



Note: The agreement took also into consideration the findings of Claim 20 123 - evaluation on the grounds of SC02.1 [Right of Access to Site] with the [substantiations/justifications explained in the attached EXHIBIT \(58 pages\) with plenty of Appendices for Claim # 20 123 and Claim #20 234.](#)

Transparency missing?

*** 19,23% of the Unit Rates / Bill of Quantity Sum due to the fact, that the Contractor has to incorporate all Site Establishment Cost, Site Demobilization Cost, Time-related & Value related Costs (e.g. per month).
Explanation: The Bill No 1 usually defines all these types of costs in a transparent manner to prevent intimidations towards the Contractor and inducing Disputes.

The Parties agree that the Engineer shall compute the indirect cost by applying a [portion of *** 19,23% for site mobilization, value- & time-related costs, and site demobilisation](#) for the exceeding amount for the Employer's financial Claim [SC02.5], if applicable.

Comparison between Unit Rates without and with Indirect Costs incorporated		"priced" Bill No1 pertaining to international standard	NOT "priced" Bill No1, indirect costs included in all other Bills No02 -No21	Unit rates WITH Indirect Costs (IDC)
		usual standard in Germany	applied in BoQ with IDC	UR plus IDC
Surcharges		GEL net	GEL net	GEL net
Basis	Direct Cost	95,24	95,24	76,92
5%	default profit (MDB2010)	4,762	4,76	3,85
	calculation check	100,00	100,00	80,77
9%	SE	x	8,57	6,92
3%	SD	x	2,86	2,31
3%	value-related	x	2,86	2,31
10%	time-related	x	9,52	7,69
	Indirect Cost	0	23,81	19,23
	UR usually applied acc to International Standard	100	xxx	
	UR applied in Unit Rates including Indirect Costs of Bill No 01		123,81	100
			Factor	0,808

Provisional Sums

serve for Design Modifications, “provisional sums = ???”, Contingencies ...

(a) with chances in QUALITY / Material / Specification

(b) with plenty of VARIATIONS to increase QUANTITIES of permanent Works

- sometimes deliberately -

to serve purposeful informal arrangements without substantial justifications and formal Notices of Determinations and sealed by “Agreements” at tea parties, to lift up secretly the Contract Price.

Structure of the entire Bill of Quantities (BoQ)

A _ SUBTOTAL of the Bill No 100 up to Bill No 2100, inclusive daywork rate DW	
	= 100% Reference, some description of works with “Provisional Sums” amounts are listed within the SUBTOTAL = Bill No [100 up to No 2100 + DW] {with usual priced Bill No 100}
B _ plus Provisional sums for specified works	
	The scope of works is roughly paraphrased in the BoQ-Schedule but no cost estimate has been done, to provide at least a Provisional Sum figure, to give transparency for spendings during the implementation period. = plus 7% predicted on top of the Bill BoQ-subtotal 100-2100, include dawork
C _ plus Provisional Sum / physical works – scope of works not defined -	
	= plus 13% predicted on top of the SUBTOTAL 100-2100+DW for Quantity increase based on the initial design / scope of works, no B/D, just amount
D _ plus Contingencies for unforeseen design modifications (services and works)	
	= plus 5% predicted, amount is provided for design review + Specification
E _ Contingencies / Adjustment for Changes in Legislation (SC13.7)	
	= plus 3% Accepted Contract Price
F _ plus Contingencies / Adjustment for Changes in Cost (SC13.8)	
	= plus 10% in reference to the BoQ-SUBTOTAL 100 up to 2100 inclusive daywork
A to F	Net Accepted Contract Price ACA , ACA without value-added tax VAT / sales tax

Specific Issue	<i>Indirect Costs (IDC) of Bill No 100 shall be incorporated in all other Unit Rates of Bill 200 – 2100 + Daywork. All the IDC of Site Mobilization, time-related + value-related costs and site mobilization shall be incorporated in the UNIT RATES for the Permanent Works in Bill 200 up to 2100 inclusive daywork. These indirect/unproductive expenditures usually listed in a transparent manner in the Bill No 100 “preliminary and general provisions”. Such approach is considered as incompetent and untransparent (deliberately applied?).</i>
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If comprehensive **Bill of Quantity No 100 “preliminary and general provisions”** is not drafted (items listed here www.gub21.de/12.3+IDC.pdf and **NOT PRICED**, leads to disputes about **interfaces between Contractor and Engineer/Consultant** about responsibilities & payment. This approach causes **informal arrangements (CON pay this, we ENG, help in QC & measurement)** for “unjust enrichment”. www.gub21.de/01.15+Audit-Success.pdf. Do not worry, **Donors & Taxpayers** bring the funds.

A _ The **Unit Rates with the incorporated IDC** [Site Establishment, Site Demolition amounts, value-related cost (premiums for sureties and insurances) and time-related costs (running costs of the unproductive resources like Camps, Offices, Transport, ...)] **in the Bill 200-2100 will OVERPAY the Contractor for any Quantity Increase by approx.. 25% of the turnover.** Bill No 100 = Zero priced.

B _ If the Contractor is **entitled for Extension of Time**, and a Claim for reimbursement of his costs is granted, **in principle the Contractor get overpaid with ALL indirect costs / IDC TWICE:**

(B1) ALL incorporated IDC in the **Unit Rates** of permanent Works and

(B2) with the granted Claim Amount for **time-related and value-related costs.**