117	No	1	350.00	350.00
4	Taking out tree stump as item 5/117	No	3	600.00	1 800.00
5	Filling over site to form platforms as item 13/118	m ³	279	65.00	18,135.00
<u>Item No.6</u>					
<u>Addition: Carried to Final Summary</u>					R 25 547.00
<u>Item No. 7</u>					
<u>Remeasurement of Provisionally Measured Items</u>					
<u>OMIT</u>					
1	Prepare test cubes as item 1/40	No	18	150.00	2 700.00
2	25MPa concrete in beams as item 3/40	m ³	1	400.00	400.00
3	25MPa concrete in isolated beams as item 4/40	m ³	1	400.00	400.00
4	Special formwork to beams as item 14/41	m ²	10	90.00	900.00
5	Special formwork to isolated beams as item 15/41	m ²	10	90.00	900.00
6	Construct sample panel as item 56/49	No	1	220.00	220.00
7	38 x 228mm Gangboarding as item 9/62	m	127	14.70	1 866.90

	BLOEMFONTEIN: SUPREME COURT	<u>Unit</u>	<u>Qty</u>	<u>Rate</u>	<u>Amount</u>
8	38 x 38mm Trimmers around light fittings as item 1/70	m	25	6.00	150.00
9	38 x 38mm Hangers as item 2/70	m	35	7.00	245.00
10	38 x 76mm Runners as item 3/70	m	71	9.00	639.00
11	38 x 114mm Ceiling joists as item 4/70	m	36	12.00	432.00
	<u>Item No. 7</u>				
	<u>Omission: Carried to Final Summary</u>				R 8 852.90
	<u>ADD</u>				
1	38 x 128mm Gangboarding as item 9/62	m	84	14.70	1 234.80
2	38 x 38mm Trimmers as item 1/70	m	22	6.00	132.00
3	38 x 38mm Hangers as item 2/70	m	114	7.00	798.00
4	38 x 76mm Runners as item 3/70	m	129	9.00	1 161.00
5	38 x 114mm Ceiling joists as item 4/70	m	168	12.00	2 016.00
	<u>Item No. 7</u>				
	<u>Addition: Carried to Final Summary</u>				R 5 341.80

ANNEXURE D



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

BUILDING COST DATABASE PROJECT DATA SHEET

AUGUST 2020



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
REPUBLIC OF SOUTH AFRICA

BUILDING COST DATABASE

PROJECT DATA SHEET

NOTE

- **Bills of Quantities Stage**
Sections A to D must be completed once the contract has been awarded and the priced Bills of Quantities become available
- **Final Account Stage**
Sections E to G must be completed once the Final Account has been settled and final professional fees have been claimed by all consultants

BILLS OF QUANTITIES STAGE (please complete sections A to D)

A PROJECT DETAILS

1. Project Name:
2. Location (Province; City/Town):
3. WCS No:
4. Project Manager:

5. Identify the category of building project with a cross (X) in the relevant block(s):

Category of building project	Mark relevant block with a cross (X)
New	
Additions	
Alterations and Additions	
Repairs and Renovations	
Refurbishments	
Restoration (heritage)	
Other (describe)	

Note

It is not necessary to complete the Project Data Sheet in respect of RAMP projects

B SCOPE OF WORK

1. Description and details of buildings:

Type of building *	No	No of storeys	Brief description of structure	Basement Yes/No If yes, provide basement area	Category of building **	Construction area *** (m ²)
Total construction area						

Note

* Details of each individual type of building must be provided e.g. office / administration block, single quarters, bachelor flat, married quarters, house, kitchen / mess block, cell block, clinic / medical block, hall / recreational block, parking garage, substation etc.

** Each type of building must be categorised in accordance with one of the categories listed in item A5 above i.e. new, additions, alterations and additions, repairs and renovations, refurbishments, restoration (heritage), etc.

*** The **construction area** covers the entire enclosed building area. Areas must be measured over the external walls of all covered floor areas and must include basements, mezzanine levels, stairwells, lift shafts, lift motor rooms etc.

C BILLS OF QUANTITIES DATA

1. Tender date:
2. Commencement date:
3. **Construction period:** months
4. **Preliminaries** (excluding VAT): **R**
5. **Building Works** (excluding VAT)
 - 5.1 Total amount of Building Works: **R**
 - 5.2 Details of total amount of Building Works per building type *:

Type of building (as item B1 above)	Amount
	R
	R
	R
	R
	R
	R
	R
	R
Total amount as per item 5.1 above	R

Note

* The individual amounts must be the actual amounts relevant to the respective building types and not averaged amounts

6. **Specialist Services** (excluding VAT)

6.1 Total amount of Specialist Services: **R**

6.2 Details of total amount of Specialist Services per building type *:

Type of building (as item B1 above)	Amount								
	Electrical Installation	Air conditioning Installation	Fire Protection and Detection Installation	Security Installation	Lifts	Standby Generator	UPS	Other (describe)	TOTAL
Total amount as per item 6.1 above									R

Note

* The individual amounts of relevant Specialist Services must be the actual amounts relevant to the respective building types and not averaged amounts

7. **External Works** (excluding VAT)

7.1 Total amount of External Works: R

7.2 Details of total amount of External Works per element *:

External works		Amount
General site works		R
Roads and paving		R
Fencing, yard walls and retaining walls		R
Covered parking		R
Covered walkways		R
Landscaping		R
External reticulation:		R
Elements	Amount	
Soil drainage	R	
Stormwater drainage	R	
Water supply	R	
Fire services	R	
Electrical reticulation	R	
Bulk connection fee	R	
Other (describe)	R	
Total amount for external reticulation		
Other (describe)		R
Total amount as per item 7.1 above		R

Note

* The individual amounts must be the actual amounts relevant to each element and not averaged amounts

8. **Net Contract Sum** (excluding VAT): R

Note

The Net Contract Sum is the sum total of items C4, C5.1, C6.1 and C7.1 above and must correspond with the Net Contract Sum in the Bills of Quantities

