

# 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)

<b>A _ SUBTOTAL of the Bill No 100 up to Bill No 2100, inclusive daywork rate DW</b>	
	= 100% Reference, some description of works with “Provisional Sums” amounts are listed within the <b>SUBTOTAL = Bill No [100 up to No 2100 + DW]</b> {with usual priced Bill No 100}
<b>B _ plus Provisional sums for specified works</b>	
	The <b>scope of works is roughly paraphrased</b> in the BoQ-Schedule but no cost estimate has been done, to provide at least a Provisional Sum figure, to give <b>transparency for spendings</b> during the implementation period. = plus 7% predicted on top of the Bill BoQ-subtotal 100-2100, include dawork
<b>C _ plus Provisional Sum / physical works – scope of works not defined -</b>	
	= plus 13% predicted on top of the SUBTOTAL 100-2100+DW for <b>Quantity increase</b> based on the <b>initial design</b> / scope of works, no B/D, just amount
<b>D _ plus Contingencies for unforeseen design modifications (services and works)</b>	
	= plus 5% predicted, amount is provided for <b>design review + Specification</b>
<b>E _ Contingencies / Adjustment for Changes in Legislation (SC13.7)</b>	
	= plus 3% Accepted Contract Price
<b>F _ plus Contingencies / Adjustment for Changes in Cost (SC13.8)</b>	
	= plus 10% in reference to the BoQ-SUBTOTAL 100 up to 2100 inclusive daywork
A to F	<b>Net Accepted Contract Price ACA</b> , 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](http://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](http://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.**





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	<b>Direct Cost</b>	<b>95,24</b>	<b>95,24</b>	<b>76,92</b>
5%	default profit (MDB2010)	4,762	4,76	3,85
	calculation check	<b>100,00</b>	<b>100,00</b>	<b>80,77</b>
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
	<b>Indirect Cost</b>	0	<b>23,81</b>	<b>19,23</b>
	UR usually applied acc to International Standard	<b>100</b>	xxx	
	UR applied in Unit Rates including Indirect Costs of Bill No 01		<b>123,81</b>	<b>100</b>
			<b>Factor</b>	<b>0,808</b>