D SCHEDULE OF RATES FROM BILLS OF QUANTITIES (EXCLUDING VAT)

Note

- The items listed below are similar to those listed in the questionnaire issued by the Bureau for Economic Research entitled "BER Building Cost Survey"
- Complete only those rates that are applicable to this project. Where not applicable, leave blank
- All rates must exclude VAT

No	Item	Unit	Rate
			R c
1	Excavation for trenches	m ³	
2	Unreinforced concrete (10 - 20MPa) in footings	m ³	
3	Reinforced concrete (20 - 25MPa) in slabs, etc	m ³	
4	Rough formwork to soffits of slabs n.e. 3,5m high	m ²	
5	Bar reinforcement	kg	
6	Half brick wall	m ²	
7	One brick wall	m ²	
8	Cavity wall of 2 half brick skins	m ²	
9	Face brickwork (extra over brickwork)	m ²	
10	Fibre cement / galvanised steel profiled roof sheeting	m ²	
11	38 x 114mm Sawn softwood roof timbers	m	
12	44 x 813 x 2032mm Semi-solid flush door	No	
13	Gypsum / fibre cement ceiling (including branderling)	m ²	
14	Vinyl tiles (2mm) or similar floor covering	m ²	
15	76mm Mortice lockset (2 lever)	No	
16	Pressed steel door frame for 813 x 2032mm door	No	
17	Standard steel / timber window	m ²	
18	20 - 30mm Cement plaster screed	m ²	
19	One coat internal cement plaster on walls	m ²	
20	Glazed wall tiles	m ²	
21	3mm Clear float glass in steel or timber frames	m ²	
22	Prime and 2 coats acrylic emulsion paint on plastered walls	m ²	
23	WC suite (low level)	No	
24	Basin (wall hung)	No	
25	Stainless steel sink	No	
26	20mm Galvanised steel / copper pipe	m	
27	110mm uPVC pipe	m	
28	110mm uPVC soil pipe	m	

BILLS OF QUANTITIES STAGE (SECTIONS A TO D)

COMPLETED BY:

Name: Position:

Firm/company:

Tel No: Fax No: E-

mail address:

Signature:

Date:

FINAL ACCOUNT STAGE (please complete sections E to G)

E PROJECT DETAILS

1. Project Name:
2. Location (Province; City/Town):
3. WCS No:
4. Project Manager:

F FINAL ACCOUNT DATA

1. Date of practical completion:
2. Actual contract period: months
3. Actual construction period: months
4. Contract Price Adjustments (excluding VAT): **R**
5. **Net Final Value of Contract** (excluding VAT): **R**

G PROFESSIONAL FEES DATA

1. Total amount of Professional Fees (including disbursements) (all consultants) (excluding VAT):
R
2. Details of total amount of Professional Fees (including disbursements) per consultant (excluding VAT):

Consultant	Fees amount	Disbursements amount	Total amount of Professional Fees
Quantity Surveyor	R	R	R
Architect	R	R	R
Structural Engineer	R	R	R
Civil Engineer	R	R	R
Electrical Engineer	R	R	R
Mechanical Engineer	R	R	R
Construction Project Manager	R	R	R
Other (describe)	R	R	R
Total amount as per item G1 above			R

FINAL ACCOUNT STAGE (SECTIONS E TO G)

COMPLETED BY:

Name: Position:

Firm/company:

Tel No: Fax No:

E-mail address:

Signature:

..... Date:

.....

ANNEXURE E



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

QUANTITY SURVEYING SERVICES DIRECTIVES

QUANTITY SURVEYING SERVICES

DIRECTIVE NO 1 – APRIL 2016

DIRECTIVE TO CONSULTANT QUANTITY SURVEYORS

**DIRECTIVE TO CONSULTANT QUANTITY SURVEYORS
APPOINTED BY THE NATIONAL DEPARTMENT OF PUBLIC
WORKS**

1. INTRODUCTION

- 1.1 The Department has noticed that the quality and level of Quantity Surveying services rendered by consultants are currently not in all cases of an acceptable standard and that many consultants do not take full responsibility for the proper financial management of the projects that they are responsible for.
- 1.2 In order to rectify this situation, the following is brought to the attention of all consultants:

2. GENERAL

- 2.1 Consultant Quantity Surveyors must ensure that they are in possession of the latest Manual for Consultant Quantity Surveyors (QS 001) and further that they are familiar with the contents thereof.
- 2.2 The document is available on the Department's website under "Consultants Guidelines" or it can be obtained from the relevant Project Manager in the Department.

3. PROJECT PLANNING STAGE

- 3.1 During the planning stage of a project, it is the responsibility of the consultant Quantity Surveyor to ensure value for money and not just to prepare an estimate based on the architect's and / or engineer's design.
- 3.2 It is the responsibility of the consultant Quantity Surveyor to liaise with the rest of the professional team if a design is not cost-effective, and if it cannot be

resolved within the professional team, the matter must be elevated to the Departmental Project Manager for a decision and guidance.

- 3.3 The consultant Quantity Surveyor cannot merely do an estimate for a design without determining that it is in fact cost effective and value for money.

4. DOCUMENTATION AND TENDER STAGE

- 4.1 Bills of Quantities must be prepared as accurately as possible, even if it is a Bill of Provisional Quantities.
- 4.2 No budgetary allowances may be included in the Bills of Quantities without the written approval of the Head of Projects of the relevant regional office. All work must be measured in detail.
- 4.3 Work for which limited information or details are available must be measured provisionally.
- 4.4 It is common knowledge that the financial management of a contract that contains an excessive number of budgetary allowances is not only difficult, but in many cases impossible.
- 4.5 Bills of Quantities may under no circumstances be inflated by increasing quantities or lump-sum amounts in order to secure a higher tender price which will then be used to finalise a project's design during construction without having to apply for additional funds.

5. CONSTRUCTION AND FINAL ACCOUNT STAGE

- 5.1 The conditions of contract must be strictly adhered to.
- 5.2 All work measured provisionally must be properly re-measured during the construction stage for final account purposes and measurements, including site measurements, must be made available on request.
- 5.3 Rates for additional work or omissions must be determined strictly in accordance with the conditions of contract and the mere acceptance of a quotation from the contractor or a sub-contractor is NOT acceptable.
- 5.4 Quotations must be used in exceptional cases only and must be certified (after proper verification by the consultant Quantity Surveyor) as fair, reasonable and market-related. Lump sum quotations are not acceptable and it is required that proper details are provided in respect of all quotations.

- 5.5 The acceptance of the lowest of three quotations without verification is not acceptable as there is currently a tendency to obtain an initial first quotation which is inflated, and then obtain inflated cover quotations. This is highly irregular and totally unacceptable.
- 5.6 The compilation of the final account and the correctness of the quantities, as well as costs of all items, is the function and responsibility of the consultant Quantity Surveyor.
- 5.7 It is totally unacceptable for a consultant Quantity Surveyor to claim that he cannot finalise a final account, as he is waiting for information from the contractor.
- 5.8 The final account must be finalized within the period stipulated and it will be expected of the consultant Quantity Surveyor to inform the Department without delay if this cannot be done.
- 5.9 Any problems with regard to the finalization of the final account must be referred to the Departmental Project Manager without delay for guidance and assistance.

6. FINANCIAL REPORTS

- 6.1 The consultant Quantity Surveyor is required to compile and submit monthly financial reports, up to the date of approval of the final account, to the Departmental Project Manager. The reports must include updated CPA calculations as well as a realistic cash-flow.
- 6.2 There is currently a tendency not to adhere to this requirement. This is not acceptable as it is crucial for the proper financial management and control of a project, as well as for budgetary purposes.


7. CONSULTANT FEES

- 7.1 Fees for consultant services will be paid strictly in accordance with the contract between the Department and the consultant Quantity Surveyor.
- 7.2 It must also be noted that fees can only be claimed for work stages where the consultant did in fact render a service of acceptable quality. If there was no service rendered for a specific stage (Eg stage 1 and stage 2) or for a supplementary service such as cost norms, fees may not be claimed for such a stage or service.

- 7.3 There is currently a tendency that some consultants claim fees for stage 1 and / or stage 2 without this service being rendered. In cases where fees were claimed for services not rendered, it must be rectified immediately.
- 7.4 The Department will only pay professional fees for services actually rendered and only if such services are of an acceptable level, quality and standard as expected from a Professional Quantity Surveyor.

8. ENQUIRIES

- 8.1 All enquiries regarding Quantity Surveying matters on a project must be submitted to the Departmental Project Manager who will request clarity and inputs from the relevant Departmental Quantity Surveyors if necessary.
- 8.2 If a consultant Quantity Surveyor does not receive a response from the Departmental Project Manager, or if such response does not address his concerns, he may elevate the matter to the Director: Quantity Surveying Services in the Department's Head Office, with a copy of his enquiry to the Departmental Project Manager.



MR S THOBAKGALE

Acting DDG: PROJECTS AND PROFESSIONAL SERVICES

Date: 17/06/2016

QUANTITY SURVEYING SERVICES

DIRECTIVE NO 2 – APRIL 2016

DIRECTIVE TO PROJECT MANAGERS WITH REGARD TO CONSULTANT QUANTITY SURVEYORS

DIRECTIVE TO PROJECT MANAGERS WITH REGARD TO CONSULTANT QUANTITY SURVEYORS APPOINTED BY THE NATIONAL DEPARTMENT OF PUBLIC WORKS

1. INTRODUCTION

- 1.1 The Department has noticed that the quality and level of Quantity Surveying services rendered by consultants are currently not in all cases of an acceptable standard and that many consultants do not take full responsibility for the proper financial management of the projects that they are responsible for.
- 1.2 It is also evident that Project Managers tend to accept work done by the consultant Quantity Surveyors without verification by themselves, or by a Departmental Quantity Surveyor.
- 1.3 In order to rectify this situation, the following is brought to the attention of all Departmental Project Managers:

2. GENERAL

- 2.1 It is accepted that Project Managers are responsible for the proper control and management of their projects and that the Departmental Quantity Surveyors provide support as and when required.
- 2.2 It is the responsibility of the Departmental Quantity Surveyors to verify QS related work, documentation and reports as and when required, but it is not their responsibility to obtain such documentation from the consultants.
- 2.3 Project Managers must ensure that they, as well as the consultant Quantity Surveyors are in possession of the latest Manual for Consultant Quantity Surveyors and further that they are familiar with the contents thereof.

3. PROJECT PLANNING STAGE

- 3.1 During the planning stage of a project it is the responsibility of the consultant Quantity Surveyor to ensure value for money and not just to prepare an estimate based on the architect's and / or engineer's design.
- 3.2 Although it is the responsibility of the consultant Quantity Surveyor to liaise with the rest of the professional team if a design is not cost-effective, it is the responsibility of the Project Manager to obtain confirmation and sign-off in this regard from a Departmental Quantity Surveyor.
- 3.3 The consultant Quantity Surveyor cannot merely do an estimate for a design without determining that it is in fact value for money, nor should the Project Manager accept it without verification.

4. DOCUMENTATION AND TENDER STAGE

- 4.1 Bills of Quantities must be prepared as accurately as possible, even if it is a Bill of Provisional Quantities.
- 4.2 No budgetary allowances may be included in the Bills of Quantities without the written approval of the Head of Projects. All work must be measured in detail. Work for which limited information or details are available must be measured provisionally.
- 4.3 It is common knowledge that the financial management of a contract that contains an excessive number of budgetary allowances is not only difficult, but in many cases impossible.
- 4.4 Bills of Quantities may under no circumstances be inflated by increasing quantities or lump-sum amounts in order to secure a higher tender price which will then be used to finalise a project's design during construction without having to apply for additional funds.

5. CONSTRUCTION AND FINAL ACCOUNT STAGE

- 5.1 The conditions of contract must be strictly adhered to.
- 5.2 All work measured provisionally must be properly re-measured during the construction stage for final account purposes and measurements, including site measurements, must be made available on request.

- 5.3 Rates for additional work or omissions must be determined strictly in accordance with the conditions of contract and the mere acceptance of a quotation from the contractor or a sub-contractor is NOT acceptable.
- 5.4 Quotations must be used in exceptional cases only and must be certified (after proper verification by the consultant Quantity Surveyor) as fair, reasonable and market-related. Lump sum quotations are not acceptable and it is required that proper details are provided in respect of all quotations.
- 5.5 The acceptance of the lowest of three quotations without verification is not acceptable, as there is currently a tendency to obtain an initial first quotation which is inflated, and then obtain inflated cover quotations. This is highly irregular and totally unacceptable.
- 5.6 The compilation of the final account and the correctness of the quantities, as well as costs of all items, is the function and responsibility of the consultant Quantity Surveyor.
- 5.7 It is totally unacceptable for a consultant Quantity Surveyor to claim that he cannot finalise a final account, as he is waiting for information from the contractor.
- 5.8 The final account must be finalized within the period stipulated and the Project Manager must ensure that the final account is finalized within such time-frames.
- 5.9 Any problems with regard to the finalization of the final account must be referred to a Departmental Quantity Surveyor without delay for guidance and assistance.
- 5.10 Once a final account has been received, it must be submitted to a Departmental Quantity Surveyor for scrutiny.

6. FINANCIAL REPORTS

- 6.1 The Project Manager must ensure that the consultant Quantity Surveyors submit the required monthly financial reports on a project. It is the responsibility of the Project Manager to ensure that the financial reports are scrutinized by a Departmental Quantity Surveyor.
- 6.2 The submission and scrutiny of the financial reports is crucial for the proper financial management and control of a project, as well as for budgetary purposes.

- 6.3 The reports must include updated CPA calculations as well as a realistic cash-flow.

7. CONSULTANT FEES

- 7.1 Fees for consultant services must be paid strictly in accordance with the contract between the Department and the consultant Quantity Surveyor.
- 7.2 It must also be noted that fees can only be claimed and paid for work stages where the consultant did in fact render a service of acceptable quality. If there was no service rendered for a specific stage (Eg stage 1 and stage 2) or for a supplementary service such as cost norms, fees may not be claimed or paid for such a stage or service.
- 7.3 There is currently a tendency that some consultants claim fees for stage 1 and / or stage 2 without these service being rendered and that such fees are then certified for payment by the Project Manager.
- 7.4 The Department may only pay professional fees for services actually rendered and only if such services are of an acceptable level, quality and standard as expected from a Professional Quantity Surveyor.
- 7.5 In cases where fees were claimed and paid for services not rendered, it must be rectified immediately.
- 7.6 Although it is a requirement that the final fee account must be verified by a Departmental Quantity Surveyor, it is strongly recommended that interim fee accounts be submitted for scrutiny as well.

8. ENQUIRIES

All enquiries regarding Quantity Surveying matters on a project must be submitted to a Departmental Quantity Surveyor or to the Director: Quantity Surveying Services.



MR S THOBAKGALE

Acting DDG: PROJECTS AND PROFESSIONAL SERVICES

Date: 17/06/2016

QUANTITY SURVEYING SERVICES

DIRECTIVE NO 3 – APRIL 2016

COMPILATION AND FINALISATION OF FINAL ACCOUNTS

DIRECTIVE TO DEPARTMENTAL PROJECT MANAGERS AND DEPARTMENTAL QUANTITY SURVEYORS WITH REGARD TO THE COMPILATION AND FINALISATION OF FINAL ACCOUNTS COMPILED BY CONSULTANT QUANTITY SURVEYORS

1. INTRODUCTION

- 1.1 The Department has noticed that there is normally a substantial delay with regard to the compilation and finalization of final accounts. The format and quality of the final accounts are generally not acceptable and the level of Quantity Surveying services rendered by consultant Quantity Surveyors in this regard is currently not in all cases of an acceptable standard.
- 1.2 It is also evident that Project Managers tend to neglect to manage the submission and finalization of final accounts.
- 1.3 In order to rectify this situation, the following is brought to the attention of all Project Managers and Departmental Quantity Surveyors:

2. GENERAL

- 2.1 It is accepted that Project Managers are responsible for the proper control and management of their projects and that the Departmental Quantity Surveyors provide support as and when required.
- 2.2 It is therefore the responsibility of the Project Managers to ensure that the final accounts are compiled and submitted to the Department within the timeframes stipulated in the conditions of contract.
- 2.3 Once a final account has been submitted to the Department, it is the responsibility of the Departmental Quantity Surveyors to verify the final account and to make a specific recommendation to the Project Manager with regard to the acceptability thereof. It is not the responsibility of the Departmental Quantity Surveyor to obtain the final account from the consultant Quantity Surveyors.

- 2.4 Project Managers must ensure that they, as well as the consultant Quantity Surveyors are in possession of the latest Manual for Consultant Quantity Surveyors and further that they are familiar with the contents thereof.

3. COMPILATION AND SCRUTINY OF A FINAL ACCOUNT

- 3.1 The conditions of contract must be strictly adhered to.
- 3.2 All work measured provisionally must be properly re-measured during the construction stage for final account purposes and measurements, including site measurements, must be made available on request.
- 3.3 Rates for additional work or omissions must be determined strictly in accordance with the conditions of contract and the mere acceptance of a quotation from the contractor or a sub-contractor is NOT acceptable.
- 3.4 Quotations must be used in exceptional cases only and must be certified (after proper verification by the consultant Quantity Surveyor) as fair, reasonable and market-related. Lump sum quotations are not acceptable and it is required that proper details are provided in respect of all quotations.
- 3.5 The acceptance of the lowest of three quotations without verification is not acceptable, as there is currently a tendency to obtain an initial first quotation which is inflated, and then obtain inflated cover quotations. This is highly irregular and totally unacceptable.
- 3.6 Additional work, scope changes and the like which are not part of normal re-measurements must be covered by variation orders, duly approved by the Variation Order Committee and may under no circumstances be covered under re-measurements.
- 3.7 Provisional sums and budgetary allowances must be dealt with strictly in terms of the conditions of contract. The acceptance of invoices or quotations without proper verification as per paragraph 3.4 above is not acceptable.
- 3.8 Before any cost for delays, disruption, standing time, acceleration and the like can be included in a final account, the consultant Quantity Surveyor as well as the Project Manager must ensure that there are valid reasons for inclusion of such costs and that the reasons are recorded and approved in writing. Any cost in this regard must be properly substantiated and proven by the contractor and then scrutinized by the consultant Quantity Surveyor prior to inclusion in the final account. The mere acceptance of a lump sum amount or the payment of a time related preliminary amount to cover these items are not acceptable.

- 3.9 The compilation of the final account and the correctness of the quantities, as well as costs of all items, is the function and responsibility of the consultant Quantity Surveyor.
- 3.10 It is totally unacceptable for a consultant Quantity Surveyor to claim that he cannot finalise a final account, as he is waiting for information from the contractor. If the contractor does not provide information as required by the consultant Quantity Surveyor, it is the responsibility of the consultant Quantity Surveyor to deal with these matters without inputs from the contractor.
- 3.11 If there is a dispute between the consultant Quantity Surveyor and the contractor with regard to quantities, rates or any other matter that cannot be resolved within the period allowed for the finalization of the final account, the consultant Quantity Surveyor must refer such dispute to the Project Manager, who in turn must refer it to a Departmental Quantity Surveyor for an opinion and recommendation. The Departmental Quantity Surveyor must be decisive and make a firm recommendation to the Project Manager within the shortest possible time.
- 3.12 Where consensus cannot be reached with the contractor with regard to quantities, rates or any other matter, the final account must be formally issued to the contractor, based on the final cost as determined by the consultant Quantity Surveyor and recommended by the Departmental Quantity Surveyor.
- 3.13 The Departmental Quantity Surveyor must interact directly with the consultant Quantity Surveyor to resolve outstanding matters on a final account once it has been submitted for scrutiny.

4. CANCELLATION OF A CONTRACT OR LIQUIDATION OF A CONTRACTOR

- 4.1 In both cases it will be necessary for the consultant Quantity Surveyor to immediately compile a final account for the work done up to cancellation / liquidation.
- 4.2 Concurrent with the final account it will be necessary to compile documentation for the completion contract, together with a detailed financial report reflecting the following:

Final account value for work done up to cancellation / liquidation

Estimated cost for completion of all outstanding and remedial work

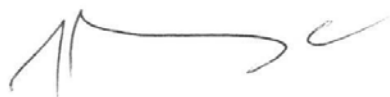
Estimated value of claim against the contractor or his estate as a result of the cancellation / liquidation, taking into account all additional costs including additional professional fees.

5. FINALISATION OF A FINAL ACCOUNT

- 5.1 The final account must be issued to the contractor by the Project Manager immediately after receipt of a recommendation from the Departmental Quantity Surveyor.
- 5.2 The final account must be finalized within the period stipulated in the conditions of contract and remains the responsibility of the Project Manager. All disputes must be dealt with within this stipulated period.
- 5.3 Any problems with regard to the finalization of the final account must be referred by the Project Manager to a Departmental Quantity Surveyor without delay for guidance and assistance.

6. ENQUIRIES

All enquiries regarding Quantity Surveying matters on a project must be submitted to a Departmental Quantity Surveyor or to the Director: Quantity Surveying Services.



MR S THOBAKGALE

Acting DDG: PROJECTS AND PROFESSIONAL SERVICES

Date:

17/06/2016

QUANTITY SURVEYING SERVICES

DIRECTIVE NO 4 – JULY 2016

CONTRACT CANCELLATIONS AND LIQUIDATIONS

DIRECTIVE TO PROJECT MANAGERS, DEPARTMENTAL QUANTITY SURVEYORS AND CONSULTANT QUANTITY SURVEYORS WITH REGARD TO STEPS TO BE TAKEN IN THE EVENT OF THE CANCELLATION OF A CONTRACT OR THE LIQUIDATION OF A CONTRACTOR

1. INTRODUCTION

- 1.1 The Department has noticed that the finalization of projects, in the event of the cancellation of a contract or the liquidation of a contractor, is, in most cases, not being correctly executed.
- 1.2 In most cases there is no calculation of the additional cost incurred by the Department as a result of the cancellation of a contract or the liquidation of a contractor, and therefore the additional costs are erroneously not being claimed from the contractor or his estate.
- 1.3 It is also evident that Project Managers tend to neglect to bring these projects to a proper conclusion with a full reconciliation of costs.
- 1.4 In order to rectify this situation, the following is brought to the attention of all Project Managers:

2. GENERAL

- 2.1 It is accepted that Project Managers are responsible for the proper control and management of their projects and that the Departmental Quantity Surveyors provide support as and when required.
- 2.2 It is therefore the responsibility of the Project Managers to ensure that the consultant Quantity Surveyors compile all relevant documents and do a full reconciliation of costs in the event of the cancellation of a contract or the liquidation of a contractor.

- 2.3 It is the responsibility of the Departmental Quantity Surveyors to verify the final accounts and the reconciliation of costs and to make a specific recommendation to the Project Manager in this regard. It is not the responsibility of the Departmental Quantity Surveyor to obtain the final accounts and cost reconciliation from the consultant Quantity Surveyors.

3. CANCELLATION OF A CONTRACT

- 3.1 The conditions of contract must be strictly adhered to and it will be necessary for the consultant Quantity Surveyors to compile three final accounts for the project.

3.2 Cancelled Contract

The consultant Quantity Surveyor must compile a detailed final account including all work done up to the date of cancellation of the contract. (Final account no 1) The final account must be compiled in terms of the Manual for Consultant Quantity Surveyors and Directive no 3 of April 2016 as compiled by the Directorate: Quantity Surveying Services.

Material on site can only be included in the final account if it has been confirmed that it was paid for in full by the contractor.

3.3 Completion Contract

The consultant Quantity Surveyor must compile a Bill of Quantities for the completion of the outstanding work and must include any remedial work to be done flowing from the cancelled contract. All material on site, available from the cancelled contract must be listed on a separate schedule, in order for credit to be priced for these items, and included in the Bill of Quantities if ownership has passed from the supplier to the contractor and if the materials have been included in the final account of the cancelled contract.

- 3.4 Concurrent with paragraphs 3.2 and 3.3 above, the consultant Quantity Surveyor must do a detailed financial report reflecting inter alia the following:

- (a) Final account value for work done up to cancellation
- (b) Estimated cost for completion of all outstanding and remedial work
- (c) Estimated value of claim against the contractor as a result of the cancellation, taking into account all additional costs including additional professional fees and any amounts recovered in terms of a performance guarantee.

- 3.5 Once the financial report has been received, and in the event that the financial report reflects a claim against the contractor, the Project Manager must submit all the relevant information to Legal Services to register a claim against the contractor.
- 3.6 Once the completion contract has been finalized, the consultant Quantity Surveyor must compile a detailed final account for the completion contract. (Final account no 2) The final account must be compiled in terms of the Manual for Consultant Quantity Surveyors and Directive no 3 of April 2016 as compiled by the Directorate: Quantity Surveying Services.
- 3.7 When final account no 1 and final account no 2 have been completed, the consultant Quantity Surveyor must compile a theoretical final account (Final account no 3) to determine what the cost of the project would have been if the first contract had not been cancelled. This is necessary in order to determine the additional cost that must be claimed from the contractor whose contract was cancelled.
- 3.8 The calculation of the amount that must be claimed from the contractor of the cancelled contract is as per the following example:

(a) Value of work done by original contractor: (Final account no 1)	R1 500 000.00
<u>Plus:</u>	
(b) Value of completion contract: (Final account no 2)	R 800 000.00
<u>Plus:</u>	
(c) Additional professional fees, site security etc:	<u>R 50 000.00</u>
Total cost of project (a+b+c)	R2 350 000.00
<u>Minus:</u>	
(d) Theoretical value of project had it been completed by original contractor: (Final account no 3)	<u>R1 700 000.00</u>
Additional project cost (a+b+c-d)	<u>R 650 000.00</u>

The claim against the first contractor is therefore R650 000.00 LESS any amounts recovered from a retention fund or guarantee, and/or any amounts that were due to the first contractor, but not paid.

4. LIQUIDATION OF A CONTRACTOR

- 4.1 It is the prerogative of the Liquidator to decide whether to complete the contract or not. Should the Liquidator decide to complete the contract, it must be on the same terms and conditions and the project will run its normal course except that payments will now be made to the Liquidator and not to the contractor.
- 4.2 If the Liquidator chose not to complete the contract, the same process as per paragraph 3.2 to 3.8 will apply, except that claims will not be against the contractor but against his liquidated estate.

5. PROFESSIONAL FEES IN THE CASE OF CANCELLATION OR LIQUIDATION

- 5.1 The professional fees due to the consultant Quantity Surveyor must be calculated as follows:

Original contract -	Fees for stages 1 to 4 must be based on the Contract Sum, while fees for stage 5 and 6 must be based on the final account value of the cancelled contract (Final account no 1), provided that services were rendered for all stages.
Completion contract -	Hourly charge for compilation of the Bills of Quantities and percentage based fees for stages 5 and 6 based on the final account value of the completion contract (Final account no 2)
Claim calculation -	This is considered to be part of the normal administrative functions of a Quantity Surveyor and no additional fees should be paid.

6. MANAGEMENT AND FINALISATION OF THE FINAL ACCOUNTS AND CLAIMS

- 6.1 The final accounts and cost reconciliation of all contracts that have been cancelled, or where the contractor has been liquidated, must be signed off by the Director: Quantity Surveying Services after scrutiny by a Departmental Quantity Surveyor.
- 6.2 The Director: Quantity Surveying Services must be informed immediately of the cancellation of a contract or the liquidation of a contractor in order to assist with guidance and the financial management of the project.

- 6.3 The final accounts must be issued to the contractor by the Project Manager immediately after receipt of a recommendation from the Director: Quantity Surveying Services.
- 6.4 The final accounts must be finalized within the period stipulated in the conditions of contract and remains the responsibility of the Project Manager. All disputes must be dealt with within this stipulated period.
- 6.5 Legal Services must be provided with all the information with regard to claims against the contractor or in the case of liquidation against the liquidated estate to ensure that all steps are taken to recover the additional costs incurred by the Department.
- 6.6 Any problems with regard to the finalization of the final accounts or the calculation of the additional cost as a result of the cancellation or liquidation must be referred by the Project Manager to a Departmental Quantity Surveyor without delay for guidance and assistance.

7. ENQUIRIES

All enquiries regarding the finalisation of the final accounts and reconciliation of cost must be submitted to the Director: Quantity Surveying Services.



MR S THOBAKGALE

Acting DDG: PROJECTS AND PROFESSIONAL SERVICES

Date: 07/10/2016

QUANTITY SURVEYING SERVICES

DIRECTIVE NO 5 – JULY 2016

FINANCIAL IMPLICATIONS OF CONTRACTUAL CLAIMS AND DISPUTES ON BUILDING AND RELATED CONTRACTS

DIRECTIVE TO PROJECT MANAGERS AND DEPARTMENTAL QUANTITY SURVEYORS WITH REGARD TO STEPS TO BE TAKEN IN THE EVENT OF CONTRACTUAL CLAIMS AND DISPUTES ON BUILDING AND RELATED CONTRACTS

NOTE:

IF THE CLAIMS AND/OR DISPUTES REFERRED TO IN THIS DIRECTIVE HAVE BEEN ELEVATED TO LEGAL SERVICES, ALL INPUTS WITH REGARD TO THE FINANCIAL ASPECTS MUST BE DEALT WITH IN DIRECT CONJUNCTION WITH LEGAL SERVICES.

1. INTRODUCTION

- 1.1 Contractual claims and disputes, regardless of their nature, will inevitably have an element of cost attached to them. If this cost element is not managed from the onset, it could escalate and expose the Department to irregular and/or fruitless expenditure.
- 1.2 The Department has noticed that there are a number of projects which have been flagged as being in dispute, with no clear details of the dispute and the steps taken to resolve the matter.
- 1.3 It is also not clear how the financial elements of these claims and disputes are being managed. Even if Legal Services are handling a dispute, they will need inputs with regard to the financial aspects thereof.
- 1.4 In order to rectify this situation, the following is brought to the attention of all Project Managers and Departmental Quantity Surveyors:

2. GENERAL

- 2.1 It is accepted that Project Managers are responsible for the proper control and management of their projects and that the Departmental Quantity Surveyors provide support as and when required.
- 2.2 It is therefore the responsibility of the Project Managers to ensure that contractual claims and disputes are managed effectively and efficiently and that the consultant Quantity Surveyors compile and/or verify all costs in this regard.
- 2.3 It is the responsibility of the Departmental Quantity Surveyors to verify all costs with regard to claims and disputes and to make specific recommendations to the Project Managers in this regard. In the event that a claim or dispute has been referred to Legal Services, the recommendations must be made to Legal Services and copied to the Project Manager.

3. TYPES OF CLAIMS AND DISPUTES

A claim should be seen as additional costs claimed for a circumstance where the contractor has incurred expense and/or loss for which provision was not required in the contract sum and for which reasonable compensation has not been made through the normal payment clauses in the contract.

A dispute should be seen as a situation where agreement cannot be reached with the contractor on a claim or other contractual matter.

It is not possible to provide an exhaustive list of possible claims and disputes, but the most common ones are briefly discussed below:

3.1 Preliminaries

Claims for additional Preliminaries, over and above the amount that a contractor is entitled to in terms of the formula adjustment as per the conditions of contract, may not be considered for payment.

The amounts originally allowed for fixed, value and time-related categories in the contract may under no circumstances be changed and these amounts must be used for all formula adjustments in terms of the contract.

3.2 *Standing time or work stoppages*

This is a situation where all work and construction activities came to a complete stop on the contract as a whole, or on a specific identifiable portion of the contract.

Any claim for standing time must be covered by a confirmation from the Principal Agent that there was a period (or periods) during the construction phase where the contractor had to cease work due to default by the Department or its Agents.

The Principal Agent must confirm the following in writing before any financial verification of the contractor's claim can be done:

- (i) The specific periods during which the contractor could not work, providing specific dates for each period
- (ii) The reasons why the contractor could not work during the specified period(s) and confirmation of the specific party, or parties, that were responsible for the work stoppage
- (iii) It must be indicated whether the work stoppage was on the project as a whole or whether it only impacted on a portion of the project. Full details must be provided in this regard
- (iv) These claims are normally related to supervision, labour, plant and equipment and the contractor must submit a detailed claim setting out his actual expense and/or loss together with all relevant supporting documentation. It must be noted that no theoretical calculations or monthly Preliminaries adjustments may be accepted.
- (v) Should extension of time have been granted for standing time or work stoppages, and should compensation have been paid for this through the normal formula adjustment of Preliminaries, it must be taken into account during the verification of the contractor's claim in order to avoid any duplication of payments
- (vi) Payments made for standing time and work stoppages will in all probability be fruitless expenditure and must then be declared as such

3.3 *Delays and disruption*

This is a situation where work and construction activities could not proceed at the pace intended by the contractor and as captured in his construction programme. The delays and disruption could be on the contract as a whole or on a specific identifiable portion of the contract.

Any claim for costs incurred as a result of a delay or disruption must be covered by a confirmation from the Principal Agent that there was a period (or periods) during the construction phase where the contractor could not proceed with his construction activities at the pace intended by him and as captured in his construction programme, due to default by the Department or its Agents.

The Principal Agent must confirm the following in writing before any financial verification of the contractor's claim can be done:

- (i) The specific periods during which the contractor could not proceed with his work at the pace intended by him, providing specific dates for each period
- (ii) The reasons why the contractor could not proceed with his work at the intended pace during the specified period(s) and confirmation of the specific party, or parties, that were responsible for the delay or disruption
- (iii) It must be indicated whether the delay or disruption was on the project as a whole or whether it only impacted on a portion of the project. Full details must be provided in this regard
- (iv) These claims are normally related to supervision and the under-utilisation of labour, plant and equipment and the contractor must submit a detailed claim setting out his actual expense and/or loss together with all relevant supporting documentation. It must be noted that no theoretical calculations or monthly Preliminaries adjustments may be accepted.
- (v) Should extension of time have been granted for delays and disruption, and should compensation have been paid for this through the normal formula adjustment of Preliminaries, it must be taken into account during the verification of the contractor's claim in order to avoid any duplication of payments
- (vi) Payments made for delays and disruption will in all probability be fruitless expenditure and must then be declared as such

3.4 *Overtime*

Claims for compensation due to overtime worked by a contractor can only be considered if duly instructed by the Department, and the Principal Agent may not issue such instructions on his own accord.

Instructions issued to work overtime must be properly motivated and any costs that will be incurred by the contractor must be agreed with him before such an instruction is issued.

The additional costs incurred will normally be related to supervision and the additional cost of labour, and the contractor must submit details of the additional costs that he will claim together with all relevant supporting documentation. It must be noted that no theoretical calculations or monthly Preliminaries adjustments may be accepted.

Payments made for overtime will in all probability be fruitless expenditure and must then be declared as such.

3.5 *Acceleration*

Acceleration will be applicable when a contractor is instructed to complete a project before the contractual completion date and he must then be compensated for the actual additional costs that he has incurred in this regard.

An instruction to accelerate may only be issued if there are compelling reasons to complete the contract before the contractual completion date. It must be noted that the Department should thereafter not issue any instructions which could impact on the contractor's progress to meet the revised completion date.

If a contract is running behind schedule due to default by the contractor, he may not be instructed to accelerate in order to meet the completion date.

A claim for acceleration must be agreed with the contractor before the actual acceleration process starts.

The additional costs to be incurred will normally be related to additional supervision, labour, plant and equipment and the contractor must submit a detailed claim setting out the actual costs that he will incur together with all relevant supporting documentation. It must be noted that no theoretical calculations or monthly Preliminaries adjustments may be accepted.

Payments made for acceleration will in all probability be fruitless expenditure and must then be declared as such.

3.6 *Extension of time*

Extension of time for which the contract value shall not be adjusted, will not entitle the contractor to any additional cost except for the adjustment of CPAP if it is applicable to the contract.

Extension of time for which the contract value shall be adjusted, will entitle the contractor to the adjustment of his Preliminaries strictly in accordance with the conditions of contract and the adjustment of CPAP if it is applicable to the contract. No other compensation may be paid.

3.7 *Incorrect quantities in the Bills of Quantities*

Any claim from a contractor with regard to incorrect quantities in the Bills of Quantities must be verified by the consultant Quantity Surveyor for correctness.

Any changes that must be made should be done through a variation order for proper record keeping and an explanation / motivation by the consultant Quantity Surveyor in this regard must be attached to the variation order.

3.8 *Incorrect quantities in the final account*

All measurements / re-measurements must be done as soon as possible and in conjunction with the contractor. Once agreed, it should be signed-off by the contractor for record purposes. This will prevent disputes at final account stage when it will in many cases not be possible to verify quantities that are in dispute.

3.9 *Calculation of rates for additional work or omissions*

Rates for additional work or omissions must be determined strictly in accordance with the conditions of contract and the mere acceptance of a quotation from the contractor or a sub-contractor is NOT acceptable.

Quotations must be used in exceptional cases only and must be certified (after proper verification by the consultant Quantity Surveyor) as fair, reasonable and market-related. Lump sum quotations are not acceptable and it is required that proper details are provided in respect of all quotations.

The acceptance of the lowest or a single quotation without verification is not acceptable.

3.10 Claims for payment of interest

Each claim for interest must be evaluated on its own merits and must be scrutinized by a Departmental Quantity Surveyor before payment is being made to a contractor. Interest rates shall be as stipulated in the conditions of contract.

Payments made in this regard will be fruitless expenditure and must be declared as such.

3.11 Final accounts

Claims or disputes in relation to a final account will normally be related to one or more of the items discussed under 3.1 to 3.10 above and must be dealt with accordingly.

3.12 Valuations for interim payments

If a contractor disputes the correctness of an interim payment certificate, the details of his dispute, together with the comments from the consultant Quantity Surveyor, must be obtained and submitted to a Departmental Quantity Surveyor without delay for verification and/or advice.

4. MANAGEMENT OF CLAIMS AND DISPUTES BY THE PROFESSIONAL TEAM

4.1 Claims to be verified and finalized by the Professional Team

The following claims and disputes as discussed in paragraph 3 above must be verified and finalized by the consultant Quantity Surveyor as detailed in each paragraph:

- 3.7 Incorrect quantities in the Bills of Quantities
- 3.8 Incorrect quantities in the final account
- 3.9 Calculation of rates for additional work or omissions
- 3.11 Final accounts
- 3.12 Valuations for interim payments

It must however be noted that the consultant Quantity Surveyor must keep proper records of all the claims for final verification by the Department as part of the final account scrutiny.

The consultant Quantity Surveyor may to contact the Department at any point in time for clarity or guidance should it be required by them.

4.2 Claims to be verified by the Professional Team and submitted to the Department for approval before payment

The following claims and disputes as discussed in paragraph 3 above must be verified by the consultant Quantity Surveyor, supported by the Principal Agent and then submitted to the Departmental Project Manager for approval before payment is made to the contractor:

- 3.1 Preliminaries
- 3.2 Standing time or work stoppages
- 3.3 Delays and disruption
- 3.4 Overtime
- 3.5 Acceleration
- 3.6 Extension of time
- 3.10 Claims for payment of interest

5. MANAGEMENT OF CLAIMS AND DISPUTES BY THE DEPARTMENT

The Project Manager must ensure that the consultants are aware of the claims that must be approved by the Department (See paragraph 4.2 above) before payment is made to the contractor.

The Project Manager must obtain all such claims from the Professional Team and submit it to a Departmental Quantity Surveyor for scrutiny. Claims must be dealt with as soon as the Professional Team and/or the Project Manager become aware of them and may not be left for finalization during the final account stage.

6. FINALISATION AND SETTLEMENT OF CLAIMS AND DISPUTES

- 6.1 The financial aspects of claims as per paragraph 4.1 above may be finalized by the consultants.
- 6.2 The financial aspects of claims as per paragraph 4.2 above must be scrutinized by a Departmental Quantity Surveyor and signed off by the Director: Quantity Surveying Services before submission to the Project Manager for payment.
- 6.3 The Director: Quantity Surveying Services must be informed immediately of any claims for Standing time or work stoppages (Par 3.2 above), Delays and disruption (Par 3.3 above), Overtime (Par 3.4 above) and Acceleration (Par 3.5 above) in order to assist with guidance, financial management and final sign-off.
- 6.4 All approved claims must be included in the final accounts and the final accounts must be finalized within the period stipulated in the conditions of contract and remains the responsibility of the Project Manager.
- 6.5 Legal Services must be provided with all the information with regard to claims and/or disputes in the event that such claims and/or disputes have been elevated to the Legal Services unit before any payment is made to the contractor.
- 6.6 Any problems with regard to the finalization of the financial aspects of claims and/or disputes must be referred by the Project Manager to a Departmental Quantity Surveyor without delay for guidance and assistance.

7. ENQUIRIES

All enquiries regarding the financial aspects of claims and/or disputes must be submitted to the Director: Quantity Surveying Services.

In the event that a claim or dispute has already been referred to Legal Services, enquiries must be submitted to the relevant official in the Legal Services unit.



MR S THOBAKGALE

Acting DDG: PROJECTS AND PROFESSIONAL SERVICES

